



# UNFINISHED BUSINESS

**GOVERNOR ELIOT SPITZER**

**JUNE 26, 2007**

# CHANGING THE STATUS QUO

# The Status Quo: December 31, 2006

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## *EDUCATION*

- School funding tied up in the courts
- Funding distributed according to political need, not educational need
- Charter schools had become political football

# What Changed?

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- ✓ **Historic investment statewide (\$1.8B, 10% increase) with universal Pre-K**
- ✓ **"Foundation Aid" – Investment based on educational need**
- ✓ **"Contract for Excellence" – Investment tied to accountability and reform**
- ✓ **Expanded school choice – Doubled charter schools**

# The Status Quo: December 31, 2006

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## *HEALTH CARE*

- Highest Medicaid costs in US, growing at average of 8% annually since 2001
- Special interests drove money to institutions, not patients
- Therefore, poor health outcomes and 2.8 million uninsured (including 400,000 children)

# What Changed?

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- ✓ **New paradigm: Patient-first health care policy - primary, preventive, public health investments**
- ✓ **Affordable coverage for all 400,000 uninsured children**
- ✓ **\$1 B in Medicaid savings without cutting benefits (growth rate down to 1%)**
- ✓ **Achieved 77% of proposed savings despite statewide attack-ad campaign**
- ✓ **\$600M in stem cell research funding**

# The Status Quo: December 31, 2006

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## *PROPERTY TAXES*

- Soaring property taxes (increased 42% since 2000, 4 times CPI and wage growth)
- High property taxes making New York uncompetitive
- Non-progressive tax relief system: Millionaires get same relief as middle class

# What Changed?

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✓ **\$1.3 billion in property tax relief this year**

✓ **60% increase in property tax relief for the average New Yorker**

✓ **Largest cut in history: \$5.4 B over 3 years**

✓ **Relief targeted to middle-class homeowners**

# The Status Quo: December 31, 2006

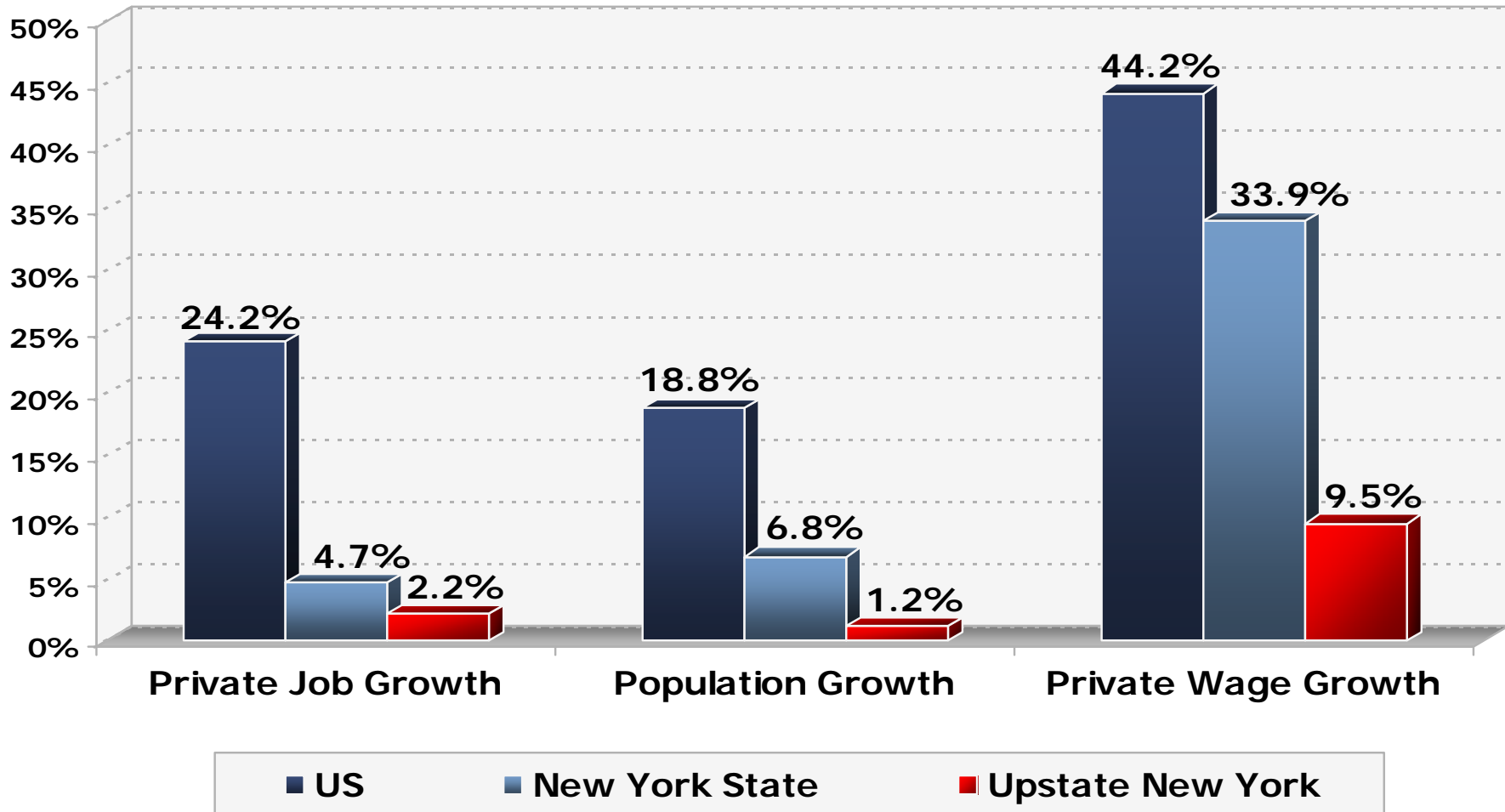
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## *UPSTATE ECONOMIC DEVELOPMENT*

