

Reinvent Albany • New Yorkers for Fiscal Fairness
Albany County Central Federation of Labor • Alliance for Quality Education
American Economic Liberties Project • Common Cause New York
Empire State Indivisible • Good Jobs First
League of Women Voters of New York State
Metro New York Health Care for All
New York Public Interest Research Group
New York Communities for Change
NYC Employment and Training Coalition (NYCETC)
New York State Council of Churches
New York State United Teachers (NYSUT) • Strong Economy for All

Kathy C. Hochul
Governor, State of New York

Andrea Stewart-Cousins
Majority Leader, New York State Senate

Robert Ort
Minority Leader, New York State Senate

Carl Heastie
Speaker, New York State Assembly

William Barclay
Minority Leader, New York State Assembly

March 22, 2022

Via Email

Re: Please significantly improve the transparency and accountability of New York's \$5B in annual subsidies to businesses.

Dear Governor Hochul, Majority Leader Stewart-Cousins, Speaker Heastie, Minority Leader Ort, and Minority Leader Barclay:

We write to urge you to adopt four measures that enormously increase the transparency and oversight of business subsidies and contracting in New York State. Since the massive 2015 "Buffalo Billion" bid-rigging scandal – which involved contracts worth more than \$600 million – NYS has not passed legislation improving the transparency and accountability of the state's \$5 billion in annual business subsidies or \$100 billion-plus in procurement contracts.

We ask you to champion and pass the basic transparency measures below as part of your efforts to restore public trust in state government. We are sure you agree that the taxpaying public – which is everyone – has a right to know how our elected government spends our money:

1. Establish a Database of Deals ([S5711-A \(Comrie\)](#)/[A8325-A \(Wallace\)](#)).

Despite the billions spent every year on business subsidies, the public knows little about who receives these subsidies, the total dollar amount and whether or not the subsidies are creating jobs. Requiring Empire State Development (ESD) to create and maintain a Database of Deals will help the state assess whether or not business subsidies are an effective use of public funds. ESD's [Database of Economic Incentives](#) is a nod in the right direction, but it includes limited data and does not answer basic questions including the total state subsidy per full-time job. Additionally, the ESD database is not mandated under state law and could be allowed to deteriorate or be taken down at any time.

2. Restore the Comptroller's pre-audit authority in statute. In 2019, the Governor and Comptroller established [a Memorandum of Understanding \(MOU\)](#) that restored some of the Comptroller's pre-audit authority that had existed before 2011. Unfortunately, the MOU did not go far enough and can be revoked at any time with 10 days notice. The state must fully restore the Comptroller's powers in statute before another Buffalo Billion-like scandal happens again.

3. End non-disclosure agreements in economic development deals ([S1196 \(Gianaris\)](#) / [A9092 \(Solages\)](#)). Non-disclosure agreements are simply undemocratic and violate the basic principle that elected officials and their appointees serve the public and not the businesses seeking handouts from the taxpayer. Likewise, it is wrong and contrary to fundamental notions of accountability and transparency for government officials to use NDAs to hide the costs of business subsidies from the public that is paying for those subsidies. The State of New York negotiates billions of contracts with vendors without agreeing to be bound by NDAs. If a project requires an NDA, there is probably something wrong with it that the public will rightly object to. Given Albany's history of big pay-to-play scandals, you should seize every opportunity to show the public that you are acting in their interest and want real transparency to allay public concerns about corruption and influence peddling.

4. Create a Unified Economic Development Budget ([S1275 \(Krueger\)](#) / [A6240 \(Solages\)](#)). The Unified Economic Development Budget Act will create a standardized tax incentive application process with a uniform definition of jobs. Recipients of development assistance will be required to report in applications how many jobs they expect to create, what types of jobs, and wages, then annually update the state on progress. This will allow the public to see for the first time whether or not state and IDA tax incentives are helping the economy.

Thank you for your consideration and work to make New York a better place for all of us.

Sincerely,

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