

## Veto spells delay for budget

Paterson rejects plan from lawmakers, saying state can't afford it

By **RICK KARLIN** AND **JIMMY VIELKIND**, Capitol bureau

First published in print: Tuesday, June 29, 2010

ALBANY -- Minutes after lawmakers were patting themselves on the back Monday for what they thought was a successful end-run around Gov. David Paterson's more modest budget proposal, they received a sign that the political battle may be far from over.

That message was conveyed in the black ink reading "VETO" that Paterson affixed to a document informing the Legislature that he was going to reject some 6,900 appropriations contained in the agreement hammered out over the weekend by the Senate and Assembly.

The largest and most significant expense to receive Paterson's veto: nearly \$420 million of education spending that lawmakers had put back into the budget.

The veto was particularly jarring for Senate Democrats, who will be fighting to maintain or expand their narrow 32-seat majority in November. They had planned to tout part of the education restoration as a de facto property tax break -- in lieu of a tax cap, a mechanism that had been rejected by their counterparts in the Assembly.

Too bad, said Paterson. "Rather than act in the interests of the people of New York state, they have engaged in legislation that is in self-interest, and presented us with a series of bills that have the same gimmicks, chicanery and avoidant conduct that has characterized fiscal management in this state for far too long," Paterson said in an evening news conference that included his veto.

He said legislators were sending a message to New Yorkers that they wanted "mediocrity" in higher education and that "property tax relief will have to give way to an election-year gimmick."

Paterson said he was "disappointed, stunned and frankly chagrined" that legislators did not create a contingency fund in case a portion of Medicaid assistance from the federal government fails to materialize. He said they are "fantasizing" that those monies will come through, and are engaging in "distraction and rumormongering" when they claim action in New York might push the U.S. Senate to decide that New York could get by without the funds.

Austin Shafran, a spokesman for Senate Democrats, called Paterson's veto a "typical Albany power play with schoolchildren and taxpayers caught in the middle." He said a veto override is "under discussion." It appears unlikely Republicans would provide any assistance on that front after complaining for months about being largely shut out of the budget negotiation.

"Our financial plan is consistent with the plan the governor proposed in his latest emergency bill, and provides adequate revenue to fund these critical restorations," said

a statement from Assembly spokesman Dan Weiller. The veto "will mean larger classes, higher property taxes and more expensive tuition for SUNY and CUNY students."

The bills passed by the Legislature on Monday originated as Paterson's January budget proposal, and by themselves are fairly noncontroversial.

The Senate and Assembly put those bills back on the table after Paterson had threatened to force-feed them a newer budget plan in the form of the emergency extender needed to keep state operations funded in the absence of a full budget. Monday's bills, however, included appropriations for the rest of the budget year, so no more extenders should be needed.

As has been the case for most of this year's tortured efforts at finalizing a budget, Assembly Democrats quickly passed Monday's spending bills.

But Senate Democrats, whose majority rests on a single seat, spent several anxious hours negotiating with conference members with concerns about the legislative agreement. Because the chamber's Republicans have bloc-voted "no" on most budget measures, the loss of just one Democrat could have blown up the whole plan.

"I do not appreciate people trying to get one over me," said Bronx Sen. Ruben Diaz Sr., who held up the vote on the health and mental hygiene bill because he thought it contained cuts that were deeper than he had been expecting. After being escorted out of the chamber by Deputy Majority Leader Jeff Klein for a conversation, Diaz reluctantly decided to vote yes.

Earlier in the day, Diaz, a Pentecostal minister, said he would vote against the budget due to a measure in the revenue plan that would allow same-sex couples to file joint returns. He was then told that idea might be held back for a few days.

Another Democratic holdout was Buffalo's Bill Stachowski, who wants the University at Buffalo -- which has ambitious expansion plans -- to be able to raise tuition rates. Paterson had proposed a plan that would give SUNY campuses some leeway in setting tuition, but it was removed from the budget at the insistence of Assembly Democrats, who dislike the idea.

Eventually Stachowski fell in line after receiving assurances from Democratic Conference Leader John Sampson that they would continue to push for allowing SUNY campuses more autonomy.

But Sampson wasn't the only one making assurances in order to rally the 32 votes needed to pass a budget: Even as Paterson was preparing to break out the veto stamp, his office was reaching out to provide assurances to wavering Senate Democrats that their needs would be met, according to one observer who didn't want to be named.

The senators and Paterson's office stressed that such exchanges weren't unusual. "People on the (second) floor are reaching out. Our staff is in touch with legislative staff all the time," said Paterson aide Jessica Bassett.

Sens. Darrel Aubertine and Craig Johnson, Democrats who are expecting tough re-election battled in the fall, said they had been in contact with Paterson's office. "They're aware of the concerns that I've had," said Aubertine, who cited the disparity between nursing home aid between downstate and upstate facilities.

"We had any type of normal conversations during the budgetary process -- nothing different than any other budget processes," added Johnson, who like other Democrats in suburban swing districts, had been pushing for a tax cap.

Paterson had proposed a cap, but Assembly Democrats excised it.

"Look, Shelly Silver doesn't want to do a tax cap," said Johnson. "We'll have the next round next year."

Gov. David Paterson's decision to reject roughly 6,900 items approved by the Legislature comes with a potentially steep physical cost: The governor will have to initial every rejected item personally -- with no mechanical help.

At the rate of one line-item veto every five seconds, that means the governor will have to spend almost 10 hours straight on the project -- and that's without bathroom or meal breaks. Paterson has 10 days to complete the project.

"We'll set up a webcam," joked Morgan Hook, the governor's spokesman.