



2010 QUESTIONNAIRE FOR CANDIDATES FOR THE
OFFICE OF GOVERNOR

Citizens Union would appreciate your responses to the following questions related to policy issues facing the State of New York and our interest in reforming how state government operates. Responses to these questions will be one of several factors Citizens Union will use to evaluate candidates running for office in order to determine our “Preferred Candidates” for the Primary Election and “Endorsed Candidates” for the General Election.

We plan to make public your responses to this questionnaire in our Voters Directory and in other appropriate venues.

We thank you very much for your response.

Candidate Name: _____Rick Lazio_____ Age: __52__

Campaign Address: _____28 W. 44th St., Suite 708, New York, NY 10036_____

Campaign Telephone Number: (212) __944-5800_____ Fax: () _____

Party Affiliation(s): __Republican_ Campaign Manager Name: _____Matt Walter_____

Website & Email: __www.lazio.com , jshubow@lazio.com_____

Education: __A.B. from Vassar College; J.D. from American University Washington College of Law__

Occupation/Employer (or years in currently held elected office): __formerly President and CEO of The Financial Services Forum and a Managing Director at J.P. Morgan Chase_____

Previous Offices and Campaigns: __ Member of the Suffolk County Legislature 1990-1993; Member of the U.S. House of Representatives from New York's 2nd district 1993-2001; Ran for U.S. Senate in 2000_____

Are you willing to be interviewed by CU’s Local Candidates Committee? YES __X__ NO _____
(Please note: Citizens Union can grant its “Preferred Candidate” and “Endorsed Candidate” rating only to candidates we have interviewed.)

Have you completed requisite campaign finance filings? YES __X__ NO _____

Signature of Candidate: __Rick Lazio_____ Date: __8/23/10_____

STATEWIDE POLICY ISSUES

1. If elected Governor, how would you manage New York's increasing fiscal woes, its burgeoning budget deficit and its growing long-term obligations? What would be your budgetary priorities? Are there specific programs or taxes that you would consider increasing, decreasing, eliminating or creating?

My foremost priority is creating jobs and fostering economic growth. To fix New York's fiscal woes, I will start with getting spending under control. New York has over 700 state agencies and there are many ways to shrink the size of government without compromising services. I will order a comprehensive review of all agencies in my first 100 days in office, asking which ones can be merged or closed and, starting with the legislature, which ones can be made to run more efficiently. I will adopt performance based budgeting, requiring every state agency that asks for money to identify goals, which then could then be monitored and posted online for all to see. I will reform the pension system, get Medicaid spending under control, and finally implement a spending cap to keep future government spending from rising faster than the rate of inflation. In April 2011, a majority of public employee union contracts will be up for renegotiation. I will negotiate so that their benefits are aligned with those of comparable workers in the private sector. I will cut legislative support spending, and eliminate member items with the line-item veto. As I work to lower taxes, some would be eliminated outright, including the capital gains taxes for new businesses and the corporate tax. I will increase or reallocate funding for economic development, healthcare, energy efficiency, and public safety.

2. If elected Governor, what would be your approach to education funding? How would you meet the requirements of the Campaign for Fiscal Equity decisions and the funding obligations handed down by the courts? What is your view regarding the continued delay of CFE implementation that Governor Paterson initiated in response to budget deficits?

All of New York's children are entitled to a sound basic education, and there are ways of improving public education without adding to our state's financial obligations. We need a system that puts kids first, not government bureaucrats and union contracts. I will establish a pilot program for early childhood education. Such programs have shown much promise in positively shaping children's development, and New York should be on the leading edge of this effort. I will remove the charter school cap, give our state universities the independence they need to excel by allowing them to adjust tuition and make land use decisions. I will reward our best teachers with merit pay and give teachers the chance to excel based on success in the classroom. My first priority is getting our state's fiscal house in order; my second is education. We need a way of balancing the two effectively. Regarding the Campaign for Fiscal Equity, we must continue with the

funding schedule, but must ensure there are real reforms in the schools. Spending money is not enough; we need to look to performance measures.

