



Watchdog Groups Call for the Governor and Legislature to Pass in the Budget a “Database of Deals” Making Business Subsidies Transparent

Reinvent Albany, Citizens Budget Commission and Fiscal Policy Institute today called for the Governor and Legislature to pass a “Database of Deals” in this year’s budget.

Both houses’ budget bills included a “Database of Deals” (Part KK in A.9508-B and Part LLLL in S.7508-B) that are very similar and largely track existing legislation introduced by Assemblymember Robin Schimminger and Senator Thomas Croci (A.8175 and S.6613-B).

A “Database of Deals” will list all state economic development benefits, including grants, loans or tax abatements awarded to a particular business or organization. The “Database of Deals” will also include the cost to taxpayers of each job created, and create a uniform definition of what a “job” is across subsidy programs including full-time, part-time, permanent, and contract jobs.

The current opaqueness of state business subsidies creates a corruption risk, as seen by the indictments of nine senior state officials and corporate executives involved with the awarding of some of the state’s signature mega-development projects, and recent conviction of Joe Percoco, formerly a top aide to Governor Cuomo.

“A Database of Deals will finally bring much needed sunlight to subsidies,”

said Alex Camarda, Senior Policy Advisor at Reinvent Albany. “Taxpayers deserve to know how their money is being spent, and whether their investment is producing the the jobs and economic growth our state needs. A Database of Deals promotes scrutiny of economic development spending which helps prevent corruption.”

“New York State allocates \$4 billion per year to economic development. The people of the State deserve to know who is getting those benefits, how many jobs they are going to create, and if the projects are ultimately successful,” said David Friedfe, Director of State Studies for the Citizens Budget Commission. “Before any more money is allocated to economic development, the state must create a ‘Database of Deals’ that is comprehensive, accessible, and regularly updated.”

“It is long past time that we shed a little sunlight on how the state is spending over \$4 billion a year in economic development spending. The Database of Deals, supported by both the Assembly and Senate, would provide us with a valuable tool to measure the efficacy of economic development spending and it needs to be part of the final budget agreement,” said Ron Deutsch, Executive Director of the Fiscal Policy Institute. “After the countless scandals and indictments swirling around economic development we need to restore the publics trust and this would be a great first step.”

"The Database of Deals proposal is a common sense reform that will increase transparency in state government and ensure that state contactors are fulfilling their promised outcomes,” said Jennifer Wilson, Legislative Director for the League of Women Voters New York State. “New York State spends billions of taxpayer dollars each year on economic development, the public deserves to know how this money is being spent and whether or not these programs are producing results. We hope that the legislature will pass this reform in the state budget and shine a light on an otherwise shadowed procurement process.”

"Voters have a right to know exactly how the state is spending our tax dollars, no different than any shareholder or private investor. A database of deals is the bare minimum we should expect in order to evaluate who's getting economic development grants and for what purpose," said Susan Lerner, Executive Director of Common Cause/NY.

Information about state economic development subsidies is currently scattered in multiple state websites and often limited or incomplete. A downloadable Database of Deals will create and maintain a searchable state subsidy and economic development benefits database on its website. The database will:

- include the name and location of the benefit recipient;
- the type of benefit received;
- the amount of economic development benefits received for the current reporting year;
- the years in which economic development benefits were and will be received;
- the total number of employees at all sites of a project;
- the number of jobs a participant is obligated to retain and create during the project; and
- a statement of compliance indicating if any other State agency has reduced, cancelled or recaptured economic development benefits from a participant.

The database will be searchable by individual fields, downloadable in whole or part, include contract and award agreements, summarize available economic development benefits and provide definitions for each category of data. ESDC will be required to certify it has met the reporting requirement by providing updates on a quarterly basis to the ESDC Board.

New York State spends over \$4 billion annually on economic development benefits and business subsidies. The Empire State Development

Corporation alone administers at least 66 different programs, and annually gives hundreds of millions in taxpayer money through grants, loans, tax credits and other incentives to private companies, nonprofit organizations and other entities throughout New York.

The Database of Deals will also provide a needed overview of the state's tangle of economic development programs, many of which have their own reporting requirements, which are often ignored. In a May 2017 [audit](#), New York State Comptroller Tom DiNapoli found ESDC failed to meet more than half of the reporting requirements for tax credit and job creation programs, including independent evaluations of the efficacy of economic development programs, general overviews, and program-specific reports.