



NEW YORK STATE SENATOR

Jack M. Martins

From the Desk of Senator Jack M. Martins

JACK M. MARTINS August 4, 2014

Kicking the Can of Debt

"Annual income twenty pounds, annual expenditure nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pound ought and six, result misery," Charles Dickens.

We hear the stories again and again. Parents spend their entire adult lives preparing their children for adulthood. We shepherd them to rewarding careers and impart valuable knowledge about how to best manage money only to see these same young people get into financial trouble. The truth is that the lessons on spending and saving are always the most difficult to teach. In particular, too many young people get into trouble with credit. It's bad enough that they start with mountains of student debt, but it's worse that banks offer them credit lines that they are neither ready for nor can repay. Let's face it, credit separates you from the reality of your financial situation. It lets you kick that can of debt down the road and that's when problems start.

The same can be said of government. Before anything, let me start by sharing some more good news: Standard & Poor's Ratings Services upgraded New York State's general obligation (GO) bonds to 'AA+', the highest rating since 1972. That means that in recent months all three major credit rating agencies – Moody's, Fitch, and S&P – have upgraded New York to the highest ratings in decades. By doing so, they've independently validated all the work we've done these past four years. The bad news (and there's always some) is that there exists a ship

of fools who are already chomping at the bit to go shopping. As unbelievable as it sounds, they simply will not acknowledge that borrowed money must eventually be paid back. They could care less, because when the piper comes to call on future New Yorkers, they won't be around. They're perfectly willing to pass the buck to those who will never vote for or against them anyway.

That's why I feel like an alarmed parent. When you sent me to Albany four years ago, you made it clear that our number one priority, bar none, was to get New York's finances in order. There were no money trees growing in anyone's backyard. State government was drowning in debt, obligations could not be met, and out of control spending was fueled by more than \$14 billion in new taxes and fees. And with all that money, they still couldn't deliver on-time or balanced budgets.

So you sent us to Albany and we turned it around. We closed billion dollar budgets gaps by re-working contracts, cutting mandates, and weeding out waste. We showed fiscal restraint, we compromised and we made hard choices – and we did it all without raising a single tax or fee. In fact, we even found a way to cut taxes for millions of middle class New Yorkers. The answer to our problems lay within us all along and it was called fiscal discipline.

Now, quite frankly, we have a slew of Monday morning quarterbacks who would throw it all away. They see the balanced budgets and the outstanding credit ratings and they propose a return to the ways of old. Quite frankly, they're acolytes of New York City Mayor de Blasio so they flash their questionable credentials, dizzy us with tax and spend formulas, and promise voters a snake oil that will cure all our ills. They want us to spend our way to prosperity. Don't buy it. We know the truth.

The incomparable children's author Dr. Seuss once wrote, "Sometimes the questions are complicated and the answers are simple." That would be the case here. New York must continue its fiscal restraint, controlling spending and capping taxes. And we definitely

cannot let the aura of good credit tempt us into kicking the can of debt down the road. We know what will work because it has worked. Now if we could just get that ship of fools to set sail ... without us.