

TO THE MEMBERS OF THE LEGISLATURE OF THE STATE OF NEW YORK:

To my colleagues and partners in government – Lieutenant Governor Paterson, Attorney General Cuomo, Speaker Silver, Majority Leader Bruno, Leader Smith, Leader Tedisco and distinguished members of the Legislature – it is an honor to stand before you today to deliver my first Annual Message.

To Chief Judge Kaye and members of the Court of Appeals, thank you for joining us.

To all of our partners outside of state government – including the members of our Congressional delegation and all the mayors and other elected officials who are with us today – thank you for being here.

And a special welcome to Governors Hugh Carey and Mario Cuomo. We are honored by your presence and humbled as we stand on the shoulders of all who have come before us.

To my parents, my wife Silda, and my daughters Elyssa, Sarabeth and Jenna, thank you for your continued love and support.

And, of course, to my fellow New Yorkers:

Let us begin by recognizing all of the soldiers from New York who are serving in the U.S. armed forces around the world. Here with us today are two soldiers from the New York National Guard who recently returned from Iraq: Captain Denise Sherman of Waterford, who served with the 206<sup>th</sup> Corps Support Battalion from Brooklyn, and Staff Sergeant David Arroyo of Cohoes, who served with the 642<sup>nd</sup> Military Intelligence Battalion, 42<sup>nd</sup> Infantry Division based out of Troy.

We must also acknowledge those who protect us here at home. The New Year begins with sadness for our State Trooper family. We lost two troopers in the past year – Craig Todeschini and Joseph Longobardo. Their wives – Kristi and Teri – are with us today as we honor their memories.

Your husbands and the soldiers next to you represent the very best New York has to offer. On behalf of all New Yorkers, thank you for your sacrifice and your service.

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Today marks the next step in our journey. It is not a journey of party or politics or any one politician, but a journey of New Yorkers in need of hope and in search of change – to bring back the greatness New York once defined.

I know that all of us in this chamber are dedicated to this cause, and I look forward to working with you, along with our partners in Congress and at the local level, to deliver on that promise.

Indeed, the tide is already starting to turn. New Yorkers have resoundingly rejected the status quo – the politics of partisanship and polarizing ideology. New Yorkers have embraced change – the idea that on Day One of this new administration, those of us in this chamber must come together to face our challenges as one.

In the past month, I have been humbled by the support and encouragement I have received from both Republicans and Democrats in this Legislature. I know this can be the start of an historic bipartisan partnership.

And just two days ago, in my first action as Governor, we implemented a series of self-imposed ethics, campaign finance and lobbying reforms to send a message to all that change is here and it starts with each of us.

Today I will outline the change we must seek together if we are to restore New York as a beacon of hope and opportunity.

I report to you that the condition of many New Yorkers is superb, but whole communities have been left behind; that our future is bright, but that our government is in disrepair.

As the world has transformed and moved forward, it is only Albany that has stood still.

As the economy becomes global, and reveals our competitive disadvantages, we must reduce the burdensome cost structures that have driven businesses out of our state.

As human capital emerges as the fulcrum of job creation, we must provide our schools with the necessary investment, reform and accountability to adapt to this new paradigm.

As a technological revolution transforms the health care industry, we must rethink and restructure our delivery system to provide care at a price we can afford.

And because we cannot make any of these changes without making hard choices, now is the time to rein in spending and exhibit fiscal restraint, so we can afford these long-term investments for our future.

That is why New Yorkers have demanded change. They have challenged us to stop standing still and start confronting the status quo.

Perhaps most of all, they have challenged us to change the way we work here in Albany. If we don't manage to find consensus, we will not be able to adapt to the changing world around us.

No single person is responsible for this situation, but we are all responsible for changing it. So let us choose the path New Yorkers have chosen for us – the one of pragmatic politics instead of partisan politics, results instead of empty press releases, action instead of grid-lock.

