

STATE OF NEW YORK

2277

2017-2018 Regular Sessions

IN SENATE

January 12, 2017

Introduced by Sen. MURPHY -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the state finance law, in relation to establishing a procedure for the informed evaluation of proposed and enacted state expenditure decreases

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "procedure for informed evaluation of state expenditure decreases
3 act of 2017".

4 § 2. Legislative findings. The legislature finds that the expenditures
5 of state funds for operations, maintenance, programs, activities and
6 assistance have significant and complex impacts on the economic, social
7 and environmental conditions in both the public and private sectors.
8 Federal funding and matching funds from municipal and private sources,
9 for example, can be affected by changes in levels of state expenditures
10 and negative secondary impacts from cuts like the failure to maintain
11 state property can damage the health, safety and welfare of the people
12 and economy of the state.

13 The legislature further finds that during a volatile economic time
14 decisions are made to cut or impound expenditures, eliminate or downsize
15 programs and/or lay off state employees without adequate evaluation of
16 the consequences thereof.

17 Therefore, the legislature declares that an analytical process should
18 be required and information therefrom should be available to the public
19 when a decrease in state expenditure from funds appropriated in the
20 immediate previous state budget is proposed in a state budget bill, or
21 before a reduction in expenditure or lay off of state employees is
22 imposed during the implementation of an enacted state budget.

23 § 3. The state finance law is amended by adding a new section 21-a to
24 read as follows:

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 § 21-a. Informed evaluation of state expenditure decreases. 1. The
2 governor shall submit to the chairman of the senate finance committee
3 and the chairman of the assembly ways and means committee for use of
4 such committees, and provide the legislature and the public for their
5 information, (a) at or prior to the time the budget is submitted, an
6 evaluation pursuant to subdivision two of this section of the direct and
7 indirect economic, social and environmental impacts of any decrease in
8 the amount of the appropriation from the previous fiscal year for any
9 state program, activity or assistance, for local government assistance
10 or for a public purpose by a not-for-profit organization supported, in
11 whole or in part, by state funds, and (b) not less than forty-five days
12 before the implementation of the impoundment of appropriated funds
13 and/or layoff of state employees affecting, directly or indirectly, any
14 state program, activity or assistance, for local government assistance
15 or for a public purpose by a not-for-profit organization supported, in
16 whole or in part, by state funds, an evaluation pursuant to subdivision
17 two of this section of the direct and indirect economic, social and
18 environmental impacts thereof.

19 2. An evaluation of decreases or elimination of state expenditures
20 shall include, but not be limited to:

21 (a) identification of whether such state expenditure would have been
22 used for a statutory mandated purpose, a description of such purpose and
23 an estimate of financial return from such funding;

24 (b) identification of whether such state expenditure would have been
25 used for a non-mandated service;

26 (c) identification of whether there has been or would be a revenue
27 generator multiplier greater than the amount of the state expenditure;

28 (d) identification of the cost to the state, municipalities and/or
29 private sources, if any, that may result from the decrease in state
30 funding or employees, including the loss of matching funds from sources
31 outside state government. In estimating such cost, consideration shall
32 be taken of the ability of the affected state units and their ability to
33 sustain the cuts and loss, if any, of revenue to the state or munici-
34 palities or from the multiplier effect on the private sector; and

35 (e) identification of the estimated net benefit to the state treasury
36 of decreases or elimination of state expenditures and/or the layoff of
37 state employees.

38 3. Not less than twenty days before such evaluation is submitted to
39 the legislature, the governor shall cause to be held a public hearing
40 available by internet webcast on the proposed decrease in state expendi-
41 ture and/or layoff with the opportunity provided to the public for
42 comment by electronic mail. The record of and responses to such hearing
43 shall be included with the submittal of the evaluation to the legisla-
44 ture and shall be available to the public.

45 § 4. This act shall take effect immediately.