

DIRECTOR'S MESSAGE

The State of New York is in its best financial shape in decades. This is the direct result of the policies put in place and the fiscal discipline of the Governor's first four years. After years of dysfunction, the State's finances are firmly on solid ground. Importantly, this Budget reflects the next step in the Governor's plan to improve the economy and overall quality of life in New York.

New York's fiscal turnaround has been widely recognized. This past summer, all three major credit rating agencies, Standard and Poor's, Fitch, and Moody's, noted the State's outstanding financial performance by upgrading the State to its highest credit rating since 1972. The State now enjoys the second highest investment-grade credit rating possible from all three raters on its general obligation bonds. S&P rates the State's Personal Income Tax Bonds and Sales Tax Bonds at AAA, the highest rating possible.

For the fifth year in a row, the Executive Budget is balanced while limiting spending growth to no greater than two percent. We expect the current year to

end in surplus, and with Governor Cuomo's steadfast commitment to fiscal responsibility, future surpluses are expected to grow.

To restore economic opportunity statewide, this Budget provides real tax relief for middle- and low-income families struggling under the crushing weight of property taxes. Building on the success of the Governor's property tax cap and property tax freeze initiatives, significant relief is provided to homeowners with the greatest need by creating a Real Property Tax Credit for households that will provide \$1.7 billion in tax relief to cash-strapped New Yorkers.

With a new foundation of fiscal stability, this Budget makes major investments that will improve New York's economic climate. It directs the State's \$5.4 billion windfall from settlements with financial institutions to strategically-targeted investments and reserves. These funds will foster economic development, improve infrastructure in transportation and health care systems, and help prepare for future disasters.

Investments will directly address the challenges faced by Upstate regions, and awards for major infrastructure projects will be limited to those which

will have a catalytic impact on community revitalization. A competition for funding will replicate the successful Buffalo Billion initiative, a program that is jumpstarting the economy of the entire Western New York region.

Of vital importance to our future, the Budget makes sure that the State's significant investment in education results in the reforms that our children deserve. A year-to-year increase of \$1.1 billion is contingent on the implementation of improvements to the systems for teacher preparation, evaluation, certification and tenure, as well as providing the authority to truly improve failing schools and providing increased support and accountability to charter schools. In combination with increased resources, these reforms are the best way to reflect New York State's commitment to providing educational opportunity for all students.

The past four years have fundamentally changed New York's outlook. Confidence has replaced derision. We are at an all-time high for private sector jobs. Fiscal discipline has allowed for major investments in education and our economy. New York is once again the State of Opportunity.