



NEW YORK STATE SENATOR

Jack M. Martins

From the Desk of Senator Jack M. Martins

JACK M. MARTINS June 23, 2014

Movin on Up!

I'm a big fan of old TV shows. So I know I'm dating myself when I ask if you remember the lyrics to Movin on Up, the theme song to The Jeffersons? Especially the part that goes:

Now we're up in the big leagues,

Gettin' our turn at bat.

As long as we live, it's you and me baby,

There ain't nothin' wrong with that.

The song has been stuck in my head all week. Why? Well you might have heard the two great pieces of news we recently received. First, Moody's Investor Services upgraded New York State's credit rating on Monday to Aa1. That's the highest it's been since the fiscal crisis of the 1970s. If that wasn't great enough news, it was followed by Fitch Ratings' upgrade to AA+ with stable outlook. That's actually the best rating they've ever given us. Taken together, they represent New York's best credit ratings since 1972.

For many of you reading this, credit ratings are about as interesting as watching paint dry, but it's quite terrific news on many levels. For starters, it means New York's cost of doing business is less all around, which means it's less for you, the taxpayer. It also means we have

a lot more leverage with vendors and those businesses that contract with the state. But best of all, it signifies that state government in New York is finally getting its act together. After so many years of New Yorkers paying the price for government dysfunction, the legislators you sent to Albany four years ago have made good on a simple but crucial promise: to get our fiscal house in order.

Of course, it's easy for politicians to say changes were enacted and that good things are happening, but the major credit rating services, Moody's and Fitch, don't play that game. Their assessments are critical to thousands of daily investment decisions made by financial institutions around the world. They are painstaking and irreproachable in their research because their names and their global business depend on it. When they rate it, it's for real. Here's what Fitch had to say:

"...the upgrade reflects the improved fiscal management practices of recent years that have resulted in timely and more sustainable budget-making... actions were taken to close budget gaps in the downturn, and in the recovery the state has limited the growth in spending. "

While Moody's cited our:

"...Recent reversal of history of political gridlock, reflected in timely budgets, implementation of spending controls and move toward structurally balanced budgets...."

In a nutshell, they note that we've made excellent fiscal progress and are headed in the right direction; that's really the key to a host of other policies. As any homeowner or small businessperson like George Jefferson will tell you, getting your own fiscal house in order is step number one; that's the foundation everything is built on. We had to close a \$14 billion budget deficit that the prior administration saddled us with. We've done that, which has created a new base line from which we can tackle other important priorities such as tax relief, economic investment, and job creation. Most importantly, we've done it through bipartisan cooperation, something sorely missing on the national scene these days.

Republicans and Democrats working side by side and getting it done – sounds kind of nice, doesn't it? These independent financial agencies believe it's working well and building a foundation for continued economic progress. There's still a lot of work left to do, but we've got a pretty good team working together and just like the words to Movin on Up, we're, "gettin' our turn at bat." I'm happy to report that we're making the most of it.