

## Spitzer taps Council leadership to serve on transition committees

Governor-elect Eliot Spitzer has selected Business Council president and CEO Kenneth Adams to serve as a co-chair on one of several policy transition committees.

“The policy advisory committees are composed of a diverse group of leading experts and thought leaders from throughout the state,” a release from the Governor-elect’s transition office said. “The committees will advise the Governor-elect, Lieutenant Governor-elect and the transition team on the major challenges facing the state.”

Adams was selected to serve as co-chair on the labor and workforce development advisory committee. Adams, who met with Governor-elect Spitzer after last week’s election, said he was honored.

“This shows how serious Governor-elect Spitzer is when he says he will help to make New York a better place to do business,” Adams said.

Adams will serve on the advisory panel with Denis M. Hughes, the president of the New York chapter of the AFL-CIO.

Governor-elect Spitzer also tapped Business Council staffer Ken Pokalsky to serve as a member of the energy and environment committee. Pokalsky is the director of the Council’s environmental and manufacturing programs.

Robert B. Catell, the chairman and CEO of Keyspan, a former Business Council chairman and current Council board member, will serve on the Energy and Environment Committee with Pokalsky.

Michael Falcone, Council board member and CEO of the Pioneer Companies, will serve on the transition’s economic development advisory panel. And board member Robert Wilmers, chairman of M&T Bank Corporation, will co-chair the committee on arts, culture and revitalization.

## Budget director: Holding state spending to inflation would close looming gaps

New York State faces looming budget gaps in the billions of dollars, but holding annual spending increases to the rate of inflation would “pretty much solve the problem,” the state’s budget director said.

Normal spending growth for Medicaid, education and other programs is projected to drive up Albany’s General Fund spending by 6 percent annually over the next four years, Budget Director John Cape said in November 1 remarks at

the Rockefeller Institute of Government in Albany. Revenues are expected to grow 4 percent a year, he said. Budget gaps are estimated at \$4.5 billion in 2008, and around \$7 billion in 2009 and 2010, not counting increases in education or other programs by the next governor.

If each year’s budget raised spending only by the rate of inflation, around 3.5 percent, the state would virtually eliminate those gaps, Cape said. And if Albany could manage to keep spending flat, “we’d be rolling in money,” he said.

A report and summary of Cape’s remarks are available at [www.budget.state.ny.us/](http://www.budget.state.ny.us/).

## Report finds New York’s local government finances in ‘tenuous’ position

New York’s local government finances continue to suffer under the strain of population loss and property tax pressures, according to a new report by Comptroller Alan Hevesi.

“The tenuous financial condition of some local governments (particularly Upstate) persists despite several positive developments in the past year,” the report said.

The report said that some changes designed to ease fiscal stress, such as the cap in local Medicaid costs, increases in the state’s revenue sharing program, and “substantial” increases in school aid, did not have a significant impact on localities.

Localities continued to increase local property taxes, despite changes designed to keep taxes down, the report said.

In addition, negative population growth “threaten the vitality of many communities,” the report said. Slow or negative growth in the Upstate region “has caused the fiscal health of Upstate local governments to suffer.”

The report highlighted six other fiscal trends in local governments negatively impacting finances, including tax limit warnings, local sales tax-rates, revenue sharing, pension contributions, debt and deficit financing.

The report is available at [www.osc.state.ny.us/localgov/datanstat/annreport/06annreport.pdf](http://www.osc.state.ny.us/localgov/datanstat/annreport/06annreport.pdf).

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