



FOR IMMEDIATE RELEASE:

October 19, 2009

Contact:

Jim Smith

jsmith@corningplace.com

Ph: 518-689-7207

C: 518-339-1498

Unshackle Upstate: Governor's Efforts to Reduce Budget Deficit are Strong First Steps in Reversing State's Fiscal Crisis

However, coalition continues to push for more cuts and equity for upstate employers and taxpayers.

ALBANY, N.Y. – Governor David Paterson's \$5 billion, two-year Deficit Reduction Plan (DRP) is a positive step to corral out-of-control state spending, but the governor and the Legislature must actually make the cuts being proposed. And they must consider these cuts a starting point, the Unshackle Upstate coalition said.

The governor has proposed other taxpayer-friendly measures this year, including layoffs, Tier V reform and Executive Order 25, which required economic impact evaluations on regulations that would put fiscal burdens on taxpayers.

Unshackle Upstate urged the governor and Legislature to avoid delays and deals on this series of cuts. "The governor deserves credit for taking a leadership role and recommending significant cuts in state spending and, importantly, not running away from the pressing fiscal matters by holding a series of public hearings," said Andrew Rudnick, President and CEO, the Buffalo Niagara Partnership. "But the last thing we need is additional attempts to avoid reality – that New York State's budget has grown at an irresponsible and unsustainable level. They have known this day would come since last April when the governor, Assembly Speaker Sheldon Silver and Senator Malcolm Smith agreed to a \$132 billion budget."

While acknowledging the governor for recommending a DRP that did not contain additional taxes and fees, Unshackle Upstate said it falls short of sweeping reform. For example, it would transfer \$43 million collected through 18-a assessment on utility companies to the general fund. This tax revenue should be returned to utility customers. In addition, Unshackle Upstate said the move of proceeds from the Regional Greenhouse Gas Initiative to the general fund amounts to a new carbon tax.”

Rudnick added, “Speaker Silver and current Senate Majority Conference Leader John Sampson have been invisible during this crisis. They should present to the public long-term solutions to New York’s continual fiscal crisis – solutions that do not depend on raids of agency reserves, borrowing or additional revenue.”

Rudnick added that the Unshackle Upstate’s \$9 billion plan, detailed below, better targets the systematic problems that continue to increase taxes and the cost of doing business in New York. The proposed cuts included Unshackle Upstate’s recommendations for immediate and long-term budget reductions, as well as suggested repeals and other long-term savings measures. Immediate cuts would total \$3.74 billion and include a 3-percent reduction in the state budget; a state payroll lag (\$700 million savings) and a state workforce furlough (\$840 million savings).

“We are uneasy that some of these proposed cuts, such as those to Medicaid and education, could have a disproportionate and negative impact on upstate schools, hospitals and nursing homes.” Rudnick said.

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Unshackle Upstate is a bi-partisan coalition cofounded by the Buffalo Niagara Partnership and represents more than 45,000 employers with approximately 1.5 million workers in every region of upstate. The coalition's website www.unshackleupstate.com provides a direct way for citizens to send a message to elected officials in Albany.
