



NEW YORK STATE SENATOR

George M. Borrello

Governor's Budget Offers Hits and Misses

GEORGE M. BORRELLO January 21, 2020

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"New York began 2020 by learning that our state ranked number one in population loss over the past 10 years. Those losses were the steepest in upstate New York, which had no increase in jobs, even amid a booming national economy and nationwide job growth of 1.4 percent.

"Through that lens, making our state more affordable for both residents and businesses is crucial if we are to reverse this trend. Towards that end, I was encouraged to hear support for the next phase of the historic middle class tax cuts that were spearheaded by Senate Republicans three years ago and that are scheduled to drop again in 2020. Similarly, a tax cut for small businesses is long overdue, so I am very supportive of the Governor's proposed cut in the corporate tax rate for small businesses, from 6.5 percent to four percent.

"Last week, the State Comptroller announced that audits revealed overpayments, unnecessary payments and collecting rebates from drug makers could produce nearly \$800 million in savings in the Medicaid program. Yet, that is just the tip of the iceberg when it comes to how we can cut Medicaid costs. He also noted that the state is losing billions to 'waste, fraud and abuse.'

"As a former county official, I found it insulting that the Governor pointed the finger for rising Medicaid costs at local governments who he claimed simply take a 'blank check' from

the state and do not work hard to find efficiencies. The reality is that local governments do a much better job at managing their budgets because they have to: ever-increasing unfunded mandates from the state require the highest level of precision budgeting and prudent spending.

“I also found the Governor’s claim that it is a ‘remarkable achievement’ that nearly a third of our population is on Medicaid to be alarming. As state leaders, we should want our citizens to be financially secure and independent. Those programs were originally intended to be a safety net, not a way of life.

“Reinstituting the Medicaid Redesign Team, as the Governor has proposed, could be a positive step in tackling this problem. However, without more details, it is difficult to predict how much success this will produce. I truly believe that in order for any cost-cutting measures to be effective, the state has to be willing to give local governments more flexibility on the regulatory side and tougher with those who abuse the system.

“In the coming days, my Senate Republican colleagues and I will be taking a closer look at the details of the Executive Budget and putting forth our own budget aimed at making New York more affordable for struggling, middle-class New Yorkers and businesses, so they can thrive and not just survive.

“However, the most pressing priority for our Conference is repealing the disastrous bail ‘reforms’ that are making New York more dangerous by the day. The Governor’s lack of urgency or ideas on how to correct this terrible mistake indicates that he is completely out of touch with everyday New Yorkers who are frightened and outraged by this situation.”

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