

Director's Message

This has been an extraordinary year for New York State. In enacting the 2011-12 Budget, Governor Cuomo and the Legislature transformed the budget process erasing a \$10 billion deficit, ending unsustainable spending growth, and creating new ways to involve the public in developing solutions to the State's problems. In addition, this past December the Governor and Legislature lowered taxes for middle class New Yorkers to the lowest level in 58 years and brought fairness to our tax code.

This Executive Budget demonstrates that New York is now on a new course. The recommendations in the Budget represent a responsible, balanced plan for New York State that continues Governor Cuomo's efforts to strengthen New York's economy while improving both the quality of services delivered and the accountability over State spending. For the second year in a row, this budget decreases the All Funds budget from the previous year and controls State Funds growth to 2 percent, consistent with the property tax cap adopted for local governments. This budget honors the landmark two-year appropriations in School Aid and Medicaid, with increases tied to the underlying economic growth.

Ending the era of New York as a high tax capital, the property tax cap enacted in 2011 is helping to constrain the growth of local taxes throughout the State. To build on what was achieved, this budget includes mandate relief and structural reforms to help local governments operate more efficiently and continue to provide services within the cap's limits. Importantly, this budget finally provides real Medicaid relief to counties and New York City.

All of the Governor's proposals are designed to remind the world that New York is "Open for Business." The budget provides a comprehensive, coordinated and strategic approach to economic development that utilizes the Regional Economic Development Councils established last year. In addition, Governor Cuomo taps into the innovation of the private sector and proposes strategic investments to drive economic growth and create jobs. With this budget, we are putting the power of the State government behind the innovation of our people, giving New Yorkers the tools to rebuild our economy.

Management of the State budget is a year-round effort. In addition to new labor agreements and the redesigning of key programs such as Medicaid, this year Governor Cuomo began an ambitious effort to coordinate functions across agencies. This reimagining of government will continue in 2012-13 with an examination of the fundamental operations of the State and its programs, breaking down State agencies to their core functions and working with the Legislature to rebuild them to get better outcomes and respect our taxpayers.

This Executive Budget is the next step towards a *new* New York. Governor Cuomo has advanced an outcome-focused, innovative and fiscally responsible plan that will get the Empire State working again.