

Budget plan closes deficit with no tax increase

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ALBANY -- Ending a furious weekend of negotiations, Gov. [Andrew Cuomo](#) and legislative leaders announced a budget agreement calling for roughly \$132.5 billion in state spending in the fiscal year that begins Friday.

If passed, the plan would represent a 2 percent cut over spending in the current fiscal year.

After years of contentious and frankly dysfunctional budget-making -- last year's squabbling stretched into August, close to the state record for tardiness -- the officials on hand Sunday afternoon in the Capitol's ornate Red Room sounded almost giddy at the prospect of approving a fiscal plan that closes an estimated \$10 billion deficit without raising taxes, and actually doing it a day or two early.

"I hope this is a template for a new era of cooperation and productivity between the executive and the Legislature," said Cuomo, flanked by Assembly Speaker [Sheldon Silver](#), Senate Majority Leader [Dean Skelos](#) and assorted rank-and-file lawmakers.

Cuomo's grin broadened. "I'm hoping that this spirit of love and euphoria that I feel is infectious and grows and continues," he said. "Do you feel it, Dean?"

"I feel it," said Skelos, a Republican.

Cuomo turned to Silver, his fellow Democrat. "We hope you keep feeling it," the speaker said to laughter.

The comment was a reminder that as recently as Friday, the governor was talking about the option of putting the entirety of his budget proposal in the first emergency "extender" bill that, in the absence of a signed budget, would be required to keep state government operating after the beginning of the new fiscal year. That would have given the Legislature the choice of approving Cuomo's plan as is or shutting down most government services.

While the announced agreement could still be delayed by details or blow up altogether, Sunday's announcement signaled that the Legislature was willing to give Cuomo almost everything he demanded in his first spending plan since taking office. At least some of the bills should be ready to be voted on by Tuesday, making it possible the full package could be on Cuomo's desk by Wednesday or Thursday.

The major changes from the governor's budget proposal include \$272 million in restorations for education, which Cuomo's initial plan targeted for \$1.5 billion in cuts.

Educational advocates were less than impressed. "Nobody who cares about students is celebrating this budget," said [Billy Easton](#) of the [Alliance for Quality Education](#), which, along with teachers unions, has been loudly protesting cuts.

Education advocates and others have been pushing for the return of the so-called "millionaires tax" on high-income New Yorkers that expires at the end of the year. Despite support for the extension of the surcharge among [Assembly Democrats](#), resistance from Cuomo and [Senate Republicans](#) kept it out of the budget agreement.

"We still hope to convince our partners it's the right thing to do," Silver said.

There were funding restorations for "4201" schools for the blind and deaf, although those institutions will still be subject to a change in the way they're paid. The schools currently bill the state and local schools districts for 90 percent and 10 percent, respectively, of the per-pupil bill -- a payment scheme the administration believes drives up costs. Cuomo wants to see districts pick up the full cost and then bill the state for the 90 percent share, a process that's similar to the way other schools for those with special needs are funded.

The final plan leaves out a \$250,000 cap on non-economic damages in medical malpractice lawsuits, a tort reform long desired by hospitals and one of the proposals put forward by Cuomo's Medicaid Redesign Team. But a related plan to create an indemnity fund for neurologically injured infants will remain in the budget, as well as a "living wage" proposal favored by health care workers' unions.

This is the first budget for Cuomo as well as Skelos, who assumed the leadership of the Senate Republicans after the completion of the 2008-09 budget, and then spent two years in the minority. Silver, however, has been one of the "three men in a room" since taking over the leadership of the Assembly in 1994.

"I finally had ... two rookies who would listen to me," Silver said.