Many entrenched interests will try to block this new path in order to maintain the status quo that has worked so well for them. They will play on our fears and offer us false choices and easy ways out. They will seek to divide us along party, geographic, racial and economic lines, pitting each of us against the other. But it's the easy way out that has gotten us to this point in the first place, and it is division that has kept us from moving forward.

The future of New York does not belong to the army of the status quo. The future belongs to those who seek change – those who are not satisfied with an education system that leaves too many behind; or a health care system that leaves 2.8 million New Yorkers uninsured; or an economy that works for some, but not for many.

It is tempting and even natural for us to focus on our own problems and our own challenges. But the truth is, we rise and fall together.

Because when our business climate is uncompetitive, that affects not only the business owner, it affects the worker who can't find a good-paying job. When a worker is injured on the job and can't get the necessary care to get back to work, that affects not only the worker, it affects the business owner who loses her skilled workforce. And when 2.8 million New Yorkers can't afford health insurance, that affects not only them and their families, it affects everyone, because we all end up paying for their care with higher taxes.

The truth is, we all have separate problems and face different challenges, but we are all bound together by our collective need for change.

Our job is to heed the voices for change and govern on the principle of One New York, a type of politics and a series of policies based on the idea that our common interest serves our individual interests, that we rise and fall together as one people, One New York.

As I often say, you can't change the world by whispering. New Yorkers didn't whisper for change on Election Day; they shouted for it. And today is when we all come together in this chamber and respond.

Our first objective is to reform our government – not merely for the sake of reform, but because if our state is to prosper again, we need a government that is a catalyst for change instead of an impediment.

Our second objective is to revitalize our economy and lead New York into a new era of opportunity and prosperity.

Every policy, every action and every decision we make must further these objectives. And they must be guided by the values that make us New Yorkers.

### **GOVERNMENT REFORM**

First, we must work together to reform state government.

This reform must target two areas: First, we must enact comprehensive ethics reforms. Second, we must enact structural reforms to transform our government from one that is designed to resist change to one that is designed to embrace it.

### **Ethics Reform**

We gather here today with the front-page stories of scandal fresh in our minds and the minds of all New Yorkers. We are in danger of losing the confidence of those who elected us. To restore their confidence, we must overhaul our campaign finance, lobbying and election laws.

### Campaign Finance Reform

To neutralize the army of special interests, we must disarm it. In the coming weeks, we will submit a reform package to replace the weakest campaign finance laws in the nation with the strongest.

Our package will lower contribution limits dramatically, close the loopholes that allow special interests to circumvent these limits, and sharply reduce contributions from lobbyists and companies that do business with the state. But reform will not be complete if we simply address the supply of contributions. We must also address the demand. Full public financing must be the ultimate goal of our reform effort. By cutting off the demand for private money, we will cut off the special-interest influence that comes with it.

# Lobbying Reform

We also must address lobbying reform to restore the public's faith in government decision-making. In the coming weeks, we will propose legislation that fully bans gifts to elected officials and strengthens the "revolving door" law, which still allows legislative employees to immediately lobby their former colleagues.

# Election Reform

Still, we must do more. We will submit legislation that reforms our elections – specifically legislation that establishes an independent, non-partisan redistricting commission. Until this happens, I will veto any proposal that reflects partisan gerrymandering. More competitive elections will lead to a more responsive government.

### Structural Reform

In addition to ethics reform, we must work together to implement structural reform at every level of government to make it more flexible and adaptive to change.

# Judicial Reform

First, we must reform our state's sprawling judicial system. New York has the most complex and costly court system in the country, a system that too often fails to provide justice while imposing an undue burden on taxpayers. Chief Judge Kaye has forged consensus within the legal community for how we must fairly administer justice. Now is the time to act.

In the coming weeks, I will submit a Constitutional amendment that incorporates Judge Kaye's recommendations to consolidate and integrate our balkanized courts.

