

Putting New York's Economy Back on Track

Much like the rest of the country, the state of New York continues to face economic challenges as it works through 2010. To help counterbalance the loss in tax revenue and help solve the state budget crisis, deficit-reduction strategies are being proposed that will balance the state budget without resorting to new taxation.

A Step in the Right Direction

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The Business Council of New York State, Inc., is a tireless advocate for employers in the state political and policy-making arena, working for a healthier business climate, economic growth, and job creation. In light of the state's budget crisis, the Business Council has rallied behind a recent proposal by Governor David Paterson to reduce the state's deficit by \$5 billion through strategic cuts in government overspending.

"Our state comptroller estimates that on the current course of spending, New York's state deficit will reach \$27 billion in fiscal year 2011 to 2012," says Kenneth Adams, President and CEO of The Business Council of New York State, Inc. "We have to make key reforms now so that New York State will be prepared to succeed when the broader U.S. economy starts growing again."

Two key reforms proposed by Governor Paterson that the Business Council has championed include:

- > **State Spending Cap.** The cap would limit annual growth in state operating funds to the average rate of inflation from the previous three years.
- > **Pension Reform.** A pension proposal for new government hires called "Tier V" was enacted in December 2009 and will establish a more sustainable level of benefits for future government employees and save an estimated \$50 billion over the next 30 years.

Additional reform recommendations by the Business Council include:

- > **Property Tax Cap.** Property taxes outside of NYC have become a major statewide concern and cap proposals would garner widespread support. In December of 2008, The Commission on Property Tax Relief made a key recommendation to limit the growth of school property taxes to 4 percent or 120 percent of the Consumer Price Index.
- > **Consolidation of Government Operations.** More than 10,000 local government entities exist across New York State. Consolidation is meant to eliminate duplicative services and streamline public services. Some legislative headway has been made in pursuit of this goal led by Attorney General Andrew Cuomo with support of The Business Council.

"These reforms are collectively geared to achieve the objective of economic recovery for the state of New York, making us more competitive and helping us attract new investments," says Adams. "In turn, this will create jobs and steer our economy back onto the road of prosperity."

FOR MORE INFORMATION ABOUT THE BUSINESS COUNCIL OF NEW YORK STATE AND ITS EFFORTS TO CONNECT WITH LEGISLATORS AND GOVERNMENT LEADERS, VISIT BCNYS.ORG, AND CLICK "FIX NEW YORK."

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