3. As Governor, how would you address concerns of localities about property taxes and ballooning pension costs?

Property taxes will be one of the top concerns for my administration. If you look at property taxes relative to the value of a home, the ten highest taxed counties in the entire nation are in Upstate New York. I will cap the property tax at 2.5% of the assessed value of a home, and prevent the annual increase of property taxes from being more than 2.5% in any year while allowing communities to override these limits if they want to increase spending for a specific reason. In regard to pensions, I will end the practice of including end-of-career overtime in pension calculations. I will move all politicians to a 401k-style defined contribution plan. I will also require that all new state employees have defined contribution plans. I will insist upon realistic and verifiable estimates as a basis when calculating how much it owes in future pension payments. Last, I will eliminate unfunded mandates.

4. If elected Governor, how do you plan to address the rising obligations and cost of Medicaid? How would you address the very costly elements of Medicaid like long-term and elder care? Would you reform New York's eligibility requirements for the program?

The second largest item in the State budget, New York's Medicaid program is the most costly in the nation. This is unsustainable, and it must be addressed immediately. I will start by fixing patient incentives. Right now, there is little incentive for patients to avoid costly expenses, such as emergency room visits. I will set up incentive programs that reward healthy choices, such as participating in health risk assessments and screenings, attending scheduled doctors' appointments, and participating in smoking-cessation programs. Cutting-edge incentive programs such as preventative care rewards have worked in Indiana and Florida, and similar programs will work in New York. We also must fix doctor incentives. One-third of Medicaid recipients are not in managed care. "Risk-based managed care" means that a hospital network gets a fixed amount to provide care for a patient, instead of being paid per test. A fixed fee results in hospitals having an incentive to emphasize preventative care, which is more cost effective. I will move New York toward greater managed care use, especially for high-cost patients. In addition to fixing incentives, I will also make fraud-prevention a top priority. I will reinstitute means testing for homecare. Some people play financial games to obtain Medicaid. For instance, some shift assets to family members in order to appear to have less money than they do and qualify for Medicaid home-care services. There needs to be an adequate look-back period for home-care, one that incentivizes it over nursing home care. Some people cheat the system by asking for reimbursement for non-existent procedures. Abuse and fraud cost taxpayers billions of dollars. I will pass a law allowing the government broader authority to look at a recipient's financial history in order to

disqualify those who are manipulative and potentially criminal. I will also test new technology, already being effectively used by the credit card industry, to detect fraud.

5. What is your plan for ensuring that New York State is economically positioned for the 21st Century, particularly with regard to the growth of upstate?

We need to do to unleash New York's economic potential to bring down taxes. New York's high corporate tax causes businesses to leave the State and discourages new businesses from forming and flourishing. I will phase out the corporate tax, again making New York a dynamic place to do business. I will start by eliminating the tax Upstate and on small businesses. Capital gains in New York are taxed as ordinary income. Even our national government taxes capital gains less than ordinary income, and New York's high capital gains tax discourages new business formation. I will eliminate the capital gains tax for new businesses that launch in New York. Entrepreneurs will be much more likely to pick New York to start their new ventures if we have an attractive capital gains environment. High energy bills discourage businesses from locating in New York, especially "new economy" firms, such as biotechnology firms, that need strict temperature controls. I will fight to lower electricity bills for all New Yorkers, and I will restore the Empire Zone program as it was originally implemented. I will have a comprehensive start-up strategy using our colleges and universities, many of which are vibrant centerpieces in their communities Upstate, as catalysts for development. I will work with the private sector to create pools of start-up capital to attract similar businesses to these regions. Creating "business clusters" was pioneered at Harvard Business School and has led to successful job creation in other states. I will adopt it in New York.

6. What is your position on the use of eminent domain for economic development related purposes? Do you believe that changes are needed to the state's laws with regard to eminent domain and blight determinations and, if so, what would you propose?

Eminent domain should be a last resort by government, but in recent years it has been abused leading to the removal of private property from the tax rolls and impinging upon the rights of property owners. As governor, I would implement eminent domain only in cases when the project is vital to the health of the state. Property owners' rights should be respected, and the economic impact on local communities must be taken into account.

7. If elected, how would you respond to the affordable housing needs of the state, particularly in the cities?

Affordable housing is vital for the strength of New York's communities. In Congress, I was Chairman of the Housing Subcommittee and made housing one of my focal issues. I have spent much of my life fighting for affordable housing—helping the homeless, helping the poor, helping Native Americans. I authored the

Quality Housing and Work Responsibility Act of 1998, the most sweeping reform in public housing history. The president of the New York Association of Homes and Services for the Aging, Carl Young, called me “one of the few in Congress who understood” the issues of housing and serving the elderly. If elected I will bring my knowledge and conviction to Albany. I will focus on supportive services for the chronically homeless. I will also promote affordable workplace housing through low-income tax credits, private activity bonds, encouraging best practices among local governments, and intelligent transportation and community planning.