I will also submit a second constitutional amendment that will take the politics out of the selection of judges and implement a merit appointment process.

### Public Authorities Reform

Second, we must continue to reform our state's public authorities. Originally created to be lean, anti-bureaucratic machines, they have become patronage dumping grounds, adding yet another costly bureaucracy, entrenched in the status quo and insulated from accountability.

We will build on the Legislature's recent reform effort and submit legislation to strengthen transparency and accountability. We will promptly review each of the authorities and develop a plan to consolidate and eliminate those authorities that have outlived their usefulness. And we will staff our authorities with experts picked for what they know, not whom they know.

# Local Government Reform

Third, we must consolidate New York's multiple layers of local government – those 4,200 taxing jurisdictions that cost taxpayers millions each year in duplicative services and stand as yet another impediment to change. I will appoint a Commission on Local Government Efficiency to report back with a specific plan of action. Together, we must summon the political will to face the reality that 4,200 taxing jurisdictions are simply too many, too expensive and too burdensome.

### Budget Reform

Fourth, we must fix our unwieldy budget-making process. We will work with you on a reform package based on three principles: timeliness, transparency and fiscal responsibility.

To increase timeliness, we must accelerate consensus revenue forecasting, reduce the Governor's 30-day amendment period and require conference committees to meet as early as possible.

To increase transparency, we will move forward – as the leaders have already agreed – to eliminate lump-sum member items, and require that all member-item spending be specifically itemized in the budget, so this spending can be clearly defined, analyzed and is transparent to the public.

To increase fiscal responsibility, we must require that the enacted budget be balanced, and we must require the Legislature to report on the financial impact of any changes made to the Executive Budget.

I am also sensitive to the important balance of power between the Executive and the Legislature in the budget-making process. I look forward to working with you to maintain appropriate legislative discretion.

Together, these ethics and structural reforms will transform a government that is structurally oriented to resist change into one that is oriented to embrace it.

### **ECONOMIC REVITALIZATION**

Let me now turn to our second major challenge: the revitalization of our economy in a rapidly changing world. We must reverse the decline of our Upstate economy; sustain the economic expansion Downstate; and develop new ways for communities which have been left behind to share in prosperity.

To meet these challenges, we must first adapt to the Innovation Economy. This is the knowledge-based economy of new businesses and new ideas that has become the driving force of job creation in the world today.

Second, we must reduce New York's cost structure – the "perfect storm of unaffordability" – for both businesses and people.

And third, we must invest in the infrastructure needed to catalyze and sustain economic growth.

# Adapting to the Innovation Economy

Education Reform

Let me begin by discussing how we can adapt to the Innovation Economy. We must start with education reform.

With the reforms and accountability we will propose in the coming weeks, and the resources we will commit, there will be no more excuses for failure. The debate will no longer be about money, but about performance; the goal will no longer be adequacy but excellence; and the timetable will no longer be tomorrow but today.

Our reform agenda for pre-kindergarten through 12<sup>th</sup> grade is built on a simple premise: in exchange for new money, school districts must show where that money is spent and whether it's getting results – with consequences for failure and rewards for success.

My upcoming budget will include a new, transparent school funding formula that dramatically increases investment over the next four years throughout the state, targeting the investment where we need it most.

In exchange for this new funding, school districts must invest in programs that have been proven to work. All of us in this chamber know that smaller class size matters, especially for younger students. We know that more time in the classroom – in the form of longer school days, a longer school year, and after-school programs – also makes a difference. We know that we can help give our children the resources they need by giving them access to state-of-the-art Internet libraries. And we know that improved teaching quality – especially in schools serving the neediest children – can dramatically improve performance.

As school districts implement those programs that work, we in this room must also take the lead on the following three initiatives:

First, we must focus on that period in a child's life that is developmentally the most critical – from birth to five years old. Within four years, we should make pre-kindergarten available to every four-year-old in New York. Speaker Silver and the Assembly have long supported these efforts. Let us now begin to raise a new generation of New Yorkers who have the knowledge and skills they need to compete in the Innovation Economy.

