



Robert A. Straniere

The Challenges Facing the Eastern Region and Partners

By Former Rep. Robert A. Straniere, New York

This article discusses the challenges that are currently facing the legislatures of the Eastern region of the United States, along with its partners, various Canadian provinces.

The start of each session of a legislature brings with it a new set of challenges. Some issues tend to be perpetual: improving education performance and opportunity; expanding health care coverage; creating economic opportunities and protecting the environment. Often, the decisions taken to address these and other concerns are reflective of the strength of the national economy and its impact on state resources.

Other issues emerge as a result of unanticipated events such as the attacks of September 11, 2001, focusing our attention on the need to improve our security at all levels, or the blackout of August 2003 and the recognition of our need to insure safe, reliable and adequate supplies of energy.

Still other issues arise unrelated to state decisions, such as the impact of increasing immigration, both legal and illegal, primarily on urban centers in the Northeast region.

States are not immune from the direct effect of the decisions made in Washington that create or expand federally sponsored programs and usually mandate a certain level of state spending. As a result, our states and localities become both beneficiaries and financial victims of these actions, with little direct recourse other than to spend our way into compliance.

Further, it has been my experience after 24 years as a member of the New York State Assembly that few, indeed have been the letters, meetings or calls asking for spending reductions. Rather, the reputation and stature of lawmakers is most often a reflection of their success in securing money for

local projects, or otherwise increasing funding for any number of worthwhile programs or services. Politically, incumbents seek to define their votes as providing “record increases,” especially if they can be attributed to “education,” “environment,” “children” or the needs of “seniors.”

With that as a preface and context, let’s explore the issues I believe will continue to dominate legislators’ attention throughout the Eastern Region in the 2005 sessions, and likely beyond for some time.

First, the financial impact on implementing the Medicaid program is pushing most states and their local governments to the edge of financial calamity in meeting the health needs of our population. In New York, the fiscal effect is particularly acute on cities and counties (we have 62 of each) that are required to pay one half of the state’s 50-percent share of the federal program.

When you remember that New York spends more than California and Texas *combined*, you can better appreciate how this record spending both detracts from adequate funding of other public programs, leads to tax, fee and surcharge increases, but is especially a seemingly impossible financial burden on smaller rural communities that lack the ability to identify other options or new sources of revenue, and continue to fall back upon ever-escalating property taxes.

Few legislators are advocating a diminishing of health care coverage. In fact, we continue to expand programs such as Child Health Plus (full coverage up to age 19) and Family Health Plus (family coverage for those not Medicaid eligible). We grapple with how to provide health coverage for

some 3 million working middle-class New Yorkers and their families who are not Medicaid eligible, but lack insurance coverage and are thereby potentially unintended recipients of escalating social service programs, subject to serious personal financial disruption along with the ancillary negative social consequences. Add to this the expenses of prescription drug coverage programs such as EPIC in New York and the magnitude of the problem becomes readily apparent.

The political pressure to ever increase the level of spending is an eternal fact of legislative activity. It is usually one of the reasons for budget impasses as areas with declining or static school-age populations refuse to accept a reduction or even a reduced spending increase compared to localities experiencing school-age population increases. This makes the art of negotiation and compromise most difficult, pitting cities against suburbs against rural areas. In fact, the school equity lawsuit in which the Court of Appeals decided that each child in New York City is entitled to a “solid basic education,” is being replicated in lawsuits all over the region and even within the state of New York. Legislative leaders from outside New York City seek to apply that undefined statement to a demand for increased spending in their areas before they face a court-ordered spending increase that, if paid for by the locality alone would surely mean the most politically lethal of all taxes—an increase in property tax.

The final outcome here is uncertain, but there is the potential for years of continuing litigation. Will the cost be borne by the state alone or will the cities and localities have to contribute to the increase? At the end of this

process it is likely that a substantial spending increase will be ordered. The need to raise taxes (cutting other programs is not acceptable) or the introduction of new non-tax sources such as casino gambling, the lottery, other forms of betting (which may require constitutional changes in the states effected) has drawn increasing interest from governors who must first recommend how to fund the education programs each state provides or will be ordered to provide by the courts.

The attractiveness of gambling as a recreation or entertainment form of painless revenue for states is growing. The persuasive argument that your state's money is being gambled in other states anyway, so why not keep it at home, seems to outweigh the negative social consequences that are documented results in legislative discussions.

