Several months ago, I was elated to hear that New York State Comptroller's office might be calling for a statewide control board to provide tools for local government to deal with the unprecedented fiscal stress that our towns and counties have been facing since the financial collapse several years ago.  More recently, however, the wind came out of my sails when it was announced that this so-called monitoring panel will be nothing more than a committee that will let local governments know that which they already know - that their budgets are facing enormous challenges.

In the past, localities on the brink of collapse were able to survive because New York State intervened to give local legislatures power that they otherwise would not have.  For instance, the Nassau Interim Finance Authority (NIFA)  instituted by New York State to help monitor Nassau’s fiscal stress, granted  the County Executive the legal authority to implement a wage freeze over the last two years for all of its employees.  This single policy initiative allowed the county to save tens of millions of dollars and keep itself afloat.  Such a wage freeze would not have been possible without that special authority granted by the state-sponsored control board.

These same type of powers are what saved New York City in the 1970s, as well as Erie County and the City of Yonkers years later from imploding due to fiscal structural imbalances that they were facing.  Back then, those localities were the anomaly, but since the real estate collapse in the fall of 2008, the fiscal cliff is now being faced by dozens of localities around the state.  While sales taxes are starting to slowly rebound, they languished for years.  Meanwhile, state mandates, especially pension costs, continue to go through the roof, while the state has been cutting aid to localities.

The economy was so bad throughout the nation that we saw numerous cities declaring bankruptcy.  They do so because going into receivership allows a judge to impose the salary freezes and other givebacks that mirror what can come about through a control board.  Is it really going to be the case in New York that localities will have to go bankrupt?  Why would we want to get to that point?  A control board impanelled in New York State that can on a case-by-case basis provide the tools that saved New York City, Yonkers and Erie in the past, is what is needed to help taxpayers throughout our Empire State.  Anything less than this is not a control board or even a monitoring board; it is a wasted opportunity.  Giving localities information that they are in financial stress is not telling them anything they don’t already know, it's just rubbing salt in the wound.  If we want to help these localities and their taxpayers survive, let’s create the control boards that we need and give local administrators the tools they need to straighten out the mess that resulted from the nationwide recession.