Second, we must raise the charter school cap. Not only must we invest in what we know works today, we must continuously experiment with new approaches. Charter schools can play a critical role here. Yet the increase in charter schools must be accompanied by transitional aid for districts – like Buffalo and Albany – that have been most affected by a high level of enrollment in charter schools.

Third, we must begin an effort to make our higher education system the best in America. Because, to compete in an Innovation Economy, New Yorkers need more than a high school degree. We will form a Commission on Public Higher Education to recommend a comprehensive policy for achieving academic excellence, ensuring access, and contributing to the state's workforce and economic development efforts.

Finally, soaring property taxes can't – and don't have to be – the price of excellent schools. We need a property tax cut plan that provides relief to middle-class New Yorkers who need it most.

Revitalizing Distressed Cities, Towns and Neighborhoods

The second part of our plan to adapt to the Innovation Economy will be a coordinated effort to revitalize distressed cities, towns and neighborhoods across our state – because in the Innovation Economy, investment and jobs will flow only to those areas that are safe and vibrant places to live and work.

We must provide greater aid to distressed cities and towns in the same way we will provide more funding to distressed schools, based upon the principle that with any new investment must come new accountability.

Therefore, we must significantly expand the Aid and Incentives to Municipalities program for those cities and towns in greatest need. But as we provide new aid, we must demand that municipalities practice better financial management and make stronger efforts to achieve efficiencies.

And we at the state level must do our part. We must reform mandates such as the Wicks Law that impose undue costs on municipalities and reform our brownfields law to increase the amount of shovel-ready land.

I will also appoint an Upstate ESDC chair who will be based in a new Upstate headquarters in Buffalo, so we can have a dedicated chair to work with our Upstate mayors and zero in on the particular economic challenges facing their communities.

And Downstate, ESDC will not only drive the big development deals, but will also make sure state investment flows to those neighborhoods and communities that have been overlooked in years past. To that effect, ESDC will focus and leverage the broad array of economic development efforts, which right now are balkanized across 28 separate agencies, creating inefficiencies and fragmented policy.

#### Stem Cell and Innovation Fund

The third part of our plan is to provide the infusion of capital necessary to catalyze our Innovation Economy. We will propose a Stem Cell and Innovation Fund – led by Lieutenant Governor David Paterson – to be presented to the voters for approval.

The fund will provide long-term investment, overseen by independent industry experts, for stem cell innovations and other types of applied research that will lead to direct commercial application. This

investment will repay itself many times over in increased jobs, economic activity and improved health.

Minority and Women-Owned Business Enterprises

Finally, we must not forget that in order to adapt to an Innovation Economy, we must open the doors for all to participate. We ask that you begin implementing Lieutenant Governor Paterson's comprehensive plan for minority- and women-owned business development. This plan – driven by strong leadership from the Executive level – will give qualified minority- and women-owned businesses the opportunity to develop the capacity they need to prosper in this new economy.

# Reducing our Cost Structure

Let me now turn to the next set of major actions we must take to revitalize our economy – reducing our cost structure so we can attract jobs and capital back to New York.

Business Regulations: Workers' Compensation and Wicks Law Reform

We must start with our workers' compensation system, a system that does not work for anyone: not the employers who pay some of the highest premiums in the country, and not the workers who receive some of the lowest benefits.

I have already begun discussions with the Legislature and representatives from both business and labor to arrive at a solution that will lower employer premiums, while increasing worker benefits for the first time since 1992. A solution must also make it easier for workers to get the medical treatment they want and need so they can get back to work.

I also look forward to working with you on legislation to reform the Wicks Law, which drives up construction costs for school districts and municipalities. We must increase the law's outdated threshold while protecting subcontractors.