- Stagnant economy
- High cost of doing business making Upstate uncompetitive
- Political gridlock preventing reform of burdensome regulations
- Struggling Upstate cities
- Out-migration of young people

# The Status Quo: December 31, 2006

## *Economic Indicators (1990 to present)*



# What Changed?

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- ✓ **Workers' Compensation Reform to reduce employer costs by 10-15%**
- ✓ **Business taxes cut by \$150 million**
- ✓ **"15 x 15," most aggressive energy efficiency plan in U.S., to reduce energy costs and pollution**
- ✓ **\$200 M in targeted aid to distressed cities, tied to accountability**
- ✓ **Higher Education Commission to leverage colleges and universities for job creation**

# What Changed?

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✓ **ESDC Upstate Headquarters and Chairmanship**

✓ **Getting results: 2,900 new jobs committed,  
8,900 retained**

✓ **Over \$1.3 billion in new private investment in  
the Upstate economy**

# The Status Quo: December 31, 2006

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## *DOWNSTATE ECONOMIC DEVELOPMENT*

- Looming infrastructure crisis
- Lack of progress at Ground Zero a national embarrassment
- NYC said to be losing its grip as financial capitol of the world

# What Changed?

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## ✓ Major progress at Ground Zero

Made a “go” decision on Freedom Tower

Reached \$2 B settlement of remaining insurance claims

Recruited JP Morgan to Ground Zero

## ✓ Ended gridlock on key projects: Stewart Airport; Tappan Zee Bridge; 2<sup>nd</sup> Ave Subway

## ✓ Established commission to reform state’s outdated financial services regulations

# The Status Quo: December 31, 2006

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## *GOVERNMENT REFORM*

- Secretive and gridlocked government
- Front-page stories of scandal trigger record-low public confidence
- Malaise at state agencies

# What Changed?

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✓ **Ethics, lobbying and budget reform**

✓ **Public leaders' meetings**

✓ **Appointed highly qualified individuals to reinvigorate state agencies**

✓ **Self-imposed reform at major authorities**

✓ **Required all agencies and authorities to broadcast "Open Meetings" on the Internet**

# Breaking Legislative Gridlock

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- Ethics and Lobbying Reform
- Workers' Compensation Reform
- Civil Confinement for Sex Offenders
- Human Trafficking Legislation
- False Claims Act to Combat Medicaid Fraud

# UNFINISHED BUSINESS

## Going Home Early

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*In the final week of the session, the Senate Majority called it quits before the full work week was over.*

*What did they leave undone?*

# What They Left Undone

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## **Upstate Economic Development**

- New Article X
- Brownfields Law
- Wicks Law
- Economic Development Appointees

## **Other Key Priorities**

- Healthy Schools Act
- Paid Family Leave
- Campaign Finance Reform

# Cheaper, Cleaner Energy - Article X

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## *WHAT'S AT STAKE*

- 5<sup>th</sup> highest energy prices in the nation
- No non-wind power plants sited since Article X expired in 2003
- Energy demand will outstrip supply by 2010
- Coal power plant pollution shortens the lives of 1,212 NYers annually; causes 164,612 lost work days; 1,191 hospitalizations; 28,665 asthma attacks (EPA)
- Threat of global climate change

# Cheaper, Cleaner Energy - Article X

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## *Spitzer*

- **Fast-Tracks Clean Energy**
- Natural Gas
- Clean Coal
- Co-generation
- Wind
- Repowering dirty coal plants

