

Citizens Budget Commission • Citizens Union of the City of New York • Common Cause New York
Empire Center for Public Policy • League of Women Voters of New York State
New York Public Interest Research Group • Reinvent Albany

March 2, 2022

Hon. Andrea Stewart-Cousins
President Pro Tempore and Majority Leader
New York State Senate
Legislative Office Building
188 State Street, Room 907
Albany, NY 12247

Hon. Carl Heastie
Speaker
New York State Assembly
Legislative Office Building
188 State Street, Room 932
Albany, NY 12248

Dear Majority Leader Stewart-Cousins and Speaker Heastie:

We urge you to reject the Governor's Fiscal Year 2023 Executive Budget proposals that would give the Executive broad and unilateral powers, and amend other proposals to better define their uses and oversight.

The Executive Budget includes new and continued provisions that give the Executive broad, unilateral spending and borrowing authorities that are unnecessary, especially given the progress made in pandemic response. Specifically, we recommend the following:

Reject:

- A \$6 billion "Special Public Health Emergency Appropriation;"
- Universal appropriation transfer and interchange authority within the State Operations bill;
 - This provision allows for any State Operations appropriation to be "... increased or decreased by interchange or transfer without limit, with any appropriation of any other department, agency or public authority or by transfer or suballocation to any department, agency or public authority..."

- Authority to issue up to \$3 billion in revenue anticipation notes; and
- Authority to utilize a \$2 billion line of credit.

Amend:

- A \$2 billion “Special Emergency Appropriation;”
 - Prior to the pandemic this appropriation totaled \$1 billion and was subject to Comptroller procurement oversight. The proposal exempts the fiscal year 2023 appropriation from Comptroller oversight. If continued, it should be in the same amount and with Comptroller oversight as was the case in fiscal year 2020.
- A \$2 billion appropriation for “Reserve For COVID-19 Public Health Response;” and
 - This appropriation is presumably related to the unprogrammed \$2 billion COVID relief pot proposed by the Governor for negotiation with the Legislature, but in its current form authorizes spending of \$2 billion for almost any purpose. If enacted by the Legislature, this relief spending should be appropriated as clearly defined line items with oversight, much like other programs in the budget.
- A transfer of \$1 billion from the General Fund to the “Health Care Transformation Account.”
 - This proposal sets aside \$1 billion for unspecified programs. If enacted by the Legislature, this spending should be appropriated as clearly defined line items with oversight, much like other programs in the budget.

Some of these proposals were originally enacted in response to the COVID-19 pandemic with the Fiscal Year 2021 Budget in April 2020. At that point, the State faced an uncertain fiscal future, estimating annual tax receipts losses averaging \$15 billion and possible temporary cash shortfalls due to 3-month delay of the federal personal income tax filing date. The broad appropriation, budget management, and borrowing authorities enacted then gave the Governor authority and flexibility to manage a dire fiscal situation.

Today, the State’s fiscal situation is vastly different. Its outlook is stable and positive. The authorities identified above are no longer necessary to manage the State’s fiscal condition. In fact, nearly all of them proved unnecessary even throughout the height of the pandemic to date, though the State utilized \$4.5 billion in short-term “liquidity financing” borrowing that was expeditiously and appropriately paid off within the year. Enacting these authorities would give the Executive unchecked

authority to spend billions for nearly any purpose, generally without Comptroller oversight or Legislative input. The State Operations interchange authority was proposed by the Executive last year and rejected by the Legislature. We recommend rejecting this proposal again because it grants the Executive unilateral authority to re-program spending authorizations without Legislative input. These proposals are unnecessary and create significant fiscal risk.

We recommend that you reject or amend these proposals in your forthcoming one-house budgets and the enacted budget.

Thank you for considering our recommendations.

Sincerely,

Andrew S. Rein
President
Citizens Budget Commission

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cc:

Robert Mujica, Director of the NYS Division of the Budget
Liz Krueger, Chair of the Senate Finance Committee
Helene Weinstein, Chair of the Assembly Ways and Means Committee