



NEW YORK STATE SENATOR

Phil Boyle

## Senate 2017-18 Budget Proposal Includes Provisions to Increase Transparency of REDC

PHIL BOYLE March 15, 2017

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The New York State Senate today passed a 2017-18 budget plan that requires more transparency within the operations of Regional Economic Development Councils (REDCs) to further ensure accountability and prevent conflicts of interest in the awarding of billions of dollars in statewide economic development funds.

Senator Phil Boyle (R-C-I, Suffolk County), Chairman of the Senate's Commerce, Economic Development and Small Business Committee, said, "This good-government bill is a great compromise to increase the transparency of the Regional Economic Development Councils and its processes without infringing on privacy. There are hundreds of millions of taxpayer dollars appropriated each year for projects recommended by the REDCs, and it's essential that we ensure these councils are supporting meaningful projects that truly promote economic development and job creation throughout New York State."

Measures of budget bill **S2008B** include:

**Financial Discourse:** To identify any potential conflict of interests, each year REDC members will be required to complete the same disclosure statements as lawmakers and public

officials. These statements would require the disclosure of member's financial interests (earnings, stock holdings, business stakes, and owned property). Members would only have to name financial interests relevant to REDC work, and do not have to disclose the dollar amount of such financial interests.

**Term Limits:** Each REDC will have 24 members – 12 appointed by the Governor and 12 appointed by Legislative leaders, however there will be term limits of four years for Chairs/Co-Chairs and eight years for all REDC members.

**Reporting:** Regional Economic Development Councils will be subject to comprehensive economic development reporting to improve transparency and accountability by requiring meetings be open to the general public and including councils in Freedom of Information Law (FOIL) requests. REDCs will also have to make scoring public.

*Additional good-government provisions would require:*

- The final list of REDC awards will be reviewed and approved by the Public Authorities Control Board (PACB) prior to announcement and release by the Governor;
- The Empire State Development Corporation (ESDC) will be required to develop standardized scoring criteria for REDCs and standardized metrics for evaluating ongoing performance of award recipients;
- REDC members to receive good-governance training from the Authorities Budget Office; and
- ESDC, in consultation with the Comptroller, to obtain an annual cost benefit analysis of the overall effectiveness of the REDC program by an independent auditor.