

New York's finances have made a dramatic turnaround since the depth of the recession and the preceding high-spending eras. Governor Cuomo has built a foundation of fiscal responsibility that has enabled him to deliver on the promise of New York.

Policies enacted by the Governor established the discipline to organize the State's fiscal house, leading to an unprecedented investment in infrastructure targeted at economic development, transportation, and health care. Taxes have been cut to their lowest levels in generations, including the lowest tax rate for the middle class since 1947.

For the first time in modern history, the State's outstanding debt declined for four straight years and is on track to decline a fifth consecutive year. State debt measured as a percent of personal income is at the most favorable ratio since the 1960s, and is expected to improve further in each year of the capital plan.

This year's Executive Budget continues the Governor's prudent fiscal management. For the seventh straight year, the Budget is balanced and limits spending growth to two percent. This two percent cap, self-imposed by Governor Cuomo and the Legislature, has changed the nature of the State Budget process.

For decades, State spending was driven by revenue projections. In the good years, spending went up, only to be cut in the bad years. By constraining expenditures to sustainable levels, New York's spending no longer outpaces growth in personal income, allowing for both tax cuts and increased rainy day reserve balances. Lower taxes and fiscal stability are improving the lives of New Yorkers and boosting the State's competitiveness. Now, New York is leaving more money in the hands of the people.

The Governor's fiscal discipline is also driving governmental innovation. New York State agencies are working together more closely than ever before, streamlining processes and eliminating waste, while improving services on which people depend. New Yorkers have every right to expect performance from their government – it must be efficient and effective, and government must honor the responsibility of being entrusted with public resources.

The spending cap has worked in tandem with fundamental reforms to reduce State and local government costs, and has allowed the State to shoulder billions of dollars in local government costs to lower property taxes. From eliminating unsustainable inflators in major State programs, to lowering pension costs for all levels of government, to helping counties comply with the property tax cap by relieving them of future Medicaid growth, the finances of government in New York State are on increasingly solid ground.

Financial markets and employers have taken notice of New York's financial turnaround. Private sector investment is up, and New York has the most private sector jobs in its history. Standard and Poor's (S&P), Fitch, and Moody's recognized New York's outstanding financial performance by upgrading the State to its highest credit rating since 1972. The State now enjoys the second highest investment-grade credit rating possible from all three raters on its general obligation bonds, and S&P rates the State's Personal Income Tax Bonds and Sales Tax Bonds at AAA, the highest rating possible.



With our finances in order, the FY 2018 Executive Budget sets out to ensure that our middle class has every opportunity to take part in New York's growing economy. The Budget provides a record level of support for our schools, including funding for pre-kindergarten, after school programs, and turning schools into community hubs. It proposes tuition-free college for middle class New Yorkers at State University of New York and City University of New York schools, and community colleges. The Budget also doubles the tax credit for child care and continues the groundbreaking work of the Medicaid Redesign Team that's improving the health of New Yorkers at a sustainable cost. It builds on the Governor's historic investment in infrastructure and economic development with new targets in the life sciences sector, transportation and health care.

Over the last six years, Governor Cuomo has reimagined State government to be more efficient and responsible – driving resources back into our communities. At the same time, he has reaffirmed New York's mantle of progressive leadership by advancing measures that expand opportunity and lift the middle class. The promise of New York is built on our shared values – hard work, inclusivity and compassion. As he embarks on the next year, Governor Cuomo has set a course for New York's future that gives each of us the undeniable opportunity to live up to our State's motto – Excelsior, Ever Upward.