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Picking Up The Reform Ball

By Robert B. Ward

March 13, 2008 — Eliot Spitzer was a shooting star. In all New York's history, no governor arrived with greater brilliance, nor fell to earth so precipitously.

As his critics like to point out, Spitzer's famous promise to "change everything" in Albany wasn't realized on Day One - nor even after 437 days.

Yet one tragedy of his downfall is that some important changes *are* taking place, or at least being seriously considered for the first time, in a Capitol well-known for resisting reform. Whether such steps will continue now depends largely on the man Spitzer chose as his running mate, David Paterson.

What changes are underway? Let's start with the state's two most important jobs, education and health care.

New York's \$46 billion Medicaid program is the biggest in the nation, by far - and, most experts agree, the most wasteful.

Spitzer told influential hospital executives and union leaders that they were depriving poor families of badly needed primary care by insisting on continued billions in funding for an outmoded hospital system. Rather than prop up expensive institutions, Spitzer argued, those dollars should pay for more health-insurance coverage and neighborhood clinics.

The 2007-08 budget took some modest but precedent-setting steps toward spending more effectively on health care. For example, it eliminated \$20 million in graduate medical education funding that hospitals were claiming for "phantom" doctors. This year, Spitzer's widely respected health commissioner, Dr. Richard Daines, has been pushing the Legislature to go much further by broadly redirecting

health-care funding to where it will benefit patients, rather than institutions.

As in health care, Spitzer's approach to education included both a major increase in spending and steps to drive change for the benefit of needy New Yorkers, in particular. More funding is still assured - but continued reform remains uncertain.

Last year's budget consolidated 30 education-aid formulas into one, giving school districts greater ability to spend dollars as they choose. With that enhanced flexibility and a record increase in aid, Spitzer persuaded the Legislature to impose more accountability for results. And he won a major expansion of charter schools, guaranteeing that Gov. George Pataki's experiment of 10 years ago will remain as an ongoing stimulus to educational reform.

Enjoying a record electoral mandate in November 2006, Spitzer arrived in Albany with expectations beyond those of any governor since Nelson Rockefeller commanded the state's political establishment in the 1960s. And like Rockefeller, Spitzer saw blue-ribbon commissions as an effective approach to solving really big problems.

A Commission on Higher Education issued its preliminary report in December. Its recommendations include major increases in faculty and student support, as well as long-needed enhancement of the State University's research capacity.

The Commission on Local Government Efficiency and Competitiveness is analyzing New York's 3,300 local taxing jurisdictions - an array of counties, cities, towns, villages and special districts that Spitzer correctly called "too many, too expensive and too burdensome." An initial report is due April 15.

Finally, a third commission is charged with studying property taxes in New York, among the

very highest in the nation. Spitzer charged its members with designing a property-tax cap and other steps to ease the burden on homeowners and businesses while maintaining adequate resources for education. Preliminary recommendations will come in May.

The broad goals of each initiative are popular. But the tough choices required to fulfill them will be controversial in Albany - and could easily fall by the wayside.

Then there are the broad goals, ultimately his most important, that Spitzer set out in his first State of the State address - "an economic climate that attracts young people and businesses," and "a government that responds to the public interest instead of special interests." In both cases, New York has begun to make some progress - but not nearly enough.

The incoming governor arrives with a strong knowledge of history, broad exposure to state policy, excellent relationships with legislators and a resolve to "get back to work as the people of this state expect of us."

New York's modern era of strong governors began just more than a century ago, when Teddy Roosevelt served in Albany. But never before has a lieutenant governor acceded to the top office with as much opportunity as David Paterson finds today.

The unfinished business of the Spitzer days remains on the table. Gov. Paterson will write his own agenda.

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