

**Chairman**

Edward Skyler

Vice Chairs

Michael Kuh

Marissa Shorenstein

Edward Wallace

Honorary Chairs

Lawrence Buttenwieser

Kenneth Gibbs

H. Dale Hemmerdinger

Lawrence Huntington

Eugene Keilin

Richard Levine

James Lipscomb

Richard Ravitch

Treasurer

David Javdan

Secretary

Anthony Mannarino

Executive Committee

Renee Boicourt

Jake Elghanayan

William Floyd

Walter Harris

Caswell Holloway IV

Haeda Mihaltses

Calvin A. Mitchell III

Merryl Tisch

Alair Townsend

President

Carol Kellermann

The Honorable Andrew M. Cuomo
Governor of the State of New York
Executive Chamber
State Capitol
Albany, NY 12224

Dear Governor Cuomo,

I am writing on behalf of the Citizens Budget Commission to recommend you veto ten bills that would expand the State's economic development programs. A10105/S7961 has been delivered to your desk, while the other bills have not. Three of the bills would expand or enrich existing programs, six bills would create a new targeted program, and one bill would create a new broad program.

Economic development costs New York State more than \$4 billion each year, and no expansions or new programs should be approved until there is comprehensive reform of existing programs. Needed reforms include transparent reporting on all current projects, coordinated planning of economic development spending and tax expenditures, and regular evaluation of programs' effectiveness.

Expand or Enrich Existing Programs

- A8935/S7299 would repeal the requirement that Empire State Development's (ESD) revolving loan fund recipients report a description of the economic development generated by their subsidized loans.
- A10105/S7961 would make changes to Innovation Hot Spots and certified Incubators, including allowing a business to receive Hot Spot benefits and incubator benefits simultaneously.
- A10768/S8465 would extend the Empire State Commercial Production Tax Credit for five years, to expire at the end of 2023 at a cost of \$7 million per year.

New Targeted Program

- A2804/S6855 would create a new program to provide loans and loan subsidies to worker co-operatives with five or fewer full-time employees.
- A2805/S3804 would replace the current Entrepreneurship Assistance Centers (EACs) with a redesigned program to provide entrepreneurship training and would allow for grants to be made to EACs.
- A3767/S6892 would create a \$1.5 million micro-enterprise grant program for organizations providing training and technical assistance to businesses with five or fewer employees.

- A4772C/S4727A would provide a 65 percent tax credit to companies that invest in funds to support rural and agricultural businesses at a total cost of \$65 million.
- A8292/S3362 would establish a grant program for kitchen facilities established by nonprofits or government sponsors to support small-scale food manufacturing.
- A9524/S7423 would authorize grants and loans to dry cleaners and nail salons to make capital improvements to comply with federal, state, and local codes and regulations related to air quality and environmental safety.

New Broad Program

- A6175-a/S622-a would authorize ESD to promote businesses located in New York State with a public awareness campaign and an online directory.

To stop the unchecked growth of economic development spending, I encourage you to veto all ten of these bills.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carol Kellermann", with a long horizontal flourish extending to the right.

Carol Kellermann
President