STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

DAVID A. PATERSON
GOVERNOR

January 19, 2010

Dear New Yorkers,

Since the day I became governor, I have warned that New York is facing an inevitable fiscal reckoning. The mistakes of the past – squandering surpluses, papering over deficits, relying on irresponsible fiscal gimmicks to finance unsustainable spending increases – have led us to a financial breaking point.

There are no more easy answers. Avoidance behavior is simply not acceptable. Federal stimulus funding is running dry. We have already increased taxes on high-income New Yorkers. And those who have doubted the severity of our financial difficulties were proven wrong time and time again.

Further spending reductions are both necessary and inescapable.

The Executive Budget I am proposing today continues the difficult process of confronting New York's new fiscal reality. It attacks our substantial structural budget deficit through recurring spending reductions across every single area of State government. Given the gravity of the current situation, there is simply no other option if we want to end New York's irresponsible pattern of boom and bust cycle budgeting.

The task of putting our fiscal house in order will no doubt be challenging. But by the same token, we must not let ourselves fall victim to the same type of special interest scare tactics that have torpedoed past attempts at fiscal reform. In area after area, New York spends more than any other state – particularly health care and education – and we will continue to do so even after substantial spending reductions.

While this Executive Budget is focused on the immediate issue of closing our 2010-11 deficit, it also includes a number of critical long-term reforms that will help us build a stronger State.

This budget proposes an aggressive mandate reform agenda, which will help deliver relief to local property taxpayers at a time when all levels of government are facing significant financial difficulties.

This budget proposes the most dramatic overhaul of New York's system of public higher education in a generation. It provides SUNY and CUNY with the freedom they need to achieve the promise of their full potential – in both good economic times and bad.

This budget lays the groundwork for changing the way our State government does business through mergers, consolidations, better use of technology, and other smart reforms. In an era of diminished revenues, we must find creative and innovative ways to deliver critical services to the public.

This budget lives within the stringent spending cap that I have proposed, which will help us achieve a structurally balanced budget and return future surpluses directly to property taxpayers in the form of a progressive circuit-breaker.

This budget makes New York a nationwide leader in addressing two of the most critical public health issues facing the United States today.

It's well-documented that using cigarettes dramatically increases the risk of lung cancer, heart disease, and numerous other health problems, claiming the lives of more than 25,000 New Yorkers per year and costing our State's health care system more than $8 billion.

Leading experts have also noted that soft drink intake is closely associated with obesity, which causes serious diseases like diabetes and, according to Comptroller DiNapoli, costs our State's health care system more than $7.6 billion each year.

These staggering statistics, which disproportionately impact our poorest and most vulnerable residents, many of whom are children, require bold and decisive action. That's why I am proposing to finance critical health care investments through dedicated taxes that discourage consumption of these unhealthy products.

Above all, this budget is a blueprint for a stronger, healthier, and more fiscally responsible New York. The only way we can emerge from this crisis is through shared sacrifice. We must stand up and demonstrate that we can make the tough decisions necessary to address our financial difficulties with honesty, forthrightness, and candor. That is exactly what New Yorkers expect and deserve from their leaders.

Sincerely,

David A. Paterson

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