

FISCAL YEAR FOLLIES

BY EDWIN D. REILLY, JR.
For The Sunday Gazette

“No man’s life, liberty, or property is safe while the legislature is in session.”

New York City Surrogate Court decision, Tucker 248, 1866

Apparently Texans are safer than New Yorkers. I knew that before my recent trip to the Lone Star State for my grandson’s high school graduation, but the visit reminded me that the Texas Legislature meets only every other year. Thus its legislators are clearly part-time, and their annual salaries of about \$7,200 are a third of the national average and less than a tenth of the base salaries of New York State legislators. Clearly, they have far less time to get into collective mischief than our own, though who knows what they do on their own time.

An every-other-year legislature at Texas salary rates wouldn’t be near enough to cure our state’s perpetual budget shortfalls; other factors work in favor of southern states too. Taxes are relatively low in Texas because their cities don’t have to buy \$100,000 snow plows and their excellent roads (in the Dallas metropolitan area at least) don’t develop potholes that vex drivers (and mayors) and cost money to fix.

The northernmost suburbs of Dallas exude prosperity, and even the minority residents seem to whistle while they work. I must say, however, that at the Mexican restaurant we visited and enjoyed, the only Hispanic in sight was our waiter (a refugee from Arizona, perhaps).

Budget balancing

But in looking for other Texas cost-saving measures that we might want to emulate, I learned only on the current trip that certain Dallas area toll roads, though certainly authorized by the state, are built and operated by private corporations. Inverse socialism! Perhaps we should sell the Thomas E. (for Edmund) Dewey Thruway for enough money that the annual tolls give buyers a reasonable percentage return on their investment. Let’s see if the numbers add up.

As of the day I write, yet another New York State budget extender has reduced the 2010 shortfall by a billion dollars, one down, another eight (billion) to go. Could a Thruway sale possibly raise that much, even though it could only be done once? So, clued in by Google, I went to www.thruway.ny.gov/about/financial/ann-reps/ar2009.pdf to look at 2009 statistics.

The quick answer is no; the Thruway is too much in debt to facilitate its sale. But even if it were not, the annual 2009 toll revenue minus operating costs was only 282 million, a potential 3.5% return on an eight billion dollar investment. So a debt-free Thruway is worth only about \$4 billion, assuming that a 7% return would attract a buyer. Enough of this.

Another try

A few weeks before my Texas visit, I learned of a ploy that could actually be used to balance the state budget, one conveyed to me upon a visit to a distinguished nonagenarian, John Van Laak. John was a young lad of 53 and a member of our Planning Board and Zoning Commission when I first became Niskayuna Supervisor in 1970, but his day job was Chief Budget Officer of the New York State Division of

the Budget. And Thomas E. Dewey—there's that name again—was once again at the heart of the story. Here's how it goes.

Changing the fiscal year

New York has the earliest fiscal year starting date in the nation, April 1, and is one of only four states not operating on a July 1–June 30 budget cycle. As a result, instead of setting expenditures based on reliably known revenues, state officials must forecast income through a cloudy crystal ball in order to enact a legally-mandated balanced budget before the state (and federal) tax deadline of April 15th.

Things were not always that way. Strangely enough, a fiscal year is not specified in our prolix state constitution. The start of New York's fiscal year was October 1 until 1916 when it was moved to July 1 by legislative action. Then, in his inaugural address of 1943, newly-elected Governor Dewey advocated that the fiscal year begin on April 1. And his party's strength in the Assembly and Senate proved sufficient to enact his recommendation over the strong objections of the Democrats.

I was only ten at the time, and very busy trying to help President Roosevelt win World War II by saving tinfoil, hauling scrap metal to some designated depot in Troy in my wagon, studying silhouettes of German planes in anticipation of spotting one overhead, and keeping an eye out for spies trying to infiltrate the home of the Little Sisters of the Poor opposite my house.

A Gem of a Website

So because I don't remember the fiscal year controversy, I went to one of my favorite fonts of knowledge for a belated history lesson. I refer to the website www.fultonhistory.com, one I've been dying to tell you about for some time. It is run by a wonderful guy I haven't met but very much want to, Tom Tryniski of Fulton, NY.

The site, called Old Fulton Post Cards, is not about Fulton history per se; what Tom has done is to digitize and post for our edification thousands of pages of many different New York State newspapers, the *Gazette* among them, from its inception up through the mid 1970s. And he has apparently done all this on his own time and dime.

The Tryniski website has a good search box, usable pretty much like you would with Google, and is a terrific source of local history, genealogical or otherwise. And the pages retrieved are full and complete, including ads and miscellaneous trivia that happen to share space with what you want, or what the search engine thought you wanted. A *Gazette* page for May 6, 1943 that contained only a passing reference to Governor Dewey showed photos of several area servicemen, including two brothers, and the side story that tattooing was going out of favor with sailors. Little did the reporter know that, 67 years later, there would be a renaissance in tattooing, not among sailors, but among NBA players and young and not-so-young women.

In searching for the reasoning behind the last change in the state fiscal year, what I found was a 1943 issue of the *Utica Daily Press* that said that Governor Dewey wanted to change to an April 1 starting date in order to authorize residents to pay state income taxes in quarterly installments. The legislative Democrats opposed the change because they claimed that it would obliterate an \$80 million surplus that the prior Democratic governor, Herbert Lehman, had accumulated. The Republicans claimed that the "surplus" was an illusion, temporary cash that was needed for commitments already made.

Now, if the Democrats were correct that advancing the start of the fiscal year destroys a surplus, then perhaps changing to a later date would create one, or at least lead to a one-time balanced budget to get us through these difficult times. So I wondered if any current legislator has been pondering the advantages of returning to a later start of the fiscal year. Sure enough, Google referred me to

www.nysenate.gov/files/pdfs/FINALFiscalYearWhitePaper.pdf where I found that Senator Liz Krueger, Democrat of Manhattan, has. She is chair of the New York State Senate Select Committee on Budget and Tax Reform, of which local senator Neil Breslin is also a member, and the report cited is titled "A New Fiscal Year—A Better Budget."

The report is very convincing. Looks like John Van Laak was onto something. And the report contains a very nice photo of Senator Krueger. She has no visible tattoos, but she is wearing a beaded necklace, which disqualifies her as a candidate for Schenectady School System Superintendent.

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Postscript of January 29, 2013: Upon re-reading this myself, I was temporarily puzzled by the last sentence. But then I remembered that at the time, June 2010, the Schenectady School System had banned the wearing of beads whose coloring allegedly identified the wearer as a member of a particular gang.