

Reinvent Albany Urges State Leaders to Reconcile Clean Contracting Proposals in Budget Bills

Consensus Will Improve Contract Integrity and Transparency

Governor Cuomo, Assembly Speaker Heastie, and Senate President Stewart-Cousins all support in their budget proposals **restoring the Comptroller's pre-audit authority** to review more contracts before they are executed and **creating a Database of Deals** to track economic development projects. <u>However, key differences</u> <u>remain with two weeks remaining until the budget is due.</u>

The Assembly has additionally backed **applying the Freedom of Information Law (FOIL), the Open Meetings Law (OML), and ethics laws including financial disclosure to economic development entities** and their board members. The Governor and Senate were silent on this issue, albeit the Senate backed a similar proposal for Regional Economic Development Councils (REDCs) in their budget resolution last year.

The Senate also passed legislation **banning campaign contributions by vendors** to the Governor and party committees he controls when vendors are lobbying for, bidding on, or recently won a contract. The Governor has put a less restrictive bill in his Executive Budget for the last three years. Speaker Heastie has characterized the Senate bill as overreaching.

The differences in the proposals and Reinvent Albany's recommendations for reconciliation are below. <u>Even more detailed summaries of the budget bills, differences</u> <u>between them, and Reinvent Albany's recommendations are provided in this chart.</u>

Restoring Comptroller's Pre-Audit Authority

All of the state's leaders support restoring the Comptroller's pre-audit authority so he can review contracts before they are finalized to make sure the state is getting the best price or value, contractors are reputable with clean business records, and contracts

conform to the law requiring a fair bidding process for vendors. However, only the Assembly and Senate have detailed proposals written in the Article VII bills, and their proposals differ somewhat. One key difference is the Senate establishes lower thresholds for Comptroller review of uncompetitive (single and sole source) contracts of \$125K, and \$50K if internal agency contracting controls are lacking. Reinvent Albany supports the lower thresholds proposed by the Senate. The Senate also importantly extends pre-audit authority to SUNY Healthcare facilities, which Reinvent Albany strongly backs.

Establishing a Database of Deals

The Governor and legislative leaders all support creating a Database of Deals, but only the Governor and Assembly explicitly provide \$500K in funding to build it in their budget proposals, which Reinvent Albany supports. The Senate and Assembly both provide detailed statutory language mandating the NYS Economic Development Corporation include certain information in the Database like the project name and location, types of jobs created, job targets, benefits provided overall and annually. The legislature's budget proposals also require the Database be searchable, downloadable, machine readable, and sortable. Reinvent Albany supports these detailed requirements be mandated in statute. The Assembly proposal captures more benefits because it includes benefits routed through ESD but distributed by a state agency or entity. The Assembly version also includes job information disaggregated by minority and women job-holders and more specific location information for project sites. We back the Assembly's more expansive language.

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