



NEW YORK STATE SENATOR

Terrence Murphy

Taking Responsibility: Murphy Co-Sponsors Bill Establishing A Permanent State Spending Cap

TERRENCE MURPHY January 11, 2017

| ISSUE: **MANDATE RELIEF, SPENDING CAP**



Albany, NY – As a homeowner and small business proprietor, Senator Terrence Murphy has felt the ill effects of boom and bust government spending. To help taxpayers save more of their hard-earned money, Senator Murphy has co-sponsored legislation with Senator Joseph Robach to enact into law a permanent cap on state spending. The bill (S365) continues the progress made by a self-imposed spending cap that has already saved taxpayers a cumulative \$31 billion since the 2010-11 budget.

“We have a responsibility to help hard-working taxpayers get the most value that they can from their finances.” said Senator Murphy. “This new legislation will require state government be responsible stewards of taxpayer dollars and restrain unnecessary spending. It is a fiscally responsible measure that will keep state spending in check in future years.”

Senate Majority Leader John J. Flanagan said, “The Senate is committed to building upon the fiscal discipline demonstrated in the last six state budgets so that we can continue to invest in New Yorkers’ shared priorities and provide additional tax relief for the middle class. Keeping state spending under control is key to ensuring that New York is on firm fiscal footing for the future.”

“At a time when so many taxpayers and families have to tighten their belts and make hard decisions about how they want to budget their money, it only seems right for state government to do the same,” said Senator Robach. “This is sensible legislation that will help to ensure state government is not spending beyond its means and will stabilize state finances during tough economic times.”

That self-imposed cap ensured the state was spending only what taxpayers can afford, while investing in education, road and bridge repairs, and other initiatives that create new jobs. Ultimately, capping state spending has saved taxpayers nearly \$31 billion on a cumulative basis since the 2010-2011 budget – including the elimination of a \$10 billion deficit inherited from the previous all-Democrat, all-New York City-led government.

State government spending has grown substantially in recent years, especially in good economic times. Such growth has forced the State to take drastic actions to stabilize its finances when revenues decline dramatically during periods of economic difficulty. To end this pattern of boom and bust cycle budgeting, and impose greater fiscal discipline on state government, this legislation will enact a strict cap limiting the growth of State Operating

Funds spending. It also significantly increases the maximum capacity of the State's rainy day reserve so that surpluses that accrue as a result of this cap can be used to help address revenue declines during times of economic difficulty.

The bill was passed by the Senate and will be sent to the Assembly.

RELATED LEGISLATION

2017-S365

- 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

January 03, 2017

In Assembly Committee

Sponsored by **Joseph E. Robach**

Do you support this bill?