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Guest Column

for the week of January 31, 2011

"Remember: Economic Growth Matters"

We're about to kick off the 2011-2012 state budget adoption process, which means that we're about to jump, with both feet, into some of the most controversial, contentious, difficult – choose your own adjective – political and fiscal waters that we've ever faced in New York.

A few state legislators and even some longtime Albany reporters go back as far as the 1975 fiscal crisis. Certainly the early 1980's under former Governor Mario Cuomo were no walk in the park. Former Governor George Pataki inherited one of the state's largest-ever budget deficits upon taking office in 1995. And we've been struggling against a deep-rooted economic and fiscal crisis in New York State and nationally since late 2008. But in my view, all of these eras will pale in comparison to what we're about to confront when Governor Andrew Cuomo unveils his first proposed state budget on Tuesday, February 1st. All I can say is hold on to your hats. Governor Cuomo's proposed budget is going to unleash a political fury the likes of which we've never seen.

So the first early reaction I'll have is this: one thing that won't change in this process is that the governor proposes a budget, and then it's up to the Legislature to 1.) carefully and deliberately uncover its details, 2.) try to get as good a grasp as we can of how this budget proposal would impact the local communities we represent, and 3.) begin to find common ground on a set of priorities absolutely needed to get New York State back on the right track. All of which, by the way, is a lot easier said than done.

But having mentioned the need for standing strong on key priorities, I'll highlight one of these priorities and sum it up this way: if it's good for the nation, it should be good for New York State too. I'm referring to President Obama's recently aggressive emphasis on the national economy and home-grown job growth. In late January the President paid a visit to an Upstate city symbolic both of economic hard times and economic hope. This city, Schenectady, remains home to the nation's second-largest exporter and one of America's iconic corporations, General Electric. The president used the occasion to announce GE Chairman Jeffrey Immelt as the head of a newly created Council on Jobs and Competitiveness.

This emphasis carried on as a centerpiece of the State of the Union, when the President said, "We know what it takes to compete for the jobs and industries of our time... We have to make America the best place on Earth to do business." So if targeting an economic resurgence is good for the nation, it should be good for New York State too. We should set our own goal of making the Empire State the best place in the nation to do business.

Governor Cuomo has already said that he wants to send a message that "New York is open for business." That idea must be followed with actions to make it happen. The past two years have been harder than usual on taxpayers, employers, and workers alike. State taxes and fees have been increased like never before. Upstate New York's No. 1 economic development tool, the Empire Zone program (a program, by the way, that worked extremely effectively across our region) was eliminated and replaced with a program that many of us believe won't be nearly as effective. The state's business tax climate has been singled out as the worst in the nation and, as the governor has also said, "New York has no future as the tax capital of the nation."

So one thing I'll be looking for in the Governor's budget proposal is an answer to the question of what New York State is going to do, on our own, to join the national push for more jobs, better jobs, and an economic renewal that's long overdue.