

Director's Message

New York has undergone a dramatic turnaround in the past three years. In 2011, we faced a \$10 billion budget gap, symptomatic of decades during which the State spent beyond its means. Budgets were chronically late and politics dominated policy making.

Under Governor Cuomo's leadership, and as New Yorkers do, we rolled up our sleeves and went to work, reforming State government to deliver better results at a lower price. We replaced out-of-control inflators with new measures of affordability and committed to limit State spending growth to two percent. We reorganized the government, allowed the workforce to contract in a rational way, and negotiated new labor contracts appropriate to our fiscal condition. We reduced our debt and pension liability.

The State worked with partners in all sectors – public, private and nonprofit – to totally transform our Medicaid program through the Medicaid Redesign Team. New strategies for investments and economic growth were built from the ground-up by the Regional Economic Development Councils.

Now, only three years later, New York has a vastly improved fiscal outlook. All three major rating agencies have moved New York up from “stable” to “positive.” Employer confidence has led the State to reach an all-time high for private sector jobs. Most importantly, we are delivering a government that New Yorkers can take pride in.

For the fourth year in a row, the Executive Budget is balanced while limiting spending growth to no greater than two percent. We expect the current year to end in surplus and, with Governor Cuomo's steadfast commitment to fiscal responsibility, future surpluses are expected to grow.

As Governor Cuomo outlined in his State of the State address, surpluses will allow for tax cuts that create jobs, grow the economy and provide much-needed relief for struggling families. The Corporate Income Tax Rate will be reduced to its lowest rate since 1968. Tax cuts for manufacturers will attract investment to Upstate. Property taxes will be frozen for two years and, along with a tax credit for renters, will be linked to a taxpayer's ability to pay.

New York has long had a reputation as a high-tax, anti-business state, but we have made great strides in reversing that image. The property tax cap has already saved taxpayers billions of dollars, and the middle class is paying the lowest tax rate in 60 years. The tax cuts in this Budget are the next step in improving our State as a place to live, start a business and raise a family.

Our fiscal discipline does not preclude and, in fact, has allowed programmatic spending increases to improve the well-being of New Yorkers, and this Budget invests in vital initiatives such as Universal Pre-Kindergarten and after-school programs.

New York has come a long way. After years of late budgets, overtaxing and overspending, Governor Cuomo has fundamentally changed the State's trajectory. The dysfunction that eroded confidence in government has been replaced with a new spirit of cooperation. As the Governor continually reminds me, we must turn good ideas into a workable reality. This Budget accomplishes that goal.

New Yorkers come from many backgrounds, but we are unified by our determination, optimism and work ethic. These are the traits that laid the foundation for this Budget, positioning us for new investments and tax cuts to improve lives and create jobs. Indeed, New York is working again.