

April 20, 2011  
Schimminger  
Bee Column

## **Ship of State on the Right Course**

April 1, 2011 marked a milestone in recent state history. The State Legislature passed and the Governor signed the first on-time budget since 1983, as our ship of state begins to point itself now in the right direction.

The final 2011-12 budget reduces overall state spending by more than 2 percent from the previous year and eliminates a \$10 billion deficit without increasing taxes and without new borrowing. This budget is the first step of many on the course to fiscal responsibility and government reform. It may not be a perfect budget, but it's a realistic one. Tough choices were made to include painful, but necessary, cuts to the two highest costing elements in the budget – education and Medicaid. I have long stated that the fiscal reality is that we can not tax and spend our way out of these difficult times, nor can we continue to fund programs at the levels that they have been over the last several years. These difficult decisions had to be made to address the fiscal reality facing New York and every other state in the nation.

In addition to the spending cuts, we began the process of reforming the way we do business, so that we can create an economic environment that will better enable the private-sector to create jobs and stimulate the economy. By focusing economic development efforts to incorporate regional decision making, the path has been set for the creation of 10 Regional Economic Development Councils that will make recommendations to the state on how to best maintain, grow and attract business investments and jobs in their respective region. Further, this budget also includes an extension of the Excelsior Jobs Program, from five to 10 years, along with enhanced incentives for job-creating strategic industries, including manufacturing, high-tech, clean energy and agriculture. It also enhances the Linked Deposit Program, which I created, by increasing the lifetime maximum loan amount for eligible program participants from \$1 million to \$2 million and extending the repayment term from four to eight years.

While this budget finally takes important steps toward fiscal responsibility there is much more work to be done this Legislative Session. We have yet to adopt the Governor's proposed property tax cap, which would limit the tax levies imposed by school districts and local governments, or take up meaningful mandate relief.

Also, the Governor has publicly stated that he will address the UB2020 issue by the end of session. In keeping with his promise, he recently set a date next month to convene a summit on the topic with invested parties to hash out the details of a plan in an effort to see it come to fruition.

I am hopeful that major transformations will continue to be made this year and in legislative sessions to come, so that we can continue on the course to fiscal responsibility and a more responsible and responsive state government.

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