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Authorities Budget Office Names Advisory Panel, Sets 2011 Agenda

Authorities Budget Office Director David Kidera announced today formation of the Advisory Council to the Authorities Budget Office which will assist his office carry out an ambitious agenda for 2011. The Council will be chaired by Mr. Ira Millstein, an international expert on corporate governance and a leading advocate of public authority reform in New York State. Mr. Millstein chaired the task force appointed by Governor Paterson to help the ABO implement the 2009 Public Authorities Reform Act.

"I am honored that Mr. Millstein has agreed to stay on and advise us as we start to tackle some very challenging issues", said Mr. Kidera. "The ABO can have no better partner than Ira. His credibility, stature and commitment to the mission of the ABO has and will continue to be invaluable", he added.

Mr. Kidera also announced that Mr. Marvin Jacob, former partner at Weil, Gotshal & Manges LLP, Mr. Lee Smith, President of Hartland Asset Management Corporation, and Mr. Scott Fein, Director of the Public Authorities Project at the Government Law Center of Albany Law School and Partner at Osterman, Whiteman and Hanna LLP, will also be joining the Advisory Council. "I am grateful that these distinguished individuals, who have worked closely with Mr. Millstein, once again stepped forward to volunteer their time and expertise to advise us on the strategic and policy decisions facing the ABO." Additional members are expected to be added.

Mr. Kidera indicated that the ABO will focus on constructive ways to make the current public authority system more rational. "This includes exploring opportunities to restructure, consolidate or dissolve authorities that no longer serve a necessary public purpose or that have duplicative missions. We will devote increased attention to the proliferation of not-for-profit local development corporations that are created to issue tax exempt debt and undertake public projects", Mr. Kidera added. "We need to identify these entities, and understand the reasons for their creation so we can hold them to the highest standards of accountability and transparency."

The ABO intends to promulgate regulations which will define and implement its regulatory and enforcement functions under the Public Authorities Reform Act. "As one of its first orders of business, I have asked the Advisory Council to assist us in drafting clear regulations and enforcement policies governing the imposition of disciplinary actions against those boards and authorities that fail to meet their obligations. The process we adopt will be tough, but fair.

Inappropriate behavior or the failure to meet the high public trust that comes with being a director of a public authority cannot be tolerated”, Mr. Kidera stated.

The Authorities Budget Office was created to oversee, study, and report on the operations, practices and finances of public authorities, and to enforce the fiduciary responsibilities vested in boards of directors by law. Its staff plays a major role in the formulation and implementation of state policy affecting New York State’s public authorities. The ABO makes recommendations to the Governor and the Legislature on various aspects of authority operations, including financial practices, debt issuances, compensation and procurement practices, and property transactions for the purpose of improving public reporting, performance and transparency.

Members of the Advisory Council will serve without compensation.