

## Out-of-Control Spending Defines New York

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**By: Betsy McCaughey**

New York State's Speaker of the Assembly Sheldon Silver, who has had a tight grip on that legislative body since 1994, made big news at newly elected Gov. Andrew Cuomo's State of the State speech on Tuesday in Albany. Silver declared that overall state spending must be cut.

That reversal from the politician who has thwarted cuts to New York's Medicaid and education programs every year ignited a glimmer of hope that New York State can reverse its chronic spendaholism and avert a fiscal crisis.

Like California and Illinois, New York's inability to continue spending at current levels could lead to state workers and vendors going unpaid, services canceled, and property values plummeting.

New York State needs an abrupt change of course. Gov. Cuomo laid out the facts, with no sugarcoating. The state faces a \$10 billion budget gap this year, and \$14 billion next year.

New Yorkers pay the highest taxes in the nation, with poor results. School spending ranks 1 in the nation, but New York schools rank 34th. Overall state spending shot up over 70 percent in the last decade, even while two million people abandoned the state.

The governor singled out the two biggest culprits. State school aid is up 75 percent even as enrollment dipped in the last decade. Worse still is Medicaid, where New Yorkers pay the highest tab in the country, double what California spends on each Medicaid patient.

New York offers many benefits not required by federal law or offered elsewhere. For example, New York offers personal care, where the state sends attendants to homes to help with daily activities such as bathing.

New York spends about \$25,000 a year on each person helped with these daily chores, according to the Empire Center for New York State Policy. Some of the help is needed, but cuts can be made here.

Unfortunately, Cuomo announced a Medicaid Redesign Team made up of the very figures who have thwarted healthcare cuts in past years by running television and radio ads, and bussing demonstrators to Albany: Kenneth Raske of Greater New York Hospital Association, Daniel

Sisto of Healthcare Association of Greater New York, and union leaders at 1199.

If this panel fails, the alternative to a sensible Medicaid program is deep cuts in reimbursements to hospitals.

Then, the announcement the audience was waiting for: Cuomo pledged a 2 percent cap on property tax increases. Twenty nine other states already have caps.

Cuomo introduced Geraldine Sullivan, age 81, who recently took a job as a school cafeteria monitor to so she could pay her property taxes and stay in her home. She flashed a V for victory. Most New Yorkers would.

Two downstate counties, Westchester and Nassau, have the highest property taxes in the nation, said Cuomo.

Most disappointing was Cuomo's proposal for 10 regional councils to invest public dollars in job-creating private sector ventures. History proves that government is incompetent at picking winners and losers in business. Instead, New York State should eliminate most forms of taxation in the beleaguered upstate region, inviting businesses to flourish.

Can New York State government be turned around? Most of the legislators listening to Cuomo's speech have been in Albany for years, spending profligately to ensure their own re-elections.

Amazingly, each one spends a million dollars a year just on office expenses, three times what lawmakers in other states require. Worse still is their wasteful funding of "member items," Albany lingo for earmarks or pet projects.

Despite the hard charging oratory from a new governor and the speaker's groundbreaking pledge, more changes are needed to put New York on the road to recovery.