

Director's Message

This year has been one of tremendous progress but one also fraught with great challenges. The fiscal reforms enacted over the past two years have moved New York past the era of perpetual budget crisis and bolstered confidence in State government. But our mettle was tested by Superstorm Sandy, and the size and scope of the recovery effort remains daunting.

As this Budget shows, however, New York is up to the challenge. The General Fund budget gap for 2013-14 was projected in January 2011 to be \$17.4 billion. Achievements of the last two years lowered the gap to \$1.3 billion, and the gap is eliminated in this Executive Budget. For the third year in a row, State Operations spending is held to two percent. The Budget honors the landmark two-year appropriations in School Aid and Medicaid, with increases tied to underlying economic growth. Reforms that have established fiscal integrity, a property tax cap, a new pension system (Tier VI), and the lowest middle class tax rates in 58 years are already paying dividends to taxpayers.

New York is on a new course. The budget process is no longer traumatic. Under Governor Cuomo's leadership, enactment of the State Budget has been orderly and on time. After a period of severe instability, the State's finances are on solid footing. New York has the means to carefully target new investments within affordable limits to strengthen our infrastructure, promote the economic recovery, and prevent the imposition of new tax burdens on State taxpayers.

In addition, the Executive Budget takes several steps to help local governments and schools manage their own budgets. To build on the mandate relief enacted last year, this Budget provides a new Tier VI savings financing option and gives additional mandate relief to help local governments operate more efficiently and continue to provide services within the property tax cap's limits. Additional one-time fiscal relief is also provided to assist school districts with extraordinary growth in pensions and the impact of a down economy.

The accomplishments of the past two years are, in large part, the result of public engagement and new ideas from such entities as the Governor's Medicaid Redesign Team and the Regional Economic Development Councils. Similar innovative thinking will be vital to the recovery from Superstorm Sandy and the process of building back stronger than before.

This challenge is daunting, but we have proven we can meet it. Under Governor Cuomo's leadership, we have built credibility, we have balanced the budget, we have passed on-time budgets, and the public trust has been restored. New York is, indeed, on the rise.