



NEW YORK STATE SENATOR

Stephen M. Saland

## Statement by Senator Steve Saland on Governor's Budget Proposal

STEPHEN M. SALAND January 19, 2010

| ISSUE: **BUDGET**

As the State continues to experience cash flow problems due to the inflated budget adopted in 2009, the Governor set a different tone this year with his Executive Budget proposal urging the Legislature to follow a path of fiscal conservatism. While we cannot turn back the clock to erase the damage done by those who voted for the 2009 State Budget, we can hope that our State's leaders have learned from their past mistakes.

Keeping State spending down is essential, but it must be done in a fair and sensible fashion. Cost saving measures, program and service cuts should be carefully considered and equitable. Among my chief concerns is the impact this budget may have on the local taxpayers, this year and in future years. To the extent the Governor suggests school districts rely on reserve funds to balance school budgets may well lead to future tax increases if our present fiscal storm persists.

I am most pleased that the Governor has reiterated the need for mandate relief and flexibility at the school district and local government level. For years I have championed mandate relief as a means for providing real property tax relief and while my bills have been incorporated by the last two previous Governors, the Assembly leadership has stood firm in resisting the common sense changes proposed. It is my hope that the current leadership respond to the outcry for tax relief. Without it, our State's economy will surely go from sluggish to stagnant.

At a time when we need a creative response to jump start our economy, I am troubled that this budget proposal lacked a workable initiative to entice job growth. In fact, despite the Governor's new economic development proposals, it appears that he has reduced the amount of tax credits available for job creation. In order to compete, we need to distinguish our State as ready, willing and able to work with large and small businesses with a string of policy changes that reduce the cost of doing business in New York. By dismantling the Empire Zone program and proposing hard to reach criteria for job creation, the Governor is putting up a "closed for business" sign on every Main Street and Industrial Park. If we want to maintain and attract jobs to New York, we should start by lowering taxes.

Systemic change is needed to avoid future deficits and it is my hope that the State begin with the adoption of a cap on state spending. I and my Senate colleagues advocated and passed such a measure in 2007 and had it been enacted, the State would have survived this fiscal storm without painful cuts. Capping state spending now and in future years will put the State on the path to fiscal recovery.