



NEW YORK STATE SENATOR

Thomas F. O'Mara

## Senator O'Mara's weekly column 'From the Capitol' -- for the week of November 7, 2022 -- 'Governor Hochul burying more bad news on NY budget'

THOMAS F. O'MARA November 7, 2022

| ISSUE: **STATE BUDGET**



There was no fiscal restraint. It was a spending spree. Governor Hochul walked hand in hand with former Governor Andrew Cuomo and the Legislature's Democrat majorities who two years ago began setting New York government loose on an irresponsible, extremely liberal, far-left frenzy of spending that blew through a one-time federal windfall and clearly risks a future of higher state taxing and borrowing.

Senator O'Mara offers his weekly perspective on many of the key challenges and issues facing the Legislature, as well as on legislative actions, local initiatives, state programs and policies, and more. Stop back every Monday for Senator O'Mara's latest column...

This week, "Governor Hochul burying more bad news on NY budget"

**It's likely not going to be the greatest of news for future New York State taxpayers and that's why Governor Hochul keeps it under wraps until after the election.**

**Even though, by law, she was supposed to release it by October 30.**

**I'm referring to the state's mid-year financial plan update, a key report on the state's financial condition heading into the new year. Fiscal watchdogs, including the Empire Center for Public Policy, have noted that the failure to issue the update leaves voters, just days before the November 8 election, in the dark over New York's short- and long-term financial outlook. That's especially concerning given the Hochul administration's last update, quietly put out by the state Division of the Budget (DOB) in August, showing that the new state budget is already projecting multi-billion-dollar budget gaps in the coming years following the enactment of a 2022-2023 state budget totalling more than \$220 billion and hiking New York government spending by at least \$8 billion over last year!**

**The Empire Center believes that upcoming mid-year report, whenever the Hohcul administration gets around to releasing it, will likely deliver more troubling news.**

**The Center's Director of Research, Peter Warren, wrote early last week, "The numbers in the unreleased update likely reflect grim news. That in part reflects the economic and financial market downturn ... But New Yorkers deserve access to more than ribbon-cuttings. They should be able to see the full impact on the state's finances of both broad economic and market conditions, and specific policy decisions made by elected officials. That's one reason why the financial plan updates are required under law -- and by a date certain."**

**As the ranking member on the Senate Finance Committee, I have been sharply critical of Governor Hochul and the Democrat majorities in the Senate and Assembly for wildly irresponsible state spending over the past two years. In addition to far too many misguided and misplaced priorities, their carefree fiscal practices are proving unsustainable for taxpayers well into the future, while also ignoring the need for broad-based tax and mandate relief, and regulatory reform.**

Senate Republicans expressed these concerns throughout this year's budget adoption process and especially in April, when the governor and the Democrat legislative majorities finished loading up New York's largest-ever state budget.

The Democrats' latest spending plan, a one-party vision for spending billions of taxpayer dollars, virtually guarantees the need for higher taxes in a state already one of the highest-taxed in America.

When Hochul's DOB put out its financial update in August, the Empire Center immediately noted, "Historically large budgetary surpluses inherited by Governor Hochul are now just a memory, with the state now facing projected budget gaps totaling \$13.7 billion over the next five years ... The new sea of red ink is due to an anticipated plunge in tax receipts resulting from the recent economic and financial market decline ... Where the economy and financial markets go from here is unknown. But in retrospect, it seems clear at least that the Governor and the Legislature should have showed more fiscal restraint in April."

There was no fiscal restraint. It was a spending spree. Governor Hochul walked hand in hand with former Governor Andrew Cuomo and the Legislature's Democrat majorities who two years ago began setting New York government loose on an irresponsible, extremely liberal, far-left frenzy of spending that blew through a one-time federal windfall and clearly risks a future of higher state taxing and borrowing.

Cuomo blew through his self-imposed two-percent spending cap five-fold with a nearly 10% spending increase in a then-record \$212 billion state budget grasping for support from a Legislature out for his head. Hochul followed suit this year in a gross pandering for votes in her contentious primary election -- both blowing billions of your tax dollars in their own selfish pursuits and setting New York State up for significant future deficits.

The bottom line is that it has not accomplished a single thing to change New York's reputation as one of America's highest-taxed, highest-spending, highest-regulated states. It's no coincidence that New York led the nation last year in overall tax burden and population loss. Hundreds of thousands of New Yorkers are heading for the exits.

The consequences started showing up in Hochul's August financial update. The Empire Center says they're likely to be there in the mid-year report that's being delayed.

If New York State's financial outlook were positive, don't you think Governor Hochul would be promoting it around the clock as Election Day nears? She promised a new era of government transparency. It's turned out to be just another era of broken promises from a New York State governor. It's simply a one-party vision for spending billions of dollars that's teeing up a next

**generation of hard-hit taxpayers and relentlessly unaffordable living in New York State.**

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