# Property Tax Cuts

Another way we must reduce our cost structure is to dramatically reduce property taxes. Because of the different needs of our state, as we provide more resources to school districts, we must provide more property tax relief to over-taxed homeowners.

On January 31<sup>st</sup>, I will submit a budget that includes the first installment of a three-year, \$6 billion property tax cut – cuts that are focused on those middle class homeowners whose property taxes are rising too fast for their incomes to catch up.

The fundamental problem with the state's current property tax relief program is that it doesn't care whether a person can afford to pay their property taxes. Thus, the millionaire gets the same tax cut as the middle class homeowner. I hope that together we can fix this flaw and make the system fairer by concentrating relief on those struggling middle class families who need it the most.

Health Care Reform

Next, we must fundamentally reform our health care system.

No one can afford health care anymore – not New York's working families, not our businesses and not our government.

In just the last 15 years, state spending on Medicaid as a share of the budget's General Fund has increased from 14 percent to 35 percent. These are dollars we have made an affirmative decision not to spend on education, tax cuts, infrastructure or the kind of health care investments that are so desperately needed, like preventive care, workforce retraining and insuring New York's 500,000 uninsured children. And these are dollars we will need to sustain the local cap on Medicaid expenses – a critical tool to lower property taxes and to relieve pressure on localities.

It will take a fundamental restructuring of our health care system to make health care affordable again and to free up the resources for other urgent priorities. This restructuring requires hard choices:

We will be forced to close and consolidate hospitals that have been mainstays of their communities, yet because of excess capacity, have cost taxpayers millions of dollars to support.

We must shift spending away from expensive institutional nursing homes toward community and home-based alternatives, so seniors can have the care they want at a price they can afford.

We must use the state's vast bargaining power to reduce the prices we pay to large drug companies and pharmacy chains for expensive prescription drugs.

And we must aggressively fight Medicaid fraud through a state False Claims Act and a Martin Act for Health Care, which I will propose this year.

The savings from reform will not just be reinvested in other priorities such as education and property tax cuts. Savings will also be spent on the kind of health care investments that make good moral and economic sense.

We will introduce a budget that, in the very first year, guarantees access to health insurance for all of New York's 500,000 uninsured children. And within four years, we will further cut the number of uninsured. Using a new streamlined enrollment process that guards against fraud, we will enroll the 900,000 uninsured Medicaid-eligible adults.

Expanding access to health care will reduce state spending significantly in the long run, because seeing a primary care doctor costs far less than providing charity care for the same patient in an emergency room – and it leads to far better care.

We will also invest in better management of high-cost cases involving patients with multiple chronic illnesses – a relatively small number of cases that make up a disproportionately high cost to the system. Bet-

ter managed care will not just save money for patients and the state, but will lead to better overall care.

In making these hard choices, we will not turn our backs to the millions of New Yorkers who rely on us for their health care. The actions we take will not be arbitrary, but in furtherance of a comprehensive strategy to restructure our health care system.

# Investing in Infrastructure

In order to revitalize our economy, we must get back to our roots and stake out a bold vision for infrastructure investment.

Past investments in the Erie Canal, the Thruway and the Niagara and St. Lawrence power projects became the foundation for the economy that defined New York as the Empire State.

But as my good friend Mayor Mike Bloomberg recently noted, we have significantly reduced our focus and investment on major infrastructure projects at a time when they have never been more important. And the few projects that we have invested in, we have been unable to complete. We now find ourselves at a point where our infrastructure threatens to become a liability, rather than a competitive advantage.

### Housing

Infrastructure means housing. In New York, we face the twin challenges of high home prices Downstate and deteriorating housing stock Upstate. On Long Island, our young workforce has little choice but to move away from their old communities. And in many of our Upstate cities and towns, once-vibrant neighborhoods are declining as their housing stock decays.

