

Senate, Assembly propose counter offers to Cuomo

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ALBANY, N.Y. (AP) — The big dance, Albany style, is beginning.

The Republican-led Senate and Democrat-led Assembly on Tuesday each proposed in their versions of the state budget to restore some school aid cut in Gov. Andrew Cuomo's spending plan. But by any historical standard, they're calling for only modest restoration to Cuomo's proposed cuts, which would still result in a state budget that cuts spending from the current fiscal year.

The Democratic governor proposes a 2.7 percent cut in spending in his \$132.5 billion budget for the 2011-12 fiscal year beginning April 1. He also seeks to close a deficit of more than \$10 billion without tax increases or substantial borrowing.

New York City would receive some proportional restoration of Cuomo's cuts in school aid and human services that could mean \$100 million or more to the city. The Assembly would restore funding for the city's senior citizen centers and for summer youth jobs.

The governor, Senate and Assembly are just a couple of hundred million dollars apart, far closer than most years, when a couple of billion dollars can separate the governor and the Legislature. That puts the process of closing a budget by the April 1 deadline on track, pressured by Cuomo's repeated insistence that he will impose his budget if lawmakers can't agree with him on time.

"You can see the parameters of how a deal could be made," said Elizabeth Lynam of the independent Citizens Budget Commission. But she said the Senate and Assembly would restore some funding without clear revenue to pay for it. And she notes Cuomo appears firm in his determination not to increase spending or taxes, and to impose his budget if necessary.

"It's going to be harder than it appears to get a compromise," she said.

Chanting protesters who have been flooding New York's Capitol for weeks disrupted the Assembly for about an hour Tuesday as it debated proposed cuts to higher education and health care programs.

Legislative budgets traditionally are partly responses to each chamber majority's policy priorities, partly nods to powerful special interests, and partly negotiating strategy in crafting a budget deal by the April 1 deadline.

The Assembly wants to continue a temporary income tax surcharge on wealthier New Yorkers, but apply it only to those who earn \$1 million or more a year. The current temporary surcharge is on income taxes paid by New Yorkers making over \$200,000 and is due to expire Dec. 31. Democrats say extending the tax would raise \$700 million

during the balance of the 2011 tax year that could be used to restore funding in education and health care.

The Assembly argues that would mean a one-year extension of the income tax surcharge on just .04 percent of New Yorkers that would provide \$2.6 billion in 2012-13, its final year.

Democratic Sen. Gustavo Rivera of the Bronx said the tax could ease deep cuts to children and elderly.

"If we had a bit more revenue, we could deal with it in an easier way ... for the greater good," Rivera said on the Senate floor.

The tax faces little if any chance because of solid opposition by Cuomo and the Senate's Republican majority against any tax increases.

"By controlling spending, reducing taxes and focusing on helping the private sector create jobs, Senate Republicans have shown we are listening to the calls of hard-working, middle-class New Yorkers and their families," said Senate Majority Leader Dean Skelos, a Nassau County Republican.

Assembly Ways and Means Committee Chairman Herman "Denny" Farrell said his chamber's proposal seeks to address the "painful reality of the continuing economic crisis" while meeting the April 1 deadline.

The Senate Republican majority's proposal would restore \$280 million more to schools while the Assembly proposes restoring \$200 million of Cuomo's \$1.5 billion cut. Cuomo's budget would cut school aid by a historic 7.3 percent, or \$1.5 billion. But Cuomo says that in terms of a typical school district's overall budget, his would average only about 2 percent.

Democratic Sen. Liz Krueger of Manhattan argued the GOP plan would provide a larger share of the restored money to wealthier, suburban schools, rather than following the state policy of directing more to high-needs urban schools like New York City, Yonkers, Syracuse, Rochester and Buffalo. DeFrancisco said there was no shift, but represented an effort to help schools that have suffered deeper cuts in recent years.

Neither chamber nor Cuomo proposes tuition increases for the State University of New York or the City University of New York. But Cuomo proposes another cut to operating aid for the university systems and their community colleges. SUNY says Cuomo's \$138 million cut would mean the largest public higher education system in the country would have suffered a 30 percent cut in funding over the last three years, mostly under former Gov. David Paterson. SUNY and CUNY can't increase tuition without legislative approval.

But the Legislature would restore much of the total funding cut Cuomo proposed for the state's teaching hospitals.

The chambers mostly accept Cuomo's \$2.85 billion saved in an overhaul of the Medicaid system for the poor that funds hospitals, nursing homes and other care providers.

One surprise is the Assembly's proposed cut of \$60 million in the state's smoking cessation program. The Assembly, however, is reviewing that proposal to make sure it only cuts money for public service announcements and other ads, not operating funding.

The American Cancer Society says its studies show the TV spots reduce smoking and labeled the proposal "short sighted and wrong-headed."

Next come negotiations, most of which will be behind closed doors.

The delay in the Assembly meant the first meeting of legislative leaders to begin negotiations between the two houses could be delayed until Wednesday.