



NEW YORK STATE SENATOR

James L. Seward

## DRP Is Just A Start

JAMES L. SEWARD December 3, 2009

| ISSUE: **BUDGET**



New York's finances have been front and center over the past several weeks. Every time you opened the newspaper or turned on the television or radio another story concerning the budget deficit was making headlines. Now after multiple special sessions in Albany a budget deal has been finalized. However, this won't be the last time you hear about the state's financial situation.

Early in the process I joined my colleagues in the state senate in offering a multi-pronged approach to shore up New York's budget. The plan included common sense spending cuts, tax rollbacks and mandate relief measures aimed at covering the budget gap. The plan also offered a bona fide blueprint for economic development success to jump start our upstate businesses. Most importantly, the plan closed the entire \$3.2 billion deficit without raising taxes or cutting school aid. This strategy would mean short term financial solvency while also preparing for the future and additional roadblocks we may encounter.

Now after nearly a month of negotiating we finally have a deficit reduction plan (DRP) in place. The final plan includes many of the initiatives included in the proposal I offered several weeks ago. It starts to address our state's fiscal situation without making mid-year school aid cuts, further taxing our homeowners and small businesses or devastating our local hospitals and nursing homes.

This plan moves us toward the main objective of shrinking the budget gap and it accomplishes my goal of not transferring the deficit onto the backs of property taxpayers. Property tax relief must continue to be a priority for Albany. But there is a great deal of work left to be done.

The unfortunate reality is that this is just a start. In short order, work will begin on the 2010-11 state budget and we certainly must learn from this year's mistakes. The current budget, which I opposed, increased spending by \$13 billion and hiked taxes and fees by \$8.5 billion. This outrageous budget created the deficit.

Moving forward, more spending cuts are needed. We need to consolidate state agencies, crack down on Medicaid fraud, ban unfunded mandates and rollback onerous state taxes that handcuff our economic development. Freezing state purchases of recreational lands

and scaling back optional Medicaid services are other options that can be brought back to the table. We also need a state spending cap to force state government to live within its means. Families and businesses don't have an open check book; government shouldn't either.

The budget development process also needs to transform. This past year the process took a giant leap backward, reverting to the days of completely closed off, secret negotiations. In 2007 I voted in favor of the landmark budget reform law. The new law promised a more open, orderly and timely budget adoption process – a process that included firmly established timelines, more public disclosure and greater accountability. This past year though, conference committees were never formed, public leaders meetings were shunned and upstate New York was completely left out of the process as New York City leaders commandeered the budget process. These details must be remembered as work on the 2010-11 spending plan progresses. Important reforms to make the process more transparent are in place, now it is up to the governor and other leaders to follow these steps.

Bringing a new fiscal reality to Albany won't be a simple task. The good news is that recent budget discussions have helped shed some light on the many difficulties we face, and they are not insurmountable. A number of positive strategies have been brought to the forefront. We were able to implement some through the recently approved deficit reduction plan. Many others remain at the ready and should be implemented in the next year. These building blocks are needed to reduce state spending, provide for a robust upstate economy and pave the way for meaningful property tax relief.