



April 9, 2019

James Skoufis
Chairman of Committee on Investigations and Government Operations
188 State Street, Legislative Office Building, Room 815
Albany, NY 12247

Dear Senator Skoufis,

Thank you for initiating an investigation into Industrial Development Agencies' (IDAs) compliance with state oversight laws, [as reported by Newsday on April 4, 2019](#). Our groups have championed greater transparency in local economic development subsidies for years, so we appreciate your efforts in this matter and encourage you to keep up the work. Most recently, [Reinvent Albany and Citizens Budget Commission supported a rule promulgated by the Authorities Budget Office requiring the state's 109 IDAs, which give out \\$750 million in public funds annually, to publish online complete project agreements and policies for taking back subsidies awarded when agreements are violated.](#)

A recent analysis by Citizens Budget Commission estimates New York's local governments spent \$5.5B on economic development in 2018, including more than \$700 million in tax breaks provided by IDAs. That is an enormous amount of money that could be spent on public safety, education and the environment.

We are concerned about both the transparency and efficacy of New York's taxpayer subsidies for businesses. [Research by economist Tim Bartik at the Upjohn Institute and Nate Jensen from the University of Texas has found that most economic development subsidies are not a good investment of taxpayer funds and do not determine where businesses locate and create jobs.](#)

Thank you again for your scrutiny of IDAs, as basic transparency is fundamental to ensuring economic development subsidies are a sensible investment of scarce public funds.

Sincerely,

Dave Friedfel
Director of State Studies
Citizens Budget Commission

Ron Deutsch
Executive Director
Fiscal Policy Institute

John Kaehny
Executive Director
Reinvent Albany