

Unseat legislators who lack the courage to face fiscal reality

Back in May, I wrote in this space that the best thing I could say about the 2010 state budget process up to that point was that the Legislature hadn't passed a budget with a whole bunch of new taxes.

Gee, was that ever wishful thinking. Nearly three more months went by before a budget was passed in early August, some 125 days later than the law requires. And what did we, the taxpayers and residents of New York, get for our ridiculously long wait? Even more taxes and fees, with even more spending.

As the budget process dragged on, I held out a very slim hope that the lengthy debate might include serious discussion of how to control the state's ever-increasing spending. After all, the state had identified a \$9.2 billion budget gap for the fiscal year. So in a logical world—the one that we real people have to live in—belt-tightening would be in order.

But I guess our state Legislature doesn't live in a world of fiscal reality. The budget they approved (voting along party lines in the Senate and the Assembly, except for 16 Assembly Democrats who should be praised for opposing it) actually raised spending by \$5.4 billion, or 4.2 percent. Then, to balance this mess, they had to come up with new revenue to cover their spending.

And how did they do that? The usual



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smoke and mirrors, with one-shot revenues and more than \$1 billion in new taxes and fees. That's on top of \$1 billion in new revenue measures that were approved earlier in the year—and the record \$8 billion in new taxes and fees adopted in the 2009-10 budget.

All in all, the budget contains \$14.4 billion in revenue from non-recurring or temporary resources that will phase out over the next few years.

This is not to say that legislators didn't cut anything, because they did. It's just that some of their cutting is more harmful than helpful. For instance, businesses that invest in research and development or clean up brownfields will now have to defer their tax credits for two years. It's essentially a free loan from private industry to the state's coffers that the state Business Council estimates will cost businesses \$200 million this year and more than \$1

billion in both 2011 and 2012. Businesses will get their money starting in 2013-14, but without interest.

Lawmakers also reinstated the sales tax on clothing and footwear purchases under \$110, which takes money out of everyone's pocket and could depress retail sales.

What else is wrong with this budget? Experts say it's a house of cards that likely will come crashing down. Comptroller Thomas DiNapoli said the budget contains "significant risks," including \$4.8 billion in revenue that could either fail to materialize or come in lower than projected.

"Little has been done to align recurring spending with recurring revenues. The entire budget process still reeks of dysfunction, and nothing was done to reform that process," DiNapoli said.

In other words, history repeated itself in Albany. Our Legislature convened, and in a highly secretive and rather costly process, it failed to take the tough, decisive actions that would break the cycle and set New York state on a course to future prosperity. Legislators settled for the status quo.

But we don't have to. Last week, on Unshackle Upstate's Facebook page, we posted a poll asking its fans "Who is to blame for the late state budget and increased taxes and spending? The governor, the Senate or Assembly majorities,

or the taxpayers?"

"In reality, the taxpayers, because they keep electing the same folks over and over," one fan posted, making a point with which many people agreed.

So let's change that. Election Day—Judgment Day, as we call it at Unshackle Upstate—is just 10 weeks away, and all 212 seats in the Legislature will be filled. As voters, we have an opportunity—no, really an obligation—to get informed about where the candidates stand on the issues that matter and on the voting records of the incumbents we've been so willing to re-elect. Unshackle Upstate plans to help with that, releasing scorecards on all legislators in the coming weeks that will reflect their actions on key economic and business issues.

Watch for those scorecards, as well as endorsements from Unshackle Upstate and the Rochester Business Alliance's political action committee, the Committee for a Strong Economy. Get informed, and then exercise your judgment on Nov. 2. Send to Albany the people who deserve to be there because they understand the issues and will work to bring down your taxes and make New York's economy viable. As for those who won't, tell them to stay home.

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