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## BALLOT PROPOSALS

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### **QUESTION 1: AMENDMENT TO ARTICLES IV AND VII OF THE STATE CONSTITUTION, IN RELATION TO THE SUBMISSION OF THE BUDGET TO THE LEGISLATURE BY THE GOVERNOR**

*The proposed amendment to Articles IV and VII of the Constitution would change the process for enactment of the state budget by (a) providing for a contingency budget if the Legislature does not act on the Governor's appropriation bills before the start of the fiscal year; (b) placing limits on the amount of spending during such contingency period; (c) once such contingency period begins, eliminating the requirement that the Legislature act on the Governor's proposed appropriation bills, and instead authorizing the Legislature to end the contingency period by adopting a multiple appropriation bill making changes to the contingency budget, subject to line item veto by the Governor; and (d) authorizing the Legislature, subject to veto by the Governor, to modify the spending limits for future contingency budgets, except that such changes cannot take effect until three years after enactment. The proposed amendment also sets forth certain requirements for the operation of a fiscal stabilization reserve fund, from which money could be disbursed in a subsequent year. It would require estimates and information provided by state departments to the Governor for use in preparing the budget to be available to the public. It would provide a date certain by which the Governor must submit a budget and appropriation bills to the Legislature. It would reduce the time the Governor has to make changes to the budget and appropriation bills submitted to the Legislature without the Legislature's consent from thirty days to twenty-one days.*

*Shall the proposed amendment be approved?*

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### **CITIZENS UNION ANALYSIS**

A citywide good government organization founded in 1897, Citizens Union is opposed to the proposed amendment to the State Constitution affecting the consideration and adoption of the state budget. While the state budget process is in need of significant reform to ensure that New York residents are not subjected to perennial late budgets that have plagued the state for 20 of the past 21 years, the amendment to the Constitution shifts too much power away from the Governor into the hands of the Legislature. Though Citizens Union is in favor of some of the amendment's provisions and believes that the Governor currently has too much power over the way in which budgets are developed and passed, this amendment goes too far in addressing the problem.

Under the proposal, a contingency budget is enacted should the Legislature



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fail to reach agreement with the Governor before the start of the fiscal year, which would be moved from the first of April to the first of May. After this point, the Legislature gains control of developing the budget through a provision that authorizes them to pass a multiple appropriation bill to which the Governor then has to respond, shifting budgetary authority to the Legislature. This proposed process could arguably provide little incentive for the State Legislature to negotiate with the Governor and pass a budget before the start of the fiscal year. While Citizens Union supports a contingency budget process to ensure that the State does not sit in limbo, the contingency budget proposed is also problematic, because it is based on last year's disbursements and not negotiated allocations. Additionally, the law implementing this amendment does not specify how the contingency budget would be developed, what form it would take, if it would be made public, and which allocations would qualify as recurring.

Citizens Union is an advocate for reforming the budget process and giving the legislature a greater role, but we are not convinced that the passage of this amendment would result in the kind of reform Citizens Union supports. To the contrary, this process could create delay and less accountability as budget authority is shifted from the Executive to the Legislature.

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### CITIZENS UNION RECOMMENDS: VOTE NO ON QUESTION 1

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#### **QUESTION 2: REBUILD AND RENEW NEW YORK TRANSPORTATION BOND ACT OF 2005**

*To promote and assure the preservation, renewal and improvement of the state's roads and bridges; subways, trains and buses; waterways and airports; and other vital transportation systems, facilities and equipment for the benefit of the people of the state, shall section one of part 1 of chapter 60 of the laws of two thousand five, enacting and constituting the "REBUILD AND RENEW NEW YORK TRANSPORTATION BOND ACT OF 2005" authorizing the creation of a state debt in the amount of two billion nine hundred million dollars (\$2,900,000,000) for the construction, improvement, reconditioning and preservation of transportation systems and facilities, including the acquisition of equipment, be approved?*



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### CITIZENS UNION ANALYSIS

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The Rebuild and Renew New York New York Transportation Bond Act of 2005 would partially fund the State's five-year \$17.9 billion transportation capital plan for highway and bridge improvements throughout the state and \$17.9 billion for Metropolitan Transportation Agency (MTA) repairs and upgrades. If passed, the state would issue \$2.9 billion in debt (long-term bonds which would be paid off with state revenues) to be split evenly between the MTA and State Department of Transportation for priority projects enumerated in the proposal. They include a variety of new construction projects and new equipment for the MTA, and several state highway and bridge improvement projects such as planned repairs to freight railroad lines and airport security improvements.

Though the borrowing proposed would add to New York's already large debt burden of \$46.7 billion, the proposed projects have received wide recognition as not only valuable but inevitable investments in the city and state's transportation infrastructure. Furthermore, while Citizens Union has voiced serious concerns in the past about the "back-door" borrowing that has been promulgated by our state's public authorities, the transparency and accountability that is built into this particular public referendum is commendable. The bond act specifies specific projects to be pursued and delineates a dedicated funding stream and asks the voters to make the ultimate decision about the worthiness of the proposal and the benefits of the incurred debt.

Through consultation with transportation advocates, environmental organizations, public officials and civic leaders, Citizens Union concludes that this proposal is an important investment in the state's transportation infrastructure that will undoubtedly benefit New Yorkers and those that visit and work in the state for generations to come.