REFORM ISSUES

8. What is your view regarding overhauling oversight and enforcement of state ethics laws? What is your position about the creation of a new, unified agency to oversee legislative and executive ethics, campaign finance, and lobbying in which no one elected official controls the majority of appointments? What is your opinion on the ethics reform bill passed by the legislature in January?

January’s ethics law just a start. We need a Moreland-type commission to clean up Albany from the bottom up. I will push for a constitutional convention so that we can have an open and public conversation about reforming the structure of our government. We also must adopt Sunshine Laws. I will require complete disclosure of all outside income received by government officials. Many New York politicians are entangled in conflicts of interest because of hidden income they receive in addition to their government paychecks. I strongly support term limits and will do everything in my power to see them enacted. Last, we need an independent redistricting commission in order to make sure politicians don’t play games with the election process.

9. What reforms, if any, do you think are necessary to promote a timelier, transparent and more accountable budget process? What are your positions regarding the creation of an independent budget office responsible to provide revenue projections and economic and policy analysis, the use of Generally Accepted Accounting Principles (GAAP) in the budget process, and the implementation a later start date for the state fiscal year?

I support the idea of an independent budget authority: the comptroller could be a credible alternative to the current system. I will require the comptroller to certify that the budget is balanced honestly, including adhering to GAAP. This will prevent accounting gimmicks and unrealistic assumptions from hiding deficits. I will enact a law to clarify the governor’s impoundment authority. This will allow me to simply prevent new spending if the state does not have the money to pay for it. I will use the governor’s veto power to prevent additional unfunded mandates from being passed on to local governments and ultimately to taxpayers. All of this, along with a spending cap, will take us a long way toward getting our budget process back under control. I do not believe a new budget office is critical, as it would add another level of bureaucracy to an

already inefficient system. What we need to do is change the state's constitution so it mandates that a balanced budget be not just issued but also maintained as balanced.

10. Is the current balance of power between the Governor and the Legislature adequate to ensure a healthy budget process? What do you think about the precedent set this year by Governor Paterson of budgeting by extender and including state government appropriations that if not approved would otherwise shut down the government?

The governor needs more empowerment authority, including the line-item veto. Currently, the comptroller only determines if the budget is "substantially complete." We must add the legal requirement that the comptroller certify that the budget is balanced, and give the governor the ability to withhold spending if the budget becomes unbalanced during the fiscal year. (The governor would be empowered to make in-year uniform cuts across the board.) Governing by budget extenders should be avoided; we need predictability and stability. It is another reason we need a constitutional convention, so we can have a conversation about how to run this state more effectively and build a better working relationship between the Executive Branch and the Legislature. The governor must be a strong leader, not an Albany insider who does the Legislature's bidding.

11. What is your position on the creation of an independent reapportionment commission charged with drawing legislative and congressional district lines under strict and fair guidelines? In your view, what makes for an independent reapportionment commission? As a candidate for office, do you pledge to veto any lines drawn by the Legislature under the current redistricting system that lacks an controlling role by an acceptable independent commission?

I support an independent redistricting commission. Incumbent politicians in New York are re-elected with astonishing frequency, and too often it's because of political redistricting games. Reforming Albany means stopping these shenanigans once and for all. They are anti-democratic, and I will not stand for them. Months before Ed Koch announced the Citizens Uprising platform, which I signed on to, I was advocating for fundamental change in this area.

12. What steps, if any, do you support to promote greater transparency and accountability of our state's public authorities and commissions? Which, if any, public authorities or commissions would you disband or restructure? How would you support and engage the newly empowered Authorities Budget Office to fulfill its mandate?

I will give the currently underfunded, toothless ABO all of the resources it needs to fulfill its mandate. Public authorities must be kept under control, and with the help of the ABO and a thorough investigation of where all our taxpayer money is winding up, we can better make decisions about which authorities and commissions can be disbanded or restructured. We need an independent commission, akin to the one Congress created to determine regarding military base closures, whose recommendations must be followed

by a mandatory up-or-down vote in the Legislature on which authorities should be eliminated or merged. Transparency and accountability will come from better Sunshine Laws, which will allow all New Yorkers to see where their money is going and why.

