



NEW YORK STATE SENATOR

Patrick M. Gallivan

Senator Gallivan Supports State Spending Cap to Ensure Fiscal Discipline

JIM RANNEY January 13, 2016

| ISSUE: **SPENDING CAP, TAXES**



Senator Patrick M. Gallivan (R-C-I, Elma) joined his colleagues in the Senate Tuesday in passing legislation that would permanently cap state spending. The bill (S5507) would limit state spending to a three-year rolling average of inflation and would help end the historic pattern of “boom and bust” budgeting. It would also impose greater fiscal discipline on state government, and continue providing significant savings for taxpayers.

The bill would take effect in the 2017 Fiscal Year. When applying the actual and projected rates of inflation for 2014 (1.6%), 2015 (0.2%), and 2016 (2%), the three year rolling average spending cap for 2017 would be 1.27%. This bill would then result in an expected savings of \$12.8 billion for the state's spending plans in Fiscal Years 2017 through 2019.

“The best way to control the size and cost of state government is to impose a permanent cap on spending,” Gallivan said. “Over the past five years, New York has demonstrated that it can keep spending at or below two percent in order to provide hard working residents and businesses the tax relief they deserve.”

Since 2010, the Legislature and the Governor have produced five on-time budgets that have limited spending to 2% or less, while investing in education, road and bridge repair, and other initiatives that create new jobs. The self-imposed state spending cap saved taxpayers nearly \$23 billion on a cumulative basis since the 2010-2011 budget.

The bill will be sent to the Assembly.

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- Introduced

 - ◦ In Committee Assembly
 - In Committee Senate

 - ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate

 - ◦ Passed Assembly
 - Passed Senate

 - Delivered to Governor

 - Signed By Governor

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Establishes an annual spending growth cap and increases the maximum capacity of the rainy day fund

May 14, 2015

In Assembly Committee

Sponsored by **Joseph E. Robach**

Do you support this bill?