



News Analysis: Robo-Spending

The state's subsidy of this region has resulted in a litany of expensive failures. When will we wise up?

By Bruce Fisher

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The recent Rockefeller Institute study detailing how Downstate New York subsidizes Upstate New York was old news. Rockefeller confirmed what a 2010 Buffalo State College Center for Economic and Policy Studies paper reported, which in turn amplified a 2004 report from the Center for Government Research in Rochester, to wit: Upstate takes in a whole lot more tax dollars than Upstate sends in to Albany. The extra \$1 billion a year that already comes to the citizens, governments, and institutions located in Erie County, over and above what Erie County taxpayers send to Albany, comes from taxpayers in the New York City area. It is a long-standing transfer of wealth that depends principally on the financial sector in Gotham, but it more generally reflects the contrast between the growing Downstate economy and the structurally challenged Upstate economy.

One would think that such a long paper trail on the volatile issue of taxpayer dollars might have great political relevance. But as a recent Manhattan Institute critique of Governor Andrew Cuomo's proposed \$1 billion "economic development" fund for Buffalo shows, the Right prefers to reiterate traditional themes from the phrase-book of free-market fundamentalists. The Left says nothing, while the Upstate political class brays, as loudly as ever, its ancient folk melody, which goes something like this: We're short-changed, we're neglected,

we're abused and dealt nought but dirt by Albany. It's a weird song, especially when sung by Democrats, because it's Albany's most often defamed characters, like Assembly Speaker Sheldon Silver, who are actually responsible for shoveling money into our hands year after year.

Recently, the Right's case against helping Buffalo found a new expression in a credible-looking prediction that any new money coming to Buffalo will go the way of the \$536 million Washington sent in the form of Community Development Block Grant funds between the 1975 and 2004, even as Buffalo fell from over 450,000 souls to under 300,000, and as Erie County dropped from 1.1 million to 900,000. And quiet flows the federal money on, too, today, not just to city government but also to UB's medical school, to various Homeland Security programs, to infrastructure programs, and more. It is a veritable river of funds.

It's New York State's money that is the most curious flow, mainly because the dialogue within New York is never about what Downstaters are actually buying for us with their vast generosity. Not only does our regional discourse not acknowledge what we already get, but we never explain why it is that all their dough doesn't help us get off their dole.

Little boxes, big money

The key reason Gotham's generosity doesn't work to transform us is because we are a splintered, localized region. We have a community college that has three campuses rather than one—a community college that wants to build a suburban healthcare worker training facility eight miles from where the rest of all the

healthcare worker training in the region takes place. We have 28 school districts in one county – a county in which there are more new and fixed-up school buildings where the children are disappearing fastest.

We in Erie County maintain 26 public safety answering points, otherwise known as dispatch centers, purely because of localist politics, while New York City has one that capably serves more than eight million people. We have six industrial development agencies that specialize in moving retail stores from one town to another town, as is happening this very week, when Premier Wine & Spirits moves one town over from Tonawanda to Amherst, at great public expense. Our region has sprawled without growing our population in 40 years, yet we maintain all the little governing boxes that 12th-century-minded farmers set up hereabouts two centuries ago in the pre-industrial part of the 19th century.

The true measure of our dysfunction is famously in our shrinkage, which a scant handful of our civic leaders are beginning to acknowledge. We may not be able to do much about the new rules of globalization, but we never even talk about the true infamy of the Buffalo region: the human toll that localism exacts by preventing a solution to the easy-to-solve challenge of helping poor children use schooling as their tool of liberation.

Buffalo is a region of subsidy junkies content to stay in their municipal egg-crate cubicles. When I think about Cuomo's promise of a new \$1 billion over and above the extra \$1 billion we already get, I think he'd be better advised to instead give us some tough love and just cut off the Buffalo regional allowance until we get some credible consolidation going here. That's the conversation among a few people who note that our 28 school districts, which all told spend over \$34 million annually in administrative costs, compare very badly, in both efficiency and in outcomes, to the single, county-wide school district of Raleigh-Wake County in North Carolina, where only \$14 million gets spent on running the show. Raleigh and Wake County are just a bit smaller than Buffalo and Erie County, but student numbers

there are growing while here they are shrinking. The regional school district there has one superintendent, while we have 28. The educational outcomes for poor kids there are measurably, consistently, upliftingly better than they are here.

Tough love might come, one day, in the form of a New York governor offering the 28 school districts in Erie County the sum that Raleigh-Wake County school district gets for school district administration, and an instruction, or a challenge, that says something like this: "Stay 28 separate districts or become one district, it's up to you."

But that's not the conversation underway in New York State. Instead of state educational policy-makers focusing on the wisdom of Raleigh-Wake's 36-year-long practice of breaking up concentrated poverty and thereby elevating both the performance of and prospects for poor kids, our dialogue is about whacking teachers upside the head inside their own little districts. We have a political competition underway not about whether to kick teachers, but about who can kick them harder.

