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Bravo on budget; now to lawmaking

We have the opportunity for productive debate

By CAROL KELLERMANN

Gov. Andrew Cuomo and state legislative leaders deserve credit for agreeing on a budget that breaks some bad habits. It was on time, reins in spending that was growing at an unsustainable pace, and minimizes the facile devices that checkered past budgets—deficit borrowing, tax hikes, one shots and other gimmickry. The \$132.5 billion in approved spending reflects about \$7.6 billion in cuts from a mushrooming set of baseline commitments. Most of the cuts are in Medicaid and school aid. Tough as those cuts are, New York will continue to be a generous spender compared with other states, spending 60% more than the national average in both areas.

While the budget agreement is praiseworthy, some of its anticipated savings are uncertain. These include \$450 million in planned savings to be negotiated with the public employee unions; if concessions are not successfully negotiated, the governor may have to impose layoffs or other harmful cuts. More than \$640 million is to come from an overall Medicaid spending cap, but its implementation is not detailed. In addition, the closing of prisons that are not identified is counted on for \$72 million, and almost \$1 billion in unspecified efficiencies in agency operations are to be developed. The “known unknowns” counted on to balance the budget total over \$2 billion. If these savings do not materialize as planned, midyear deficits will arise.

- If the budget does roll out smoothly, one welcome by-product will be the opportunity for a productive legislative session. Important and contentious issues were deliberately left out of the budget, and rightly so, since they do not have a direct impact on the budget:
- Rent regulation in New York City, which will expire on June 15, should be extended without expansions that would provide assistance to high-income families and harm low- and middle-income households whose rents are not regulated.
- Unfunded mandates imposed by the state on localities and school districts, particularly unnecessary special education requirements, should be removed so they are not forced to raise local taxes.
- A property tax cap will need to be designed carefully to avoid hardship for needy communities that do not receive sufficient state aid to adequately fund services.
- A new pension tier should be created for all state and local public employees that raises the retirement age, increases employee contributions and ends the inclusion of overtime in pensionable salary.

Instead of spending the next three months sparring over the budget, the governor and the Legislature can now engage in a serious, substantive debate about these issues and develop legislation that makes an important contribution to the long-run strength and stability of our state and city.

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