**CITIZENS UNION RECOMMENDS: VOTE YES ON QUESTION 2**

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### **NEW YORK CITY CHARTER REVISION COMMISSION PROPOSALS TO AMEND THE NEW YORK CITY CHARTER**

This year, the Mayor has once again appointed a Charter Revision Commission to recommend ballot proposal amendments to modify the New York City Charter. Citizens Union has taken the position over the past several years that the Charter Revision process is in need of reform. We have consistently pointed out that:

1. The Mayor's ability to appoint a Charter Revision Commission and submit proposals for the ballot and in affect supersede the ability of any other entity to advance a proposal to the ballot has been abused over time. Due to this practice, only those issues with the support of the Mayor are brought forth to the voters at election time. Citizens Union believes it is crucial that the protocol for this process be reformed so as to ensure that the power of the ballot to make charter changes is not monopolized by any one branch of government.
2. The excessive use of the charter revision process to address technical issues laden with administrative and regulatory details is in need of restraint. Too often over the past two decades, the Charter Revision Commission has suggested changes to the charter that are beyond the ability of voters with limited knowledge of the internal workings of government to adequately assess with the campaign-fed information that they receive. Many of the proposals advanced need not be addressed through the formation of a Charter Revision Commission and that in fact, many can and should be handled legislatively through the New York City Council. Previous Charter Revision Commissions have been appointed at a very late date and have proceeded without adequate public notification or input that has limited the ability of the public to evaluate properly the proposals. In many cases, proposals put forth by these Commissions are done to serve the duplicitous function of ensuring nothing else appears on the ballot.

Citizens Union will work to pass state legislation aimed at reforming these troubling aspects of the city charter reform process.

While we hold to these reasoned positions and principles, this year's Charter Review Commission was appointed in a timely fashion and operated in a transparent and inclusive manner. Furthermore, the proposals being deliberated, while not pressing issues that have been on the public consciousness, are important matters that affect the operation of the city's judicial system and its future financial stability.



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### **QUESTION 3: ETHICS CODE FOR CITY ADMINISTRATIVE JUDGES**

*These changes to the City Charter, as proposed by the New York City Charter Revision Commission, would require the Mayor and the Chief Administrative Law Judge of the Office of Administrative Trials and Hearings to jointly issue rules establishing a code or codes of professional conduct for the administrative law judges and hearing officers in the City's administrative tribunals.*

*Shall the proposed changes be adopted?*

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### **CITIZENS UNION ANALYSIS**

New York City's administrative tribunals and executive branch courts are the primary means of interaction between New Yorkers and the judicial system of the city. The tribunals and branch courts exist to resolve citizen complaints and disputes such as noise complaints, parking fines and other "quality of life" issues. Instituting a uniform and fair code of ethics and conduct is long overdue. It will help establish better management and efficiency and increase the level of public trust in these bodies. Though Citizens Union has concerns about the charter worthiness of this change since we believe that the change could have been affected through either executive order or City Council action, Citizens Union believes that the proposal itself is meritorious and needed. In the absence of legislative or executive action in the past in this respect, Citizens Union supports this effort to address this important issue.

**CITIZENS UNION RECOMMENDS: VOTE YES ON QUESTION 3**

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### **QUESTION 4: BALANCED BUDGET AND OTHER CITY FISCAL REQUIREMENTS**

*These changes to the City Charter, as proposed by the New York City Charter Revision Commission, would establish as Charter requirements the following fiscal mandates that, in general, now apply to the City through a State law enacted in response to the City's 1975 fiscal crisis. The changes would add these mandates to the City Charter so that they would continue to apply after the State law expires. The changes would:*



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- *Require that the City annually prepare a budget balanced in accordance with generally accepted accounting principles (GAAP), and end each year not showing a deficit in accordance with those principles;*
- *Require that the Mayor annually prepare a four-year City financial plan, to be based on reasonable assumptions and modified on at least a quarterly basis, and that the plan provide for payment of the City's debts and a general reserve of at least \$100 million to cover shortfalls;*
- *Impose additional conditions on the Charter's current restrictions on short-term debt (which may be issued by the City to fund a projected deficit or in anticipation of the receipt of funds from taxes, revenues, and bonds). These conditions generally limit the duration and amount of the short-term debt; and*
- *Impose additional conditions on the annual audit of the City's accounts that is currently required by the Charter. These conditions relate to application of generally accepted auditing standards and access by auditors to records so that the audit may be issued within four months after the close of the City fiscal year.*

*Shall the proposed changes be adopted?*

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### CITIZENS UNION ANALYSIS

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The Financial Emergency Act (FEA), which is scheduled to expire in 2008, was created in response to the fiscal crisis of the early 1970's when the city was spending much more than it took in and began issuing short-term debt to fill the budget gaps. The FEA was instituted to ensure a greater level of fiscal responsibility and to restore confidence in the city's finances, specifically in the city's ability to repay its debt. While critics point out that the proposal falls short by not renewing the mandate of the Financial Control Board or delineating a process for the creation of a "rainy day fund" to make sure the city has cash in times of need, the proposed elements are important pieces to help ensure the future fiscal health of the City of New York. Citizens Union believes many of the provisions of the FEA serve the city well and that it is prudent to institute permanently many of these controls into the City Charter.

**CITIZENS UNION RECOMMENDS: VOTE YES ON QUESTION 4**

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