## *Senate Majority*

- **Fast-Tracks Dirty Energy**
- Traditional smokestack coal
- Nuclear

# “Shovel-Ready” Land - Brownfields Reform

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## *WHAT'S AT STAKE*

- Thousands of Brownfields throughout NYS
- Program costs spiraling out of control while 99% of Brownfields remain undeveloped
- The problem: Tax credits based on construction costs instead of cleanup costs

### Example: Westchester County Development

Cleanup Costs	= \$1.5 M
Construction Costs	= \$500 M
Estimated Tax Credit	= \$110 M

# "Shovel-Ready" Land - Brownfields Reform

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## *Spitzer*

- Tie benefits to cleanup costs rather than construction costs - would fund 100% of cleanup
- Polluters pay higher percent of cleanup costs
- Reform agencies to process applications quicker

## *Senate Majority*

**STATUS QUO**

# Reducing Unfunded Mandates - Wicks Reform

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## *WHAT'S AT STAKE*

- Need to reduce burden of unfunded mandates
- Law has not been updated since 1964
- Increases public construction costs, leading to higher property taxes
- Inadequate worker protections

# Reducing Unfunded Mandates - Wicks Reform

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## *Spitzer*

- Raise thresholds to \$2M in NYC and \$1M in rest of state (Executive Budget)

## *Senate Majority*

*January 31, 2007 – Where We Started*

# Reducing Unfunded Mandates - Wicks Reform

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## *Spitzer*

- Raise thresholds to \$2M in NYC and \$1M in rest of state

## *Senate Majority*

- Raise thresholds to \$1M in NYC and \$250K in rest of state (One-House Budget Bill)

*March 12 – Senate Majority Passes Bill w/Lower Thresholds*

# Reducing Unfunded Mandates - Wicks Reform

## *Spitzer*

- Raise threshold from \$50K to \$3M in NYC, \$1.5M downstate suburbs and \$500K upstate
- Over 70% of contracts exempt
- Improved subcontractor protections

## *Senate Majority*

- Raise threshold from \$50K to \$3M in NYC, \$1.5M downstate suburbs and \$500K upstate
- Over 70% of contracts exempt
- Improved subcontractor protections



*June 14 – Sen Bruno: “We are in agreement...That’s progress.”*

# Reducing Unfunded Mandates - Wicks Reform

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## *Spitzer*

- Raise threshold from \$50K to \$3M in NYC, \$1.5M downstate suburbs and \$500K Upstate
- Over 70% of contracts exempt
- Improved subcontractor protections

## *Senate Majority*

**STATUS QUO**

*June 21 – Senate Majority Walks Away*

# Healthy Schools

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## *WHAT'S AT STAKE*

- NYS has never comprehensively addressed school nutrition standards
- 1 in 4 NYS children is obese
- Poor nutrition, caffeine and sugar contribute to poor classroom behavior and academic achievement

# Healthy Schools

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## *Spitzer*

- Vending Machine Restrictions
- Real nutrition standards for school breakfasts and lunches
- Local Wellness Programs to ensure local input

## *Senate Majority*

- Vending Machine Restrictions
- Status Quo
- Status Quo

# Paid Family Leave

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## *WHAT'S AT STAKE*

- Working families forced to choose between economic security and caring for a family member
- Federal Family and Medical Leave Act provides job protection, but few can afford to take leave
- 168 countries have some form of paid family leave

# Paid Family Leave

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## *Spitzer*

- Up to 12 weeks of paid leave at \$170 per week
- Employees, not employers, pay for benefit
- Broad base of support - Retail Council, AARP, Children's Action Network, AFL-CIO

## *Senate Majority*

**STATUS QUO**

# Campaign Finance Reform

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## *WHAT'S AT STAKE*

- “One of the worst campaign finance systems in the country” fuels special-interest influence and entrenches status quo (*New York Times*)
- Individual contribution limit of \$55,900 (120% of NYS median annual income)
- Unlimited “soft money” to political parties
- Gaping loopholes allow circumvention of limits through LLCs
- Little transparency and weak enforcement

# Campaign Finance Reform

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## *Spitzer*

- Lower contribution limits dramatically
- Limit soft money
- Close loopholes
- Increase transparency and strengthen enforcement

## *Senate Majority*

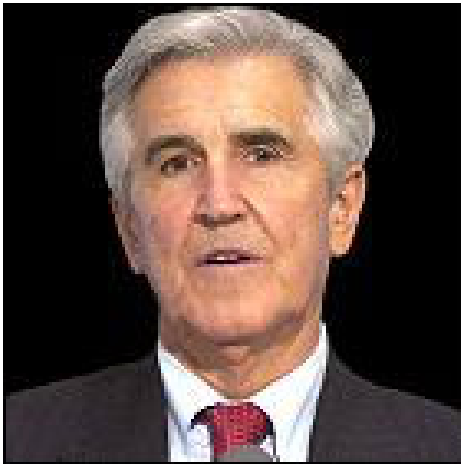
**STATUS QUO**

# Campaign Finance Reform

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## *THE STATUS QUO*

SENATE MAJORITY LEADER JOE BRUNO:



- “I laugh when I read that people gain access by their contributions. So what? So what?”
- “Money does not buy elections.”
- “Someone wants to give us a million dollars because they believe in what we do. Fine.”

