

# Party lines tell tale in state budget vote

Senate Democrats join to back blueprint with no Republican support

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ALBANY -- The state Senate, voting along party lines, passed a budget blueprint Monday that leaves intact many of Gov. David Paterson's cuts to education and health care but ignores a proposal to borrow \$2 billion.

The resolution to move forward on the \$136.2 billion plan still needs fine-tuning through joint Assembly-Senate committees. As of press time, the Assembly had not put forward its own resolution.

All 32 Senate Democrats voted for the resolution Monday afternoon, while 29 Republicans voted against it. (Sen. Tom Morahan, R-New City, remains out due to an illness.)

Republican Minority Leader Dean Skelos complained his members were shut out of talks, and claimed the plan doesn't do enough to restructure state spending.

"This is just a sham and a gimmick," Skelos said before his vote.

But Senate Democratic Majority Conference Leader John Sampson said Monday's resolution is a step toward finalizing the 2010-11 budget.

"He claims he wants an open and bipartisan budget process, but refuses to vote for a bill that begins the process," Sampson said of Skelos.

Republicans last year voted en masse against the final budget. If Monday's vote is any indication, this year could bring a replay of that 32-30 Senate vote.

If that's the case, Sampson will have to continue to work hard to keep all 32 of his members on board, a tall order given the political hazards of supporting a spending plan that includes school aid cuts in an election year.

Monday's 32 votes came despite earlier rumblings that some Democrats would oppose education cuts. Sixteen Senate Democrats had written Paterson saying they couldn't in "good conscience" support a budget that cut school aid.

The budget resolution, which several Democrats described as a road map, made no mention of the plan recently developed by Lt. Gov. Richard Ravitch that includes \$2 billion in borrowing along with some new constraints on future budgets.

Senate leaders said the Ravitch plan wasn't specifically precluded, however. And the Assembly could offer a borrowing component with their budget road map.

Also missing was Paterson's proposal for a tax on sugary drinks, increased cigarette taxes, tighter regulation of health insurance rates, and a long-debated proposal to allow the sale of wine in grocery stores.

The Democratic plan does call for raising \$700 million by refinancing the income stream from tobacco bonds that the state currently gets.

Paterson has previously rejected that idea -- attractive to Wall Street -- as a "one-shot" that would cost more in the long run.

In efforts to close next year's estimated \$9.2 billion budget gap, Senate Democrats also count on \$250 million from taxing cigarettes sold on Indian reservations -- a measure which, like wine sales in grocery stores, has been debated for years.

The Senate Democrats' willingness to include education cuts drew considerable notice, with school groups warning it would lead to mass teacher layoffs. Education escaped the budget knife last December, when a deficit reduction plan agreed to by Paterson and lawmakers included health care cuts.

Some said they believed that's why those cuts were proposed now. And others wondered if the \$1.4 billion in school cuts may later serve as cover for a tax hike of some kind.

Several observers wondered if lawmakers, who expect to face unhappy voters during this November's elections, may present the sugar tax or an additional, temporary "millionaire's tax" as a less painful alternative to teacher layoffs or school/property tax increases.

Legislators in both parties and both chamber have steadfastly insisted they won't raise taxes this year.

Some of the Senate Democrats' proposals raised eyebrows with critics who claimed they reflected the inexperience of the conference.

These included the elimination of \$100 million in high technology research grants, many of which the governor has already promised to colleges and universities across the state.

All told, Senate Democratic Finance Secretary Joseph Pennisi said the resolution would bring the state's all funds budget -- the total amount of expenditures, including federal monies -- from \$133.1 billion to \$136.2 billion with the general fund portion going from \$53.3 billion to \$54.3 billion.

The big jump in the all funds amount, Pennisi explained, is due to the state's pushing forward some expenses with their roots in earlier years, such as payments due from a 2005 debt restructuring.

Officials conceded the plan doesn't eliminate future deficits. "There's no doubt that there are out-year problems in this budget," said Pennisi.

The 2010-2011 fiscal year begins April 1, although many officials have acknowledged that the budget is unlikely to be finalized by the deadline.

The Legislature is back in session today through Friday, but is off from March 29 until April 7 due to the Passover and Easter holiday break.