STATE OF NEW YORK

2277--A

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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

Section 1. Short title. This act shall be known and may be cited as the "procedure for informed evaluation of state expenditure decreases act of 2018".

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 4. This act shall take effect immediately.