



NEW YORK STATE SENATOR

Thomas F. O'Mara

Senate approves legislation co-sponsored by O'Mara to establish permanent state government spending cap

THOMAS F. O'MARA January 12, 2016

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Albany, N.Y., January 12--The New York State Senate today approved legislation co-sponsored by Senator Tom O'Mara (R,C,I-Big Flats) that would establish a permanent cap on the annual growth in state government spending, limiting state spending to no more than the average rate of inflation of the three previous calendar years.

If enacted, the legislation would become effective in the state's 2017 fiscal year. Factoring the actual and projected rates of inflation for 2014 (1.6%), 2015 (0.2%), and 2016 (2%), the three-year average spending cap for 2017 under the legislation would be 1.27% and result in an estimated savings of \$12.8 billion for the state's spending plans in fiscal years 2017 through 2019.

O'Mara said that the cap is a key part of what needs to be a comprehensive job creation, spending control, regulatory reform and tax reduction strategy. He said that while the Legislature and the governor have adhered to a self-imposed 2% cap for the past several state budgets – saving state taxpayers approximately \$23 billion -- it's important to establish a permanent cap to prevent any future return to New York's reckless tax-and-spend past.

He added that he will also continue to urge Governor Cuomo and his legislative colleagues to stay focused this session on legislative actions to encourage overall economic growth, provide tax relief to property taxpayers and manufacturers, regulatory and mandate reform, and the creation of upstate jobs.

"We have to stay the course on economic growth and fiscal responsibility this year, and we can't risk jeopardizing any economic footholds we've made over the past several years. We have immediate financial challenges to confront, but we also have to keep putting in place a foundation for long-term fiscal responsibility and sustained, private-sector economic growth," said O'Mara. "The enactment of a permanent cap on state government spending is a cornerstone of rebuilding a strong-running, private-sector economic engine for upstate New York. We're making it clear today that controlling state spending combined with lower state taxes and the elimination of job-killing state regulations needs to represent the future of doing business in New York government and the most effective way to strengthen upstate New York's business climate. Too many potential employers still see New York as a state that's unfriendly to business. That hurts our workers and their families, and it has to change."

The legislation (**S5507**) now goes to the State Assembly for consideration.