We must address these challenges by using every tool at our disposal: land – by calling for an inventory of our significant public land holdings to determine which parcels can be used for housing; capital – by exploring ways to partner with business on employer-assisted housing

programs; and zoning – by rewarding localities that reform zoning laws to allow for increased construction of affordable homes.

### Transportation

Infrastructure also means transportation. We must finally break through the political gridlock to complete priority projects so we can move people and goods faster and cheaper.

Upstate, we must follow through on the replacement of the Peace Bridge and the construction of I-86 along the Southern Tier.

Downstate, we must construct the first segment of the Second Avenue subway and plan for the full extension to Lower Manhattan. We must also complete the planning process to replace the Tappan Zee Bridge and move forward on the East Side Access project to connect Long Island and Queens commuters to Grand Central Terminal. And we must have the vision to expand Stewart Airport to become the fourth major airport in the Downstate region and to serve as an economic engine for the Hudson Valley.

As we complete these priority projects, we must ensure they are accompanied by smart-growth planning, which will alleviate environmental degradation, instead of contributing to it, and will make our communities more vibrant places to live, work and raise a family.

# Energy and Environment

Infrastructure also means energy that is available at a competitive price. In order to lower the second highest energy costs in America, we must implement an aggressive conservation strategy led first and foremost by an effort to reduce the state's own energy consumption.

We must also add substantial clean generation capacity by passing a new Article X power plant siting law. We must encourage the PSC to effectuate the long-term contracts needed to build new power plants and re-power the old ones. And Lieutenant Governor Paterson will lead efforts to increase renewable energy production so the state can

meet its goal of obtaining 25 percent of its energy needs from renewable sources.

New York should also build on its existing regional compact to address climate change. I have already started speaking with other governors about the need to link and expand our climate change initiatives. This is something that can and must be achieved.

#### Broadband

We must also recognize that access to affordable, high-speed broadband is just as important in today's economy as access to a paved road, to a telephone line or to reliable electricity. But here in New York, we face a digital divide. If you're a child growing up in South Korea, your Internet is ten times faster at half the price than if you're a child growing up in the Southern Tier or the South Bronx. New Yorkers on the wrong side of the divide simply cannot compete in today's economy.

To close the divide, we must implement a Universal Broadband Initiative to ensure that every New Yorker has access to affordable, high-speed broadband.

# Fiscal Responsibility

The agenda I just outlined is ambitious. But it will go unrealized if we do not summon the courage to make hard choices in the state's budget. That is because, despite a momentary cash infusion, we are operating in a deficit environment, with out-year deficits conservatively estimated in the tens of billions of dollars.

The fact is that recurring expenses this year and in the fiscal years ahead are much greater than recurring revenues. That simple reality leaves us with a simple choice: either we raise taxes and place an even greater burden on New Yorkers, or we end the culture of spending that is out of control.

The budget I will submit on January 31st will not raise taxes.

Instead, it will significantly reduce our rate of spending growth, which has increased at three times the rate of inflation over the last four years. Just last year alone, General Fund spending increased by an astonishing 13 percent. We must end this culture of spending money we do not have.

But even as we reduce spending growth, this budget will lower taxes and increase investment in education, critical infrastructure and the right kind of health care. That's because we will make hard choices and begin to fundamentally reform and restructure programs that have become needlessly expensive. And it's because we will finally learn to say "no" to budget requests we simply cannot afford. Until we feel the pain of the word "no," we will continue making the same choices that have prevented us from bringing New York back.

### A VISION FOR ONE NEW YORK

Make no mistake, the changes I just described will not be easy; but change rarely is. At every major transition point in our history, we have experienced uncertainty and growing pains. We will experience them again.

But in the end, think of what change will bring:

One New York with an economic climate that attracts young people and businesses;

One New York with a vibrant education system that demands accountability and rewards excellence;

One New York with a health care system that puts patients first at a price we can afford;

One New York with a government that responds to the public interest instead of special interests.

