

Spending cuts likely to affect all areas of state budget

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ALBANY — Lobbyists and lawmakers expect Gov. Andrew Cuomo's proposed budget to include profound cuts to all areas of state spending.

Cuomo's ax will likely touch New Yorkers of all walks of life when he releases his 2011-12 spending plan.

The Democratic governor, whose budget presentation is Feb. 1, will likely propose cuts to local education aid as well as Medicaid, the health-care program for the poor.

Cuomo reportedly also is considering thousands of state worker layoffs and position eliminations in order to balance the budget.

William Van Slyke, a spokesman for the Healthcare Association of New York State, said the cuts would hit hospitals and health-care facilities twice because of the expected loss of federal matching funds.

"Whatever the state proposes as a Medicaid cut, the impact on providers will be double," he said.

At the same time, Cuomo also may consider closing state prisons, freezing state workers' pay and raise tuition at the state's public universities and colleges.

The spending cuts to all of these areas in the budget are expected to be in the billions of dollars as the state faces a deficit of about \$10 billion.

"We can't keep doing business the way we've been doing business and we can't keep spending money the way we've been spending money," Cuomo said Monday at a news conference in Albany.

Dr. Nirav Shah, who was confirmed by the state Senate on Monday to lead the Department of Health, said it was possible some hospitals would be closed or merged as a result of the budget.

"They may," said Shah, a Buffalo native. "It's up to the board of directors at the hospitals. We will help to make sure that the safety and quality of services to the people of New York are maintained."

Cuomo has pledged to close the gap without raising taxes or borrowing money — a tricky proposition given the size of the deficit and the preference of some lawmakers to at least consider taxes.

Sheldon Silver, the powerful Assembly speaker, said the tax on those making \$200,000 or more that is due to expire at the end of the year, is still up for consideration.

Cuomo has said he considers re-approving the surcharge a new tax and wants it to sunset.

"I think that's an issue when we see the governor's budget, see the kinds of cuts that are forthcoming, we'll see if that billion and quarter dollars in anticipated revenue could ameliorate those cuts or if we should let those cuts go," said Silver, D-Manhattan.

Once Cuomo submits his budget, legislators must approve the plan. The budget is due by the start of the fiscal year, April 1.

In recent weeks, rank-and-file Democratic Assembly lawmakers have raised concerns with the governor over letting the tax expire, which is known as the "millionaire's tax" by its supporters.

It's a position shared by the New York State United Teachers union, whose officials said schools have already been forced to cut back in the past several years.

"When the leaders talk about shared sacrifice, we take that to mean all New Yorkers, even those that are most privileged, will be asked to share in the sacrifice. Any final document has to be a combination of belt tightening and shared sacrifice," said Carl Korn, a spokesman for the union.

He added that Cuomo inherited a difficult budget and a difficult economy.

Senate Republicans, who hold a 32-30 majority, say they support Cuomo's cost-cutting rhetoric.

"I think we really have to show the public across the board that the budget situation we're in is real and that there will be some shared sacrifice," said Sen. Joseph Robach, R-Greece, Monroe County.

Sen. John Bonacic, R-Mount Hope, Orange County, whose district includes correctional facilities, said that closures of state prisons should be considered if it makes financial sense.

"We always have a concern with upstate prisons because it's been a wonderful source of employment for upstate, but if the numbers justify a movement in that area, then we'll take a look at it," Bonacic said.
