



STATE OF NEW YORK  
**Authority Budget Office**  
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April 5, 2006

Dear Sir/Madam:

On January 15, 2006, Governor Pataki signed the Public Authorities Accountability Act (Chapter 766 of the Laws of 2005). Your public authority or public benefit corporation has been determined to be subject to this Act, which takes effect with your fiscal year beginning on or after January 1, 2006.

This legislation, which was enacted with strong bipartisan support, reflects the State's commitment to maintaining public confidence in public authorities by ensuring that the essential governance principles of accountability, transparency and integrity are followed at all times. Key provisions of the statute are discussed below.

## **Overview**

The Act requires:

- Enhanced public disclosure of your organization's financial, operating and debt practices;
- Adherence to standards of independence for all board members and external auditors, including a requirement that the Chairperson may not serve as the Chief Executive or Chief Financial Officer;
- The establishment of audit and governance committees with specifically delineated responsibilities;
- Adoption of specific procedures for the custody, control and disposition of real property, including the need to designate a contracting officer responsible for carrying out this provision; and
- Codification of model governance principles that must be followed, including participation by board members in training on their legal, fiduciary, financial and ethical responsibilities.

## **Authority Budget Office**

The Act also directs the Governor to establish an Authority Budget Office (ABO) by April 1, 2006. The Governor has done so with the designation of the ABO as an autonomous and separate function supported by the Division of the Budget. The ABO officially began operations on that date.

The Authority Budget Office will issue policy guidance and advice to assist public authorities and public benefit corporations to understand the statute and to facilitate the adoption of model governance principles. The ABO will also monitor and evaluate the compliance of these covered State and local entities with the requirements of the Act. Pursuant to the statute, the ABO will study, review and report on their operations, practices and finances and provide the Governor and the Legislature with conclusions concerning the performance of public authorities and public benefit corporations and the effectiveness of the statutory reforms.

You may contact the Office at the address via:

**E-Mail:** info@abo.state.ny.us  
**Mail:** State of New York  
Authority Budget Office  
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Outside the 518 Area Code: 1-800-560-1770

The Authority Budget Office has also established an official web site ([www.abo.state.ny.us](http://www.abo.state.ny.us)). This web site will contain comprehensive information on the Act and training opportunities, upcoming reporting dates and issues of importance to organizations subject to the Act. It will also provide a forum for the ABO to respond to the questions you may have concerning the implementation of the statute. We believe this web site will also be an efficient and effective means to share information and to inform the public about the operations and financial practices of our public authorities.

In the Budget enacted on March 31, 2006 specific appropriations for the ABO were cut. At this juncture, legislative discussions regarding the nature, structure and organizational placement of this Office are ongoing. When those discussions are concluded, you will be advised of any changes to this Office or its mission. Please refer to our website for up-to-date information on legislative talks.

We look forward to working with you in the spirit of open, transparent and accountable government embodied in this legislation.