One New York means a government that values every single person; one that recognizes that we will succeed or fail together; and one that provides opportunity for all, but demands individual responsibility.

That means a state where if you work hard and play by the rules, you can earn a decent living. That is why our Department of Labor will enforce the minimum wage and other state laws designed to protect workers, leveling the playing field for hardworking New Yorkers and for those employers who are at a competitive disadvantage because they play by the rules.

One New York means a state that understands that the civil rights movement still has chapters to be written.

One New York means a state that embraces agriculture. That is why we must help our struggling dairy farmers and establish a "Pride of New York" wholesalers' market in New York City to connect Upstate supply with Downstate demand.

One New York means a state where children are safe from the crossfire of gang wars. That is why we must continue the successful efforts the Organized Crime Task Force brought to bear on the dangerous combination of guns, gangs and drugs in our Upstate cities. We must form a partnership with Attorney General Cuomo and Upstate law enforcement to finish this common-sense mission.

One New York means a state where parents do not have to worry about a sexual predator being released straight from prison back into their neighborhood. That is why we must finally enact civil commitment legislation.

One New York means a state that protects a woman's right to control her own reproductive health. That is why we must ensure that our state laws protect that right, should the federal courts compromise it.

One New York means a state that does not just help get a working parent off the welfare roll, but one that helps lift him out of poverty. That is why we must use the new federal work rules as an opportunity to rethink the way human services are delivered at every level of government and at every stage of life.

One New York means a state where a child can breathe our air without triggering asthma, and swim and fish in our waters without getting sick. That is why we must expand the Environmental Protection Fund and revive our Department of Environmental Conservation.

One New York means a state where a worker is never forced to choose between keeping her faith and keeping her job. That is why I have instructed the state Division of Human Rights to vigorously enforce the Executive Law provisions protecting the rights of employees of faith.

One New York means a state that preserves its land, while allowing for growth. That is why our policy in the Adirondacks and Catskills must recognize that those two goals are not mutually exclusive.

And One New York means a state where government fulfills its most basic duty – to protect its people. That is why we have begun a system-wide evaluation of preparedness in our state. We must build partnerships with the private sector, which operates over 80 percent of our critical infrastructure. We must ensure that our transportation, energy and communications systems are secure, redundant and resilient enough to withstand disasters. We must always be open and honest with New Yorkers so they understand the threats and know how to respond.

And we must show the resilience of our spirit by completing the rebuilding at Ground Zero. Like all of us here today, I cannot accept that more than five years after the attacks of September 11th, progress is only starting to be made. What ought to be a monument to the sacrifice of our heroes and the strength of our economy has instead become a monument to government gridlock. I immediately will begin working with Speaker Silver – who has long been a strong voice for Lower Manhattan redevelopment – along with Mayor Bloomberg, and the other stakeholders involved, to revitalize Ground Zero.

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Let me now conclude as I began. It is not enough to outline an agenda for change; I want to outline how we must get it done.

New York is not in its current position because of a lack of ideas. New York is in this position because of a lack of leadership.

But now *our* time has come. The eyes of New York are on us. All New Yorkers ask is that when we address these problems, we reject the interest-group politics of division and fear, and compromise enough to find consensus and listen enough to find solutions.

Of course, along the way, we'll have our share of difficult moments. There will be occasional missteps and mistakes. But as we in this chamber come together, in return, New Yorkers will stand with us as One New York, inspired by the promise of opportunity and hope for all.

There will be cynics and pessimists who will say we can't, we shouldn't and we won't. Their only job will be to protect the status quo that has worked for them, but not for us. The status quo always has powerful friends.

But we in this chamber have our own more powerful friends – we have the men and women of this state who work and struggle each day to give their children a better life than they had. Together, we will prove that even with all the cynicism out there, it's still possible for all New Yorkers to win; for all their voices to be heard; and for all their potential to be fulfilled.

Thank you, and God bless the great State of New York.