



NEW YORK STATE SENATOR

Joseph A. Griffo

Griffo Calls for \$4B Investment In Infrastructure, Schools, Tax Relief and Debt Relief

JOSEPH A. GRIFFO August 5, 2014

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ALBANY – Senator Joseph A. Griffo today outlined how he believes the state should use its net \$4.2 billion windfall from five financial settlements, as outlined in Monday’s state Division of Budget [financial report](#) (link opens PDF).

“In the context of a \$142 billion spending plan, these settlements won’t pay for everything,” said Griffo, R-Rome. “It’s important to maintain perspective and prioritize. Creating new programs and funding pet projects may make some lawmakers look good, but it’s not a good use of a one-time revenue.”

Griffo called for \$1.05 billion to be invested in three key areas: infrastructure, education and tax relief. The remaining \$1.05 billion should be placed in reserve, and prioritized toward paying down existing debt.

“Our 19 million residents and our \$1.2 trillion economy depend on reliable roads, bridges, railroads, airports, and water and sewer systems. And yet, federal and state investments in infrastructure have not kept pace with needs,” said Griffo. “While this settlement won’t resolve the chronic underfunding of infrastructure at all levels of government, it will ensure that more people are kept healthy and safe – surely a laudable goal.”

Griffo added: “These settlements also provide an opportunity to right a wrong. The state Legislature, over my objection and that of my Republican colleagues, reduced aid to schools by \$1.5 billion during the 2009-10 fiscal year to eliminate a gap between state revenues and costs. This Gap Elimination Adjustment forced schools to increase class sizes, eliminate sports and extracurricular activities, cut staff, reduce Advanced Placement offerings, reduce or eliminate pre-K and summer school and forgo some needed repairs. It’s time to end the GEA once and for all.”

The senator concluded: “Tax relief is also a priority of mine. New York has the unwelcome distinction of having some of the nation’s highest property taxes and least friendly business climate. Tax cuts would be welcomed, especially if they’re paired with permanent cuts to expenditures which are outdated, unnecessary or duplicative.”

Senate Republicans have collectively suggested using the BNP Paribas settlement – estimated at \$3.6 billion – to accelerate tax relief for New Yorkers, invest in New York’s infrastructure and help local schools and property taxpayers.

The other settlements include a \$715 million civil penalty from Credit Suisse AG, \$50 million fine from Metropolitan Life Insurance Company and \$20 million fine from AXA Equitable Life Insurance Company.