

Cuomo's budget creates hope of getting off the road to ruin

Gov. Andrew Cuomo seemed to be reading a page from the Unshackle Upstate manual when he described New York as being "at a crossroads."

As I listened to the governor's budget address earlier this month, so much of what he said reinforced the messages that Unshackle has been sharing: Years of spending beyond our means and trying to tax our way into solvency have put New York on the brink of real fiscal disaster.

Just look at the numbers: State spending has increased by an average of 5.7 percent a year over the last decade, while tax receipts have risen only 3.8 percent on average. To add a further dose of reality, personal income has risen only 3.7 percent a year on average, against a backdrop of 2.4 percent average annual inflation.

As the CEO of the Rochester Business Alliance, a leader in the Unshackle Upstate and a member of the Committee to Save New York, I have long been an advocate for getting New York's financial house in order. So I was pleased to hear the governor offer a budget that does more than pay the state's expenses.

The governor's executive budget pulls back the curtain that has shrouded this process from public view. All that talk of Albany math, about laws that guaranteed programs would increase by certain amounts each year, about "cuts" just being smaller increases than were previously budgeted is enough to make a person's head spin. And it's enough to make a taxpayer pretty angry.

By shining a spotlight on budgeting



ON BUSINESS

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practices; Cuomo launched a plan to tackle head-on the tax-and-spend culture that is driving away New York's people and businesses. He laid a realistic foundation for redefining how our state conducts its business, the people's business, so that taxpayers can see—and benefit from—the results.

I say the governor "launched a plan" because proposing a budget is one thing; getting the Legislature to approve that budget or one closely resembling it is another. Past practice is for the state legislators to add a whole bunch of expenses to the governor's proposal and then approve new taxes to cover the spending.

Why do they do that? In response to an inundation of rhetoric from special-interest groups that want us to believe any cuts in the state budget will destroy our way of life—ruin our children's education, close our nursing homes, take sustaining services away from our elderly, infirm and impoverished.

Do I believe that reducing state spending will be easy and painless? Absolutely not.

This \$132.9 billion budget proposal includes the first cut in state spending in more than 15 years, a drop of \$3.7 billion

that will mean a \$2.8 billion cut in Medicaid funding; a \$1.5 billion reduction in aid to public school districts; a 2 percent cut in aid to municipalities, translating to a \$1.8 million cut for the city of Rochester; and a 10 percent cut in funding for state colleges.

I recognize that a reduction in state aid will force some very difficult decisions on the institutions and agencies that rely on this money. And I empathize with that—really, I do.

It's just that I don't see any way around it. It's basic economics. You can't spend money you don't have without eventually having to pay the tab, even if you're a government. New York simply cannot continue its practice of spending far more money that it takes in, then trying to cover that outflow with new taxes, one-shot gimmicks and sweeps of money from underutilized or otherwise designated funds.

I'll repeat what you've heard me say before: While making the necessary adjustments will be painful, failing to take drastic action will bring even greater, longer-lasting pain. We've waited far too long to address New York's fiscal woes, kicked the can down the road so many times that we've come to a dead end.

Now is the time to take action. As residents of the state of New York, it's up to us to ensure that our elected officials take this seriously and act accordingly. Among those necessary actions: passing a property tax cap and then providing mandate relief that will get local governments and school districts out from under the expenses of so many state requirements, ultimately re-

ducing the need for cuts in services and programs.

So I see the governor's plan as more than a budget proposal. It's the start of a new and hopefully saner way of thinking and acting when it comes to our state's finances. It's a tool—some might say a sledgehammer—that will force a series of adjustments across the board. Those adjustments will continue until we've reached a "new normal," a sustainable level of spending that doesn't mortgage our future.

Meanwhile, I'll be looking to the governor to be equally aggressive on another part of his plan. As he said, New York cannot expect simply to cut its way out of this situation; it has to grow its way out. That means focusing on strategic economic development, creating a more friendly business climate and reducing taxes so that existing New York companies can prosper and grow and add jobs—and new ones will want to come here to set up shop. Much of the work will be done through regional economic development councils, headed by Lt. Gov. Robert Duffy.

My nature is to be optimistic, though I recognize that lasting change will not happen overnight. However, I believe that if we commit to the solution, are true to the cause and stay the course, New York has a real chance of resurging as the Empire State.

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