



Robert Mujica
Director, Division of
Budget
254 Washington Avenue
Albany, NY 12210

Catharine Young
Chair, State Senate
Finance Committee
428 Capitol
Albany, NY 12247

Helene E. Weinstein
Chair, Assembly Ways &
Means Committee
LOB 831
Albany, NY 12248

February 2, 2018

Re: Increasing annual funding to Authorities Budget Office to \$3.105m

Dear Director Mujica, Senator Young, and Assemblymember Weinstein:

Our groups strongly support a substantial increase in funding of the Authorities Budget Office to \$3.105 million so it may adequately fulfill its statutory duties. This is \$1.169 million more than the \$1.936 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.

The ABO is charged with the herculean task of overseeing 578 state and local authorities collectively spending \$51 billion a year and holding \$270 billion in public debt.¹ The Authorities Budget Office is a critical oversight agency, ensuring the accountability and transparency of the many public authorities operating in New York State. 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 11 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

¹ See Authorities Budget Office, Annual Report on Public Authorities in New York State, July 1, 2017, p. 18. Available at: <https://www.abo.ny.gov/reports/annualreports/ABO2017AnnualReport.pdf>.

reestablished in 2010. The ABO was intended to have 30 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 reviews²;
- 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 reestablishing the ABO in 2009, the legislature declared,

“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.”³

According to the Bureau of Labor Statistics Consumer Price Index, prices in 2018 are 15 percent higher than they were in 2009. **We therefore recommend an allocation of \$3.105 million to the Authorities Budget Office in keeping with the legislature’s recommendation in 2009 of \$2.7 million, or \$1.169 million more than the current allocation in the Executive Budget.**

² 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.

³ Bill memo of Chapter 505 of the Laws of 2009.

We recognize the state has a deficit exceeding \$4 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.⁴

Funding for the ABO is provided by receipt of a portion of an assessment on authorities and so changes to its budget do not impact the General Fund.⁵ The Budget Director also has some discretion in determining the size of the assessment.

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 Alex Camarda at Reinvent Albany at alex@reinventalbany.org.

Sincerely,

Susan Lerner
Executive Director
Common Cause

David J. Friedfel
Director of State Studies
Citizens Budget Commission

Betsy Gotbaum
Executive Director
Citizens Union

Ron Deutsch
Executive Director
Fiscal Policy Institute

Blair Horner
Executive Director
New York Public Interest Research Group

John Kaehny
Executive Director
Reinvent Albany

⁴ 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>

⁵ See Public Authorities Law, section 2975.