# Appointments

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## *WHAT'S AT STAKE*

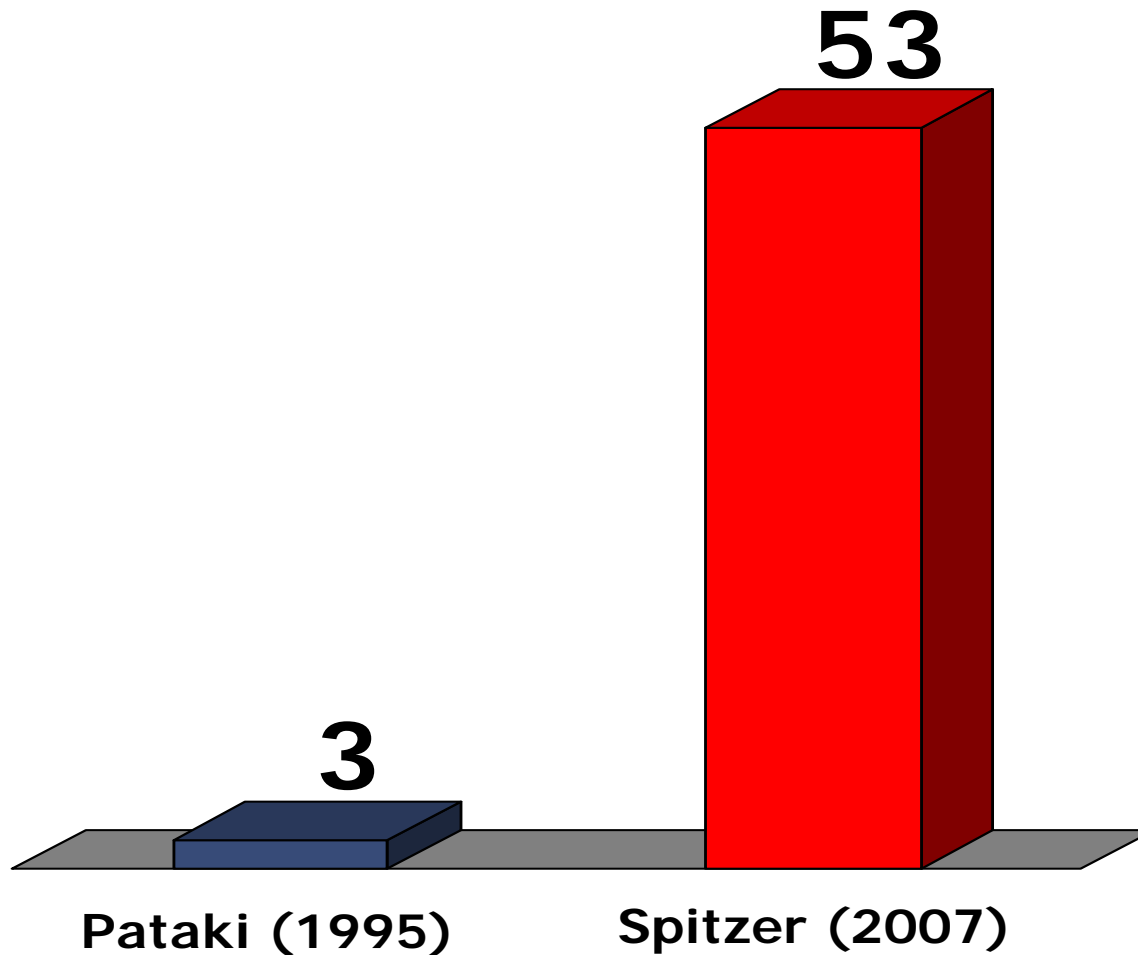
### Leadership for critical agencies:

- Economic Development
- Energy Policy
- Workers Compensation
- Health Care
- Technology Development
- Transportation
- Higher Education
- Public Assistance
- Mental Health
- Parks
- Veterans Affairs
- Arts and Culture

# Appointments

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*Governor's Appointments NOT Confirmed By Senate*



## Going Home Early

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*With all of this work left undone, the Senate Majority still made it a priority to raise their own pay. (4/30/07)*

**WHERE IS YOUR SENATOR?**

# NOT HERE...



# WHAT SHOULD NEW YORKERS DO?

**TELL YOUR SENATOR TO COME BACK  
TO FINISH THE PEOPLE'S BUSINESS**