



NEW YORK STATE SENATOR

Dean G. Skelos

Senate Celebrates Sunshine Week by Introducing Sweeping Budget Reform Proposal

DEAN G. SKELOS March 16, 2011

Creates Independent Budgeting Entity and Requires Better Fiscal Planning

The New York State Senate Majority introduced comprehensive budget reform legislation this week that would create a non-partisan budget office and require the adoption of multi-year financial plans based on sound accounting practices. The bill, introduced during national Sunshine Week, would significantly enhance independence and accountability in the budget process.

“This proposal is a tremendous step towards taking politics out of the budgeting process and facilitating better fiscal planning based on universally accepted economic practices,” Senate Majority Leader Dean G. Skelos said. “The Senate Republicans are taking action to reform Albany’s ways and adoption of this legislation would enable a more consistent, transparent and effective government for the benefit of all New Yorkers.”

The proposal was included in the Senate’s budget approved yesterday and is consistent with NY Uprising’s Responsible Budgeting Pledge. The proposed law would establish a non-partisan Legislative Budget Office (LBO) to be headed by an independent executive director appointed jointly by both houses of the Legislature for a six-year term. A board of directors comprised of experts would also be established to develop best practices to be used by the

LBO. The responsibilities of the office would be to:

- Prepare fiscal impact statements on any bill impacting state revenues or expenditures;
- Submit an analysis of the Executive Budget by March 1 of each year;
- Develop alternative approaches to meet the financial obligations of the state, including reviewing debt obligations and bond requirements of the state and public authorities;
- Conduct continuing studies of budgetary matters including a five-year forecast of state budgetary projections; and
- Publish documents to enhance official and public understanding of budget and public finance related matters.

The Governor and Legislature would also be required to adopt budgets that are balanced according to Generally Accepted Accounting Principles (GAAP) and the bill calls for the state Division of Budget to adopt a five-year financial plan in accordance with those principles. State agencies would need to develop five-year strategic plans that provide a description of the goals and objectives of each agency. The agencies would also have to develop and implement performance plans to review actual program performance and ensure that goals are being met. For the 2013 and 2014 budgets, the bill requires the Division of Budget to designate at least five agencies as pilot projects in performance budgeting for those years.

The Senate today also approved a resolution designating March 13-19 as Sunshine Week. Each year, Sunshine Week is celebrated nationwide to bring awareness to the importance of transparency, accessibility and accountability in government. The Senate resolution notes the value and importance of access to government information in helping residents participate in the process and make informed decisions. In addition to the reform bill

announced today, initiatives such as this week's start of joint budget conference committees are among the steps the Senate is taking to provide more openness and transparency to the budget process.