



NEW YORK STATE SENATOR

James L. Seward

A Better Plan For New York

JAMES L. SEWARD March 5, 2009

The clock is ticking, spring is approaching, and as we wipe away the final remnants of winter, progress on a new state budget is unnoticeable. With so much hanging in the balance this year, it is essential that we complete work on the state spending plan by the April 1st deadline. That is why I have joined with my fellow senate Republicans in offering a new vision for the state of New York.

This new plan rejects the \$6.2 billion in taxes and fees proposed by Governor Paterson, implements a spending cap to rein in future spending growth, and helps business, particularly upstate, create jobs to strengthen our economy.

The plan leaves \$1.2 billion currently in reserves untapped and fully funded, and increases the state's overall fiscal reserves by nearly \$1 billion so New York is on sounder fiscal footing. It makes needed investments in education and health care and restores the \$1.7 billion STAR rebate program for middle class families that was omitted from the governor's budget. It provides for reductions in government spending and other cost cutting measures of \$5.5 billion to help restore balance to the state's finances.

This plan provides real reforms that will move New York forward. It puts money back in the pockets of middle class families and provides greater opportunities for small businesses. These are the elements needed to rev up the economy and grow our way out of this current

financial downturn.

New York families are being called upon to tighten their belts, and the senate Republican plan will make sure government in Albany does the same. The plan includes an additional spending cut of \$1.2 billion above the governor's budget and cuts the rate of growth to 1.6 percent. Among other things, it consolidates a number of redundant or underutilized state agencies (\$266 million), reduces non-personnel agency spending by 5 percent (\$138 million), freezes state purchases of recreational lands (\$78 million), cuts 1 percent from agency contracts (\$519 million), enforces a state law to collect \$500 million in cigarette taxes on Indian reservations and captures \$175 million more in Medicaid fraud recoveries to build on the senate Republicans' success in creating the state's Office of Medicaid Inspector General.

The senate Republican savings plan also includes a new proposal that will allow middle-class families to sign a prepaid college contract at the State University of New York (SUNY) to help them afford the cost of a college education. Under the plan, parents could enroll children under the age of fourteen in a program that would lock in their future tuition at the current rate. The revenue generated by participation in the program would be used to enhance support for SUNY schools.

It has been said that you never want to let a good crisis go to waste. Well if that is true, we now have a golden opportunity for real reform. Instead of raising \$6 billion in taxes like the governor has proposed, we need to cut extravagant spending and use the federal stimulus dollars to roll back the "covered lives" tax increase the governor and the Democrats approved that will raise health insurance premiums for businesses and individuals, and lead to higher premiums for all New Yorkers.

The state should allow the recently approved SUNY tuition increase to be utilized by SUNY campuses, rather than seize it to pay for higher state spending, as Democrats voted to do as

part of their so-called “deficit reduction plan.” The harmful actions taken in the DRP which target middle-class families, small businesses and college students were unnecessary and shortsighted, fortunately it’s not too late to reverse the harmful action.

The final state budget must also include a greater emphasis on job creation, especially upstate to help deal with soaring unemployment caused by the national economic recession.

The governor has said he is willing to consider all options to deal with New York’s economic crisis. A winning option is now before him.

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