



MEMO OF SUPPORT

[A7925 \(Zebrowski\) / S6809 \(Reichlin-Melnick\)](#)

June 2021

Title

An act to amend the state finance law and the education law, in relation to restoring oversight of certain contracts by the comptroller; and to repeal certain provisions of the education law relating thereto.

Summary

Section 1 amends state finance law section 112 to restore the Comptroller's authority to review Office of General Services centralized contracts that exceed \$85,000, as well as purchase orders and other procurement transactions under such contracts.

Sections 2 and 3 replace education law section 355 subdivisions 5 and 6 with new language that restores the Comptroller's oversight over certain State University of New York (SUNY) contracts. These rules will enable SUNY trustees to make certain purchases but require the trustees to comply with rules and regulations promulgated by the Comptroller.

Section 4 replaces education law section 355 subdivision 16-b to restore the Comptroller's power to oversee contracts when SUNY is the health care provider. SUNY trustees will be allowed to authorize contracts of \$75,000 or under without prior Comptroller approval.

Section 5 replaces education law section 373 subdivision 12 to restore the Comptroller's oversight of SUNY Construction Fund contracts.

Section 6 replaces education law section 6218 subdivision a to restore the Comptroller's oversight for certain City University of New York (CUNY) contracts. Trustees will be able to purchase certain materials that are \$50,000 or under without prior approval so long as they

comply with rules and regulations promulgated by the Comptroller. Section 7 repeals education law section 6218 subdivision a-1 as that subdivision has been incorporated into Section 6.

Section 8 repeals education law section 6283 to restore the Comptroller's oversight of CUNY Construction Fund contracts.

Section 9 states that the bill takes effect immediately.

Statement of Support

In 2011 and 2012, the state removed the Comptroller's pre-audit authority for contracts of SUNY, CUNY, their Construction Funds, SUNY Research Foundation and its affiliates, and the state's Office of General Services (OGS). The Buffalo Billion contract bid-rigging scandal happened not long after, resulting in the abuse of nearly a billion dollars in public funds. Advocates [called for the Comptroller's pre-audit authority to be restored](#), and in 2019, the Governor and Comptroller [signed a memorandum of understanding \(MOU\)](#) that restored most of the Comptroller's powers.

Though the MOU was a step forward, these powers need to be enacted in statute, particularly since the memorandum can be revoked with ten days notice. This bill restores most of the powers that existed prior to 2011.

Comptroller oversight is crucial for ensuring the integrity of state contracts. The Comptroller's office reports that it [reviewed \\$102.6 billion in state contracts in 2019](#), and identified multiple cases where oversight saved the state millions. Allowing large contracts to go unchecked risks the abuse of billions of taxpayer dollars.

We fully support this bill and urge its immediate passage.