New York, NY – November 30, 2015 – The Citizens Budget Commission today released a study analyzing the impact of New York State’s Regional Economic Development Councils (REDCs). The study concludes that the value the Councils may have in coordinating economic development activities across the state cannot be properly evaluated with existing data. It calls on the State government to provide much more information on the results existing projects have achieved.

Since their introduction in 2011, the REDCs have been tasked with developing long-term strategic plans for economic growth for their respective regions, and in conjunction with Empire State Development (ESD), assuring that strategies are linked to measurable outcomes, and that progress is reported to the public.

The funds involved are considerable. The State has committed nearly $3 billion to projects reviewed by REDCs, including nearly $1.2 billion from ESD, $1.1 billion through industrial development bonds, and another $689 million from other state agencies, through 2014. In addition, a fifth round of awards totaling $750 million will be announced at the end of 2015. The REDCs will also play an advisory role in the allocation of $1.5 billion to be distributed to three upstate regions based on the competition entitled the “Upstate Revitalization Initiative.”

The study released today—titled An Assessment of Performance Reporting by Regional Economic Development Councils—concludes that a lack of reporting on project outcomes has limited the ability to track performance at both the regional and the project levels. This lack of reporting results in the absence of a feedback mechanism for the REDCs in their strategic planning role. Examining the available data on regional and project-level performance, the study finds a weak relationship between funding and positive outcomes.

Recent changes in reporting indicate some of these limitations have been recognized. The new study offers additional recommendations on setting goals and standardizing data so ESD can better use project performance to support REDCs in directing economic development funds more efficiently. This
reporting should include project-based indicators, such as project timeline and status, employment results, and actual costs.

The study concludes that, based on the reporting currently available, it is not clear what value the State has derived from funding of economic development programs through the REDC process.

“The public deserves to know what impact the REDC's activities are having,” said CBC President Carol Kellermann. “The performance of funded projects should be measured against stated goals, and the results should be made public. That has not yet been happening sufficiently.”

“Measurement and transparency are vital to ensuring the effectiveness of economic development,” said report's author, Senior Research Associate Rahul Jain. “Otherwise, economic development becomes too easily a vehicle for politically expedient decisions that may not have the positive economic impact needed in the long run.”

The new study is available at www.cbcny.org.

Founded in 1932, the Citizens Budget Commission is a nonpartisan, nonprofit civic organization devoted to influencing constructive change in the finances and services of New York City and New York State governments.