13. What is your view about measures to limit the role of money in elections and politics, such as substantially reducing contribution limits and/or instituting a public matching campaign financing system at the state level? What is your position on requiring disclosure of independent expenditures?

I have long been a leader in campaign finance reform. While in Congress, I voted for both the McCain-Feingold and Shays-Meehan campaign finance reform bills. We need to impose new campaign limits, including prohibiting fundraising in the capital region while the Legislature is in session, limiting donations by registered lobbyists doing business with New York, requiring more frequent campaign finance reporting, and creating limits on the rolling over of campaign war chests from one election to another. I oppose public campaign financing at the state level and support greater disclosure of independent expenditures.

14. What is your position on making more strict requirements on the use of campaign contributions for non-campaign related activity? What are reasonable parameters on the use of these funds?

Campaign contributions should never be used for personal or family use (including travel) or any other quality of life enhancements that are not directly attributable to the campaign. Campaign contributions should also never be used for legal expenses, particularly those used to defend the official against criminal charges.

15. What is your position on selecting Supreme Court judges through an appointment process where candidates are recommended by citizens committees on the basis of merit and qualifications? If you do not support this approach, what judicial selection mechanisms do you believe should be put into place?

The New York State constitution determines the appointment process for judges. Thus, the selection process of Supreme Court judges should be reviewed in the context of a constitutional convention. The process must ensure that we have a diverse bench from different backgrounds and mindsets to avoid ideological rigidity. We need assurances that political minorities are represented on the bench.

16. What is your position on stricter limits on gifts and other benefits, such as honoraria, which public officials can receive from lobbyists, contractors and others attempting to influence the political process? What is your position on limits to contributions made by lobbyists and others who do business with the state?

Gift-giving at the State level should conform to the strict Federal standard. People who are attempting to influence a public servant shouldn't be allowed to give them any kind of gift or anything else that might seem to undermine the process of making impartial decisions.

17. What is your position on revising the Municipal Home Rule law to limit the ability of a charter revision commission to “bump” other local referenda from appearing on the ballot?

The Municipal Home Rule law should be revised. While charter revision commissions are a useful tool for reform, they need to be limited so that New Yorkers may get their own issues on the ballot without undue interference.

18. What is your position on restructuring the State Board of Elections and improving the administration of elections by abolishing the constitutionally mandated two-party system of governance and operation and replacing it with a more centralized system that includes a sole chief elections officer and a nonpartisan board?

It would be impossible to find a truly nonpartisan board for such a proceeding, and simply adding a sole chief elections officer would not necessarily be a noticeable improvement over our current system as mandated by the State Board of Elections. Our system of checks and balances is still the best way to ensure proper democratic governance. Reform should be about transparency and stricter ethical guidelines.

19. What is your position on easing candidates’ access to the ballot to make it easier to run for office at the state and local level? What measures would you support to do this? Would you support any or a combination of the following reforms: lowering the number of signatures candidates must collect, requiring a fee as a supplement to petitioning, lengthening the time period for petitioning, allowing independent nominating petitioners to begin collecting signatures earlier in the process, or allowing petitioners to collect signatures from any registered voter, regardless of party?

With sufficient public support, candidates should be able to launch a campaign or access the ballot. The number of signatures it currently takes to get on a ballot is appropriate. Requiring a fee to supplement petitioning would not be especially productive and might pave the way for more well-funded candidates who lack public support. I support extending the time allowed to collect petitions. Permitting the collection of signatures of anyone regardless of party is more likely to invite political mischief than the current process.

20. What is your position on other election reform measures, such as the implementation of Election Day voter registration which would require a Constitutional amendment to abolish the state mandated voter registration deadline?

Sadly, our state has a long history of electoral fraud. We need to be vigilant to prevent illegal voting in order to safeguard the rights eligible American voters. While these changes come with numerous challenges, one possibility would be to require state-issued identification from prospective voters the day of the election. These and other questions could be brought before a constitutional convention.

Please provide any additional information about your positions as well as actions that you have taken or plan to take to advance your positions on the above issues either below or on a separate sheet of paper.

Please see attached.

**Please return to: Citizens Union, Local Candidates Committee
299 Broadway, Suite 700 New York, NY 10007
Or via fax at 212.227.0345**