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**Testimony to the New York State Joint Legislative Budget Committee
on Economic Development
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Good afternoon. Thank you for the opportunity to provide testimony today. My name is Tomás Garduño and I am the Political Director at ALIGN: the Alliance for a Greater New York. ALIGN is permanent alliance of community and labor organizations united for a just and sustainable New York.

For the last seven years, ALIGN has worked with a broad coalition of labor, faith, community, environmental and good government groups to make New York's economic development system more efficient, transparent and accountable. During this time, however, more and more taxpayer dollars are spent on subsidies without a similar increase in performance standards, transparency or accountability.

New York currently spends upwards of \$7 billion annually on subsidies to businesses. These take the form of tax exemptions, tax credits, cash grants and more. Where data is available, it is clear that this money is failing to generate economic growth that leads to quality, local job creation. In fact, an average of 72% of Industrial Development Agency (IDA) projects fail to meet their job creation goals, or fail to set job creation goals at all.

In addition, a recent report by ALIGN showed that of the 15 primary economic development programs in New York State, only three programs establish performance goals that are annually benchmarked and monitored, only three require subsidy recapture (clawback) provisions, and only four have company-specific and publicly-available annual reporting.

These findings should raise red flags about New York's unaccountable, opaque and inefficient subsidy system. We have an opportunity to use our money more wisely and ensure a return on our investment. We propose spending the existing \$7 billion more effectively, instead of adding an additional \$2 billion in tax cuts.

What New York needs is the responsible investment of taxpayer dollars in economic growth. To get there, we need to account for all spending, ensure that jobs are created for New Yorkers, and protect taxpayers from businesses that take the money and run.

The JOBS Act (A8203), introduced by Assemblymember Ryan, would create a 1-stop web site for all subsidy reporting, create a common set of standards for assessing success, and create a money-back guarantee for tax payer spending. These reforms would ensure that New Yorker's get their money's worth.

The state budget should not increase subsidy spending without improving the way this money is spent.

Thank you for your time.