



Robert Mujica  
 Director, Division of  
 Budget  
 State Capitol Building  
 Albany, NY 12210

Liz Krueger  
 Chair, State Senate  
 Finance Committee  
 Room 416 CAP  
 Albany, NY 12247

Helene E. Weinstein  
 Chair, Assembly Ways &  
 Means Committee  
 LOB 923  
 Albany, NY 12248

March 4, 2020

Re: Please increase annual funding of Authorities Budget Office to at least \$4.72m.

Dear Director Mujica, Senator Krueger, and Assemblymember Weinstein:

Our groups urge you to increase the annual funding provided to the Authorities Budget Office to at least \$4.72 million to give it the minimum resources it needs to fulfill its statutory duties. This is \$2.67 million more than the \$2.05 million in Governor Cuomo’s Executive Budget. We note that the ABO is funded by a small portion of the assessment on authorities and so changes to its budget do not impact the General Fund.<sup>1</sup> The Budget Director also has some discretion in determining the size of the assessment.

The Authorities Budget Office is a critical oversight agency. ABO is charged with the herculean task of overseeing 583 state and local authorities that collectively spend \$54 billion a year and hold \$282 billion in public debt.<sup>2</sup> It oversees enormous and important state authorities like the Metropolitan Transit Authority, New York State Thruway, New York Power Authority, and the Empire State Development Authority as well as myriad Local Development Corporations and Industrial Development Authorities operated by counties, cities and towns.

Given such a huge scope of work, the ABO cannot meaningfully fulfill its duties with its current staff of 12 full-time employees and small budget for technology and data systems. The ABO’s current staffing level is just 40 percent of the level envisioned when it was

<sup>1</sup> Public Authorities Law, section 2975.

<sup>2</sup> Authorities Budget Office, Annual Report on Public Authorities in New York State, July 1, 2019, p. 9. Available at: <https://www.abo.ny.gov/reports/annualreports/ABO2019AnnualReport.pdf>.

reestablished in 2010. The legislation establishing the ABO envisioned 30 staff positions including a counsel, policy analysts, communications and administrative positions, none of which have ever been filled.

With its current skeleton crew, the ABO is unable to:

- conduct more than a handful of investigations and reviews;<sup>3</sup>
- modernize the Public Authorities Reporting and Information System (PARIS) database to include state authority data or ensure accuracy of information reported;
- ensure compliance with authority procurement guidelines;
- obtain more information from authorities on non-competitive bidding on assets and services;
- fully monitor authorities' compliance with the Freedom of Information and Open Meetings Laws, and authorities' ethics guidelines and Public Authorities conflicts of interest laws; and
- make recommendations to the Governor and Legislature on debt limits for public authorities or board member compensation and term limits.

In unanimously passing the Public Authorities Reform Act (PARA) in 2009, the legislature declared in the fiscal implications of the bill,

*The current Authority Budget Office has a staff of seven professionals and a budget of approximately \$1.3 million. The creation of the IABO, with expanded enforcement, oversight, and regulatory responsibilities will drive costs above current levels. It can be expected that this new office will require legal and investigatory staff, as well as additional analytical and compliance personnel in order to meet these new duties. **It is estimated, based on the provisions of this bill, that these resource needs for the office could total an additional \$2.7 million on an annualized basis [emphasis added].***<sup>4</sup>

The ABO should have been funded at \$4 million (an additional \$2.7 million on its budget of \$1.3 million) in 2010. **We therefore recommend an allocation of \$4.72 million to the Authorities Budget Office consistent with the legislature's 2009 recommendation of \$2.7 million**, adjusted for inflation according to the Consumer Price Index, **or \$2.67 million more than the current allocation in the Executive Budget.**

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<sup>3</sup> The ABO has conducted just six investigations from public complaints since 2007 which resulted in the issuance of public reports which are listed on its website under its [Governance and Operational Reports](#) section.

<sup>4</sup> Bill memo of Chapter 505 of the Laws of 2009.

We recognize the state has a deficit exceeding \$6 billion and faces further fiscal headwinds from Washington. However, oversight agencies like the ABO have been shown to save government money by preventing wasteful spending and corruption.<sup>5</sup>

We welcome a conversation regarding our support of an increase in the ABO's budget. Should you be interested in speaking further to our groups, please contact Tom Speaker at Reinvent Albany at [tom@reinventalbany.org](mailto:tom@reinventalbany.org).

Sincerely,

John Kaehny  
Executive Director  
Reinvent Albany

Ron Deutsch  
Executive Director  
Fiscal Policy Institute

David J. Friedfel  
Director of State Studies  
Citizens Budget Commission

Laura Ladd Bierman  
Executive Director  
League of Women Voters of New York State

Betsy Gotbaum  
Executive Director  
Citizens Union

Blair Horner  
Executive Director  
New York Public Interest Research Group

Susan Lerner  
Executive Director  
Common Cause New York

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<sup>5</sup> Taylor, Marissa, "Government ignores audit findings that could save billions, senators conclude," *Miami Herald*, October 17, 2016. Available at: <http://www.miamiherald.com/news/nation-world/national/article108692562.html>