



NEW YORK STATE SENATOR

Thomas F. O'Mara

Senator O'Mara's weekly column 'From the Capitol' -- for the week of May 5, 2025 -- 'Every move NY government makes comes with a cost'

THOMAS F. O'MARA May 5, 2025

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Senator O'Mara offers his weekly perspective on many of the key challenges and issues facing the Legislature.

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Senator O'Mara offers his weekly perspective on many of the key challenges and issues facing the Legislature, as well as on legislative actions, local initiatives, state programs and

policies, and more. Stop back every Monday for Senator O'Mara's latest column...

This week, "Every move NY government makes comes with a cost"

Weekly Column from

NYS SENATOR TOM O'MARA

for the week of May 5, 2025

“Every move NY government makes comes with a cost.”

New York still doesn't have a new state budget. Instead, Governor Hochul and the [REDACTED]-led majorities of the State Legislature are running state government on a series of emergency extender measures, ten in total as of this writing.

It's no way to run a government. It produces uncertainty, concern, and a lack of confidence, rightly so, about where the state is headed.

Governor Hochul went solo early last week, like she did last year, and announced a “general agreement” on what she claimed will be a \$254-billion spending plan for this new fiscal year. To which the [REDACTED] majority leaders of the Legislature responded with, “Not so fast.”

Consequently, we head into another week without a final budget, without critical details of what might be included (or not included) in any final plan, and with all of it sure sounding like there remain more than a fair share of important issues unresolved and under discussion behind closed doors.

Meanwhile, we keep hearing and seeing the warning signs of trouble ahead:

- From *Bloomberg News*, “A net 30,000 New Yorkers fled (New York City) for Florida’s Palm Beach and Miami-Dade counties in the five years through 2022, taking with them a combined \$9.2 billion in income.” Keep in mind that New York State’s revenues overall are highly dependent on the income taxes paid by these high-income earners, many of whom live and work in the city;
- The budget “agreement” announced by the governor calls for hiking the payroll tax rate for companies with payrolls of \$10 million a year from 0.6% to 0.895% -- a move which many see as just the beginning of New York’s unending search for higher taxes to continue paying for unaffordable state spending. From the *New York Post*, “Business owners and industry reps warned the looming tax increase...will cause bigger companies to leave the state and make cuts that’ll hit workers in the pocketbooks.”
- From state Comptroller Thomas DiNapoli, “Major cuts in federal funding simply cannot be replaced by state taxpayers, will reduce the services the state provides and will exacerbate the long-standing history of New Yorkers sending more of their hard-earned tax dollars to the federal government than they get back.” Despite this looming uncertainty, state leaders ignore this reality and instead of moving forward with some

often late at night, and taxpayers will be left holding the bag for a whole host of unwanted – and, once again, unaffordable -- surprises.

That's been the *modus operandi* defining this era in state government. Last year, remember, the Albany [REDACTED] majorities left town in late April touting the enactment of a 2024-2025 budget totaling \$237 billion. Turns out, a little over a month later, that their budget actually called for spending roughly \$240 billion. That was according to a report quietly released on a Friday afternoon by the governor's own Division of the Budget (DOB).

That was a significant difference. It wasn't just pocket change. It meant that state spending last year increased by \$10 billion. This year, it will be a \$15-billion increase – that's if we can take their word for it this time around and there's not another surprise readjustment on tap.

State government's spending habits have become so addictive that, eventually, every move that everyday citizens make in New York will come attached with another cost, another tax, or another new fee or mandate. It will have an enormous impact on the future for all of us.

It keeps coming down to this, year after year, under one-party control: dire fiscal forecasts keep arriving, not only after an ongoing, unprecedented, multi-year spending spree, but also at the same time the [REDACTED] majorities keep initiating enormous, additional state spending commitments for which they don't even yet know the final price tag. An ongoing illegal migrant crisis. Increased Medicaid spending. A multi-billion-dollar Unemployment Insurance debt. And let's not forget the costs of Albany's Green New Deal with its outrageously costly, full electrification mandates, to name just a few.

This year's final, supposedly \$254 billion spending plan will be just the latest chapter. Albany [REDACTED] majorities have simply and carelessly thrown caution (along with taxpayer dollars) to the wind. Since 2018, they will have increased state spending by an amount approaching \$90 billion -- and far too much of it in a relentless pursuit of a misguided, questionable, unsustainable political agenda.

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