



Statement Regarding the New York State Joint Legislative Budget Hearing on Economic Development

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New York, NY – February 16, 2022 - Citizens Budget Commission (CBC) President Andrew S. Rein released [this statement](#) on behalf of the CBC:

“The Fiscal Year 2023 Executive Budget proposes to extend the State’s film tax credit through 2029, continue supporting the Regional Economic Development Councils without changes to the allocation and evaluation process, and adds new funding for workforce development. The need for recovery and growth throughout the State is significant. But without improvements in the State’s allocation decisions, oversight and reporting, and evaluation, New Yorkers are unlikely to get the value and economic impact they deserve.

While State and local economic development deals – tax breaks, direct subsidies, and other arrangements – cost [\\$10 billion](#) as of 2019, accountability for results has been chronically inadequate. Without improvements in management, the budget proposal risks expanding the State’s position as an economic development spendthrift, rather than as a leader in efficient and effective job creation.

This year’s State budget [should include overdue reforms](#) to the management, transparency, and accountability of economic development programming by State agencies and authorities. These include a unified economic development budget, standardized metrics for economic development programs (so a job is a job is a job), an enhanced Database of Economic Incentives (“Database of Deals”), improved program design and evaluation, and appropriate oversight (restoring procurement powers to the Comptroller and increasing funding for the Authorities Budget Office).

The scope of needed reforms also extends to local development authorities, [opaque and duplicative](#) entities which make up roughly half of the State’s economic development costs. Local authorities should be consolidated, subject to stronger oversight, and regularly evaluated in conjunction with other State economic development agencies and authorities.

The State also should consider how economic development programs align with other State goals, such as [climate and greenhouse gas reduction targets](#).”