



Governor Andrew Cuomo
Executive Chamber
Capitol Building
Albany, NY 12224

Assemblymember Carl Heastie
Speaker of the Assembly
Legislative Office Building 932
Albany, NY 12248

Senator John J. Flanagan
Temporary President & Majority Leader
Room 330, State Capitol Building
Albany, NY 12247

Senator Jeffrey D. Klein
Senate Coalition and IDC Leader
Legislative Office Building 913
Albany, NY 12247

VIA EMAIL

January 18, 2018

Re: Freeze new business subsidy spending until major transparency and accountability reforms are adopted.

Dear Governor Cuomo and Legislative Leaders,

Next week is the first of two federal trials centered on the alleged rigging of roughly one billion dollars in state economic development contracts. Last session, our groups repeatedly asked you to pass Clean Contracting reforms that would increase the transparency of state subsidy awards, boost independent oversight and reduce the potential for pay-to-play. Unfortunately, you chose to do nothing and New York State business subsidy programs remain at high-risk for corruption, abuse and waste.

Today, we write to call on you to reject the [over \\$3.2 billion in new proposed spending in the Executive Budget](#) on economic development and business subsidies until major anti-corruption and transparency reforms are put in place. We reiterate our request that you pass into law the following Clean Contracting reforms --- which remain urgently needed:

1. Require competitive and transparent contracting for the award of state funds including authorities and affiliates;
2. Have the Empire State Development Authority (ESD) award all state economic development grants and contracts. Do not use SUNY or state controlled non-profits like Fort Schuyler Management for awarding and managing state economic development contracts;

3. Empower the Comptroller to pre-approve all SUNY and OGS central contracts over \$250k;
4. Prohibit all state-affiliated entities from doing business with their boards of directors; and
5. Create a Database of Deals that shows the total value of subsidies awarded to a business, including job targets and “clawback” provisions.

We also urge you to explore options to limit campaign contributions from anyone seeking a state contract to reduce potential conflicts of interest. The Governor’s proposal in the Executive Budget is one option worthy of review. Nineteen states and NYC have such laws.

Sincerely,

Dave Friedfel
Director of State Studies
Citizens Budget Commission

Ron Deutsch
Executive Director
Fiscal Policy Institute

Jennifer Wilson
Director of Programs and Policy
League of Women Voters New York State

John Kaehny
Executive Director
Reinvent Albany