A new study by a Buffalo State College graduate student named Ryan Keem shows how tightly correlated student achievement here in Erie County is not to race or to class size or to per-pupil spending or even to disability, but to poverty in the classroom peer group. Keem's work is already getting attention not far from Buffalo, in a community where the dialogue is about uplifting students rather than about scoring points against the teachers' union, specifically because Keem shows what Raleigh-Wake County schools have proved – which is that mixing low-income students together with middle-class students happens when there's a change in administration from localized to regionalized schools, and that when it happens, kids come out better.

There is no candidate running today who has chosen to run on that issue, so the governor kicks teachers, the discourse of the deaf continues, and the Albany money gets shoveled into each one of our little local egg-crates, while every school superintendent, politician, business

group, and editorialist howls that it's not enough.

We are on political auto-pilot in New York State. Money gets transferred and spent. A dysfunctional structure that everybody knows is dysfunctional, and for which there are practical alternatives, is left to dysfunction some more.

But sometimes, the regional nature of our maladies is too hard to ignore, and the solution is so easy, and so easily explained, that even we ought to be able to handle it. That's the case with Erie Community College.

The proposed new \$30 million health sciences building for ECC's north campus, for which Governor Andrew Cuomo has budgeted \$15 million.

The \$15 million challenge

There is a \$15 million item in Cuomo's 2012-2013 budget. It's the state's matching share for the new Erie Community College "center of excellence," so-called, for healthcare education. ECC's staff and board submitted this item to the State University of New York capital plan. SUNY approved what had been sent to it in a rubber-stamp process that presumes, in this statewide system, that the local leaders know what the hell they're doing.

It's a \$30 million project all told, and it had the support of the previous Erie County executive, Chris Collins, who offered to put up half the local cost (to match the state's \$15 million) from his own fund balance, which, by the way, had happily swelled when President Obama and Congress sent many tens of millions of dollars in extra "stimulus" funds here. ECC itself is responsible for the other half of the local cost.

Perhaps Albany, which has to deal with dozens of community colleges, can be forgiven for not knowing that this is a nonsensical project. The taxpayer-funded ECC proposes spending \$30 million on a new health education building that is eight miles from Erie County Medical Center, where most of the non-physician healthcare education SUNY pays for around here takes place, except when it's taking place on High Street, which is 10 miles away from the proposed ECC construction. Nurses, pharmacists, mental health workers, infectious

disease workers, physical therapists, social workers, and other skilled healthcare workers are trained at ECMC. The training of physicians occurs both at ECMC and at a couple of the Kaleida hospitals, principally Buffalo General and Children's. If SUNY in Albany were to purchase intelligently on our behalf, then SUNY should purchase where SUNY has already purchased, i.e., either downtown or next to the places where the workers-in-training will work.

A brand-new, multi-party affiliation agreement between the healthcare education leader in Western New York, namely SUNY at Buffalo, and the teaching hospitals has been or is about to be inked. Guess where training in the allied health professions is going to take place? Answer: It's not going to take place on a suburban campus eight miles from the regional trauma center – a suburban campus that is only intermittently served by buses.

Albany needs to stop enabling the dysfunction and duplication here. Albany can get some help in this from a renewed local campaign for consolidation of ECC in the downtown transportation hub of the region, which is a few minutes' bus ride from Children's Hospital, Roswell Park Cancer Institute, Buffalo General Hospital, or ECMC.

Sadly, today Albany does not mandate that there be any sensible consolidation or collaboration here. As a result, Erie Canal Harbor Development Corporation will spend tens of millions of dollars on what is called "structured parking," known in the language of the English-speaking people as parking garages, even as the Buffalo Niagara Medical Campus seeks permission to demolish half the historic Trico building complex in order to build more parking. The taxpayer-funded University at Buffalo operates a bus shuttle service between the campuses, and will soon require that riders show UB identification in order to ride it, even as the Niagara Frontier Transportation Authority threatens to reduce service on its Route 44, which takes workers out to the many private and not-for-profit workplaces near the UB North Campus.

State agencies that spend taxpayer money are not communicating with other state agencies on transportation or economic development. Even state agencies that are in the same business are not communicating with one another. There is nobody telling them to, except the NFTA bus riders who fear that soon they will be unable to get to their jobs.

That's because the leadership here is stuck in the egg-crate paradigm. The lack of regional thinking is Western New York's custom and its bane. We do not lack for Albany's money. The next time you hear about a suburban school district clamoring for more funds, remember that Albany just spent about \$1 billion retrofitting, refurbishing, and making technologically brilliant many dozens of Buffalo Public School buildings that are only a few miles away from the largest suburban school districts and that are a tight fit with all the state-funded medical and higher-ed operations here. The Buffalo

schools project got underway when there were 45,000 kids in Buffalo schools. Today there are 32,000 kids in the Buffalo schools. If we cross municipal boundaries, using administrator salaries to move kids around to brand-new magnet schools the way they do it in Raleigh-Wake County, fewer kids would fail, we'd utilize rather than squander state funds, and maybe even grow a reputation for collaboration and success rather than amplify our record of parochialism and failure—expensive failure.

But for that to happen, Albany would have to do more than write checks. And we'd have to do more than cash them.

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