



Albany watch: New York State's 2010 legislative session

January 25, 2010 - Spotlights

With Governor Paterson's delivery of the annual State of the State address on January 6, the 2010 Legislative Session is officially underway. While the economy is showing signs of improvement, 2010 still promises to present great challenges coming off a very difficult year - perhaps the most trying ever - that any governor of the State of New York has had to face.

Rising Deficits

In April, 2009, Governor Paterson signed legislation enacting a \$132.3 billion 2009-2010 budget, based on New York's allocation of federal stimulus funds and the anticipation that the state's tax revenue would improve. The year did not pan out as hoped, and in December, the Legislature convened in a special session to address a \$3.2 billion dollar shortfall projected by the Governor's Office. The Legislature cut approximately \$2.7 billion from the 2009-2010 budget.

As we begin the new session, the economy seems to be gaining momentum. Wall Street had a good year in 2009 and issued strong compensation packages, significant to the state because Wall Street bonuses account for 22% of New York State's tax revenue. But indications are that there will continue to be a sizeable and growing deficit in revenue required to meet the state's long-term capital needs.

Against this economic backdrop, on January 19, the Governor released his 2010-2011 budget. The Legislature has until March 31 to pass a balanced budget for the new fiscal year that begins on April 1.

Infrastructure Funding Essential

The budget is crucial to our engineering community because it should include the MTA five-year capital plan and the Roads and Bridges five-year capital plan. The roads and bridges plan matches the MTA plan in state dollars. However, because the state has insufficient tax revenue to meet the five-year capital needs, there are gaps in each of the plans. In an attempt to address these gaps, the governor and legislature are in talks regarding the enactment of a one or two-year capital plan, and are waiting for the economy to improve and tax revenues to increase before committing to the next five-year plan. This parallels what the federal government is contemplating for their next SAFETEA-LU plan. New York State will wait to see how the federal government acts before coming to a decision on its capital plans for transit and for roads and bridges.

This scenario provides an opportunity for the governor and legislature to commit to an investment in our aging infrastructure. This investment would provide real jobs and serve as an engine to move goods across our great state. The pressure on our elected officials to resist cuts in health and education programs will be enormous. Yet, infrastructure issues need to be on the table at all times. Attention to these issues cannot be sacrificed in the short term because of the potential damage they could inflict on the economic health of New York in the long term.

One key piece of legislation that Governor Paterson signed into law in 2009 was the Green

Jobs/Green New York Act. This act will fund the weatherization loan program and will establish a statewide green jobs training program. New York State Energy Research and Development Authority (NYSERDA) is designating a portion of the \$112 million from the auction of the carbon emission credits to the Regional Greenhouse Gas Initiative (RGGI.) The seed money from the RGGI will be used to leverage private investment that will result in the retrofitting of over one million homes in the next five years.

Additional ACEC NY Priorities

2010 will be the year of the budget - a test of whether infrastructure will be sufficiently funded. However, the American Council of Engineering Companies of New York (ACEC New York) has other issues on our legislative agenda that will need to be addressed this year as well. We will be pushing for passage of the permissible forms of practice bill that passed the senate in 2009, but fell short in the assembly. In addition, we will be working on the qualifications-based selection legislation that passed the Assembly, but not the senate last year. ACEC New York is also supporting public private partnerships and design-build legislation that will bring new revenues into our state.

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