Creation of economic opportunities in a region that for three decades has been experiencing migration to warmer, less taxing states in the South and Southwest continues to be a challenge. The power of organized labor to influence decisions to save jobs is a political reality that must be weighed against the ever-increasing globalization of our economy. While many continue to rail against NAFTA, facts have demonstrated that this treaty has led to an increase in jobs in all states and should continue to do so as the economies of Canada and Mexico become stronger. Likewise, the facts on jobs lost through corporate outsourcing and in particular sectors are uncertain at best.

Related to this issue is the return in immigrant populations (both legal and illegal) to New York and the region as a whole. New York City now has its largest nonnative-born population as a percent of the whole in 100 years. These new New Yorkers are revitalizing older neighborhoods, increasing the roles of our city schools by some 25,000 students per year, investing in our neighborhoods while at the same time increasing to a degree certain social costs. On balance, however, this is clearly an economic plus as well as a welcome addition to the cultural diversity of our metropolitan areas, so that our region is even more reflective of the people of the world and not just the European continent.

Not just New York City, but the entire Northeast region was directly impacted by the events of 9/11. The lives lost, families disrupted, businesses destroyed and lifestyle

changes directly affected the communities in neighboring New Jersey and Connecticut as well.

The need to improve security of all states, toughen criminal and anti-terrorism laws, improve law enforcement techniques and secure our borders, not only with our Canadian neighbors but with our partners in maritime commerce and all forms of transportation have continued to occupy our attention as legislators. The rebuilding of lower Manhattan will have a major impact on the tristate area and its economies.

How can we in the Northeast continue to ensure our people in their homes and businesses that we will have secure, reliable and affordable energy in light of the system failure of August 2003?

How will we continue to strengthen our partnership with our neighbors to the North—Canada and her provinces, particularly Ontario and Quebec, in the areas of trade, security, energy and tourism?

How will we continue to improve our ability to move people to and from places of work through a reliable mass transit system that is basic for so much of our region's economies, as people opt to live further from their places of work for a variety of reasons?

How will we continue to take action to reduce pollution from vehicles, improve the quality of our water supply as well as lakes and beaches and protect our vast open spaces and wilderness from unwanted development?

How will we reign in the power of the public authorities that control so much of the region's activities without sacrificing their ability to make decisions and take the very actions that are less sensitive to the politics of the moment and for which they were created in the first place?

As the Executive Board meeting of the Eastern Regional Conference of The Council of State Governments in December 2004 in the Virgin Islands demonstrated, most of these issues were identified as matters likely to be taken up in the coming session in each state.

To the extent different issues not before discussed and unique to individual states were identified, they were as follows:

Connecticut: Funding stem cell research; medical malpractice reform and new ethical standards for elected officials.

Delaware: Protection of open space; education performance scholarships for teach-

ers and so-called "second chance" legislation.

Maine: Tax reform.

Massachusetts: Policy decisions in criminal justice and health care will reflect the anticipated budget deficit.

New Hampshire: Campaign finance reform.

New Jersey: Ethics in government; election of a lieutenant governor since New Jersey is the only state without one and the current governor is simultaneously serving as majority leader of the state Senate, seemingly blurring our traditional concept of separation of powers.

Pennsylvania: Developing alternative energy sources and medical malpractice.

Rhode Island: Reconfiguration of the division of state governmental power between the General Assembly and the governor, which has existed since colonial times.

And among our regional partners:

Nova Scotia: Close division in political control will likely limit any significant changes in current law or programs.

Puerto Rico: The closely contested gubernatorial election will limit significant changes. However, budget deficit will be a major problem.

Quebec: With no budget deficit, legislative action will likely focus on trade, security and health care.

While the issues presented reflect both the similarities and diversity of our Northeastern states along with our Canadian and Caribbean partners, the question of how we will continue to recruit dedicated men and women to commit themselves to the demands of time, family disruption and financial sacrifice that come with being an effective member of a legislative body remains universal. At least on this last point, I have every confidence of our collective success!

Bio

Robert A. Straniere served for the past 10 years as the assistant Republican leader in the New York Assembly. For 24 years he was a member of the Assembly Ways and Means Committee and served as a ranking member. Straniere served on the Executive Board of The Council of State Governments and chaired its International Committee. He also served on the Executive Board of the Eastern Regional Council. He is a graduate of Wagner College, New York University Law School, and holds a Masters Degree of Law from New York University. He practices law in New York City. robertstraniere@yahoo.com.