

Despite marathon of vetoes, pork-barrel spending continues in New York

BY JOSEPH SPECTOR • JSPECTOR@GANNETT.COM • AUGUST 8, 2010, 6:15 PM ITHACA JOURNAL

ALBANY -- Gov. David Paterson's veto pen has yet to end spending for legislative earmarks, state records show.

The state in July signed off on \$12.5 million in member items for lawmakers' hometown projects - including \$438,000 for a senior center in Queens, \$100,000 for a group opposed to a major power line in central New York and \$7,500 for the Rochester crime stoppers program.

In all, 609 member items were signed off by the state Comptroller's Office last month, a review by Gannett's Albany Bureau found. Another 57 projects totaling nearly \$1 million were approved in just the first few days of August.

The spending comes even after Paterson held marathon sessions last month to personally sign 6,709 vetoes of lawmakers' so-called pork-barrel projects approved in last year's budget, a total of about \$190 million.

But the vetoes haven't shut off the spending spigot quite yet.

State law allows the money from last year's budget to flow until Sept. 15. So non-profit groups and local governments, who were banking on the money before Paterson's surprising vetoes, are now making a dash for the cash before it's too late.

"We're hearing from groups all over that they are scrambling right now to get all their vouchers in and work completed," said Ron Deutsch, who heads New Yorkers for Fiscal Fairness, a group that works with non-profits.

"Everyone's in scramble mode right now," he said.

The stakes are high from some groups that rely on the member items to fund programs and, in some cases, to stay in business.

Marla Hurban, director of intergenerational programs at the Jewish Council of Yonkers, said the literacy program she runs would have struggled to stay afloat without \$55,000 the group secured in last year's budget, which expired March 31. The money represents about 10 percent of its overall budget.

She and other non-profit groups said they were unsure whether Paterson's vetoes would hit their programs. Hurban received word this week that the money was approved.

"We were sitting on pins and needles," she said.

Gannett reported in May that despite delaying aid to schools, briefly closing parks and temporarily withholding money for road projects, the state authorized \$1.4 billion for 2,320 contracts since the fiscal year started April 1. That included \$9.3 million for lawmakers' hometown pet projects approved in last year's budget.

Soon after, Paterson vetoed the member items in last year's budget amid a fierce battle with lawmakers over this year's spending plan. Paterson and legislators were at odds over completing the budget, including his demand that they create a contingency plan if \$1 billion in federal Medicaid money didn't arrive.

The Legislature approved the contingency plan and the budget last Tuesday. The U.S. Senate on Thursday voted to give states the Medicaid money. But Paterson's aides said the vetoes were still necessary to ensure a balanced budget. The state is expected to get about \$730 million of the \$1 billion in Medicaid aid.

"The point to doing the veto was that although some money would continue going out the door, not all of it would," said Erik Kriss, a Paterson budget spokesman.

Kriss said the state is legally bound to pay out contracts that were entered into last year and have ongoing expenses until Sept. 15. Contracts that are not in the process of being completed have not been honored since the governor's early July vetoes, Kriss said.

"We do believe in upholding the law," he said, adding the state expects most of the savings from the vetoes will be achieved.

There are no new member items in this year's budget.

Critics said the situation is another reason why the state should simply do away with member items, which had totaled \$180 million annually in recent years. The money is required to go to non-profit groups or local governments, but is often knocked as a way for lawmakers to curry favor in their districts and provide big checks to youth sports leagues and community groups.

"It highlights why we should stop this. Period," said E.J. McMahon, executive director of the conservative Empire Center for New York State Policy.

McMahon said the argument that many of the programs are worthwhile doesn't mean that government should fund them. If the programs are so important, they should be funded as a regular expense in the budget, he said.

"Once you establish a pattern of **funding** all this stuff, you create a rationale for their own existence," McMahon said.

Assemblyman Marcus Molinaro, R-Tivoli, Dutchess County, said he doesn't oppose Paterson's vetoes of the member items, but he should have done it last year before groups were counting on the money.

"I have a concern about the governor vetoing dollars that have been awarded and at the very least were in the process of being contracted," he said.

Some groups said they have been waiting for reimbursements from member items pledged for their projects last year.

The Northern Dutchess Hospital Foundation received word late last month that \$20,000 was approved through a member item secured last year by Sen. Stephen Saland, R-Poughkeepsie. The money will help pay for a new operating room that opened this year.

"Every year the hospitals look to see what projects they have on the docket that is going to be of most benefit to the communities they are serving," said Debbie Breen, the foundation's executive director.

Carla Palumbo, a Rochester city councilwoman who heads the civil division of the Legal Aid Society of Rochester, said member items get criticized but generally fill an important funding need in a community.

The legal aid society just got approval for a \$65,000 grant that will fund legal services for the tenants and immigrants.

"I know member items have a really bad rap, but the reality is stuff like this really provides services to people in need," she said.
