



April 27, 2020

Re: Extraordinary COVID-19 executive budget authority requires great transparency, accountability

Dear Governor Cuomo, Senate Majority Leader Stewart-Cousins, and Assembly Speaker Heastie:

We write to urge transparency in the newly established mid-year budget modification process. The Governor's new budget powers to address revenue shortfalls caused by the COVID-19 emergency lack statutory requirements for adequate transparency; still, in practice, these enhanced powers should be matched by an expanded commitment to provide the public and legislature information about all planned spending reductions.

The Adopted Budget grants the Executive the power to institute midyear cuts in May, July, and January after notifying the Legislature of a revenue shortfall or spending exceeding financial plan projections, but gives the Legislature the opportunity to enact its own plan within ten days. In the Fiscal Year 2021 Enacted Budget Financial Plan and at the subsequent briefing on April 26, Budget Director Robert Mujica stated the Executive will provide a plan to the Legislature shortly after receiving certification from the Comptroller on April revenue collections. The notification and details of Executive's plan should be made publicly available as soon as practicable to ensure the Legislature and the public can reasonably understand possible reductions for each affected program and, where applicable, the impact on each local government or school district. The notification should include a detailed description of revenue shortfalls or spending overages.

The State's economic and fiscal situation also highlights the need for the Division of the Budget, Senate, and Assembly to fulfill their existing obligation to provide "Quick Start" revenue and spending forecasts in the fall of each year. By publicly stating their revenue and spending expectations, the Senate and Assembly can improve and accelerate the revenue consensus and budget negotiation process that occurs in March.

The pandemic and uncertain availability of federal assistance have created unprecedented stress throughout the State's economy. While flexibility to address this crisis is needed, including amending the financial plan as circumstances change, providing as much advance notice as possible will allow localities and agencies facing budget cuts to plan and manage the impact. Schools are in the late stages of preparing next year's budgets; planning for any needed cuts now would be less painful than similar cuts part-way through the school year.

The Office of the State Comptroller's Enacted Budget analysis stated, "Extraordinary flexibility to control spending requires extraordinary transparency and accountability." We echo this call. Addressing New York's financial crisis will affect and require participation by all. This can best be accomplished by a transparent and open process.

Sincerely,

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