

Mixed reaction to governor's budget cut plan

By AMANDA CEDRONE, Legislative Gazette Staff Writer

State legislators and organizations had mixed reactions last Thursday to Gov. David A. Paterson's bold, two-year, \$5 billion deficit reduction plan.

The reduction plan would have a current year impact of \$3 billion and a recurring impact of \$2 billion in 2010-2011. In addition, the plan would produce a cumulative savings of \$9.3 billion to help continue addressing the state's long term structural deficit in coming years.

"During a time of uncommon difficulty, we need to work together for the common good and enact a consensus plan that helps us avoid the severe consequences faced by other states that failed to swiftly address their budget problems," said Paterson. "This will mean hard and painful choices, but that is exactly the type of leadership New Yorkers deserve from their public officials."

Specific programs that would face cuts include Medicaid, social service programs, health and mental hygiene programs, higher education programs, school aid and funding for environmental programs.

Cuts in school aid would total 4.5 percent for the current fiscal year, in addition to a reduction in the Tuition Assistance Program, aspects of the plan that have many questioning the proposal.

"I believe that further reductions in the areas of education and health care should only be considered as a last resort," said Brian Kolb, Assembly minority leader. "I believe we should look to reducing the size and cost of state government before focusing on crucial public priorities."

New York State United Teachers issued a prepared statement saying the mid-year cuts would devastate schools and colleges by disrupting teaching and learning and ultimately harming student achievement.

"The Legislature must reject these devastating cuts. Mid-year education cuts cause chaos and disrupt the learning process for students, their schools and their colleges," said NYSUT President Richard Iannuzzi. "All students will suffer, but this proposal harms, most of all, the state's neediest students who are already at the greatest risk and require the greatest additional support."

NYSUT Executive President Alan B. Lubin added that the cuts will cause pain on top of pain and are simply unacceptable.

The proposal does not however, call for layoffs or tax increases, an aspect of the plan that the New York State Association of Counties praised.

“County leaders commend the governor for not simply shifting the deficit to local property taxpayers,” said Tom Santulli, president of the New York State Association of Counties. “But for offering a prudent blueprint towards stabilizing our economic future.”

The New York State Democratic Committee is also standing behind Paterson.

“Governor Paterson is a leader with the vision and determination to make the tough choices that are needed to secure New York’s future and with the fortitude to get the job done,” said Jay Jacobs, chair of the Democratic state committee.

Paterson said he expects to be harshly criticized for the plan, but also said he will not let New York go into deficit “on my watch.”

Senate Majority Conference Leader John L. Sampson announced last Thursday the Senate Finance Committee had already begun reviewing the consequences of Paterson’s proposals.

“The Senate is committed to generating lasting economic growth with a fiscally prudent deficit reduction plan, and have been in discussions with the Executive for weeks about how best to close the state’s projected budget gap,” said Sampson.

“Both houses of the Legislature had their first opportunity today to hear the governor’s recommendations ... Once our review is complete, the Senate Finance Committee will commence bipartisan regional hearings to fully disclose to the public the scope of the budget deficit and the cost saving choices before the state.”

Lt. Gov. Richard Ravitch commended Paterson for the “gutsy” cuts he made in the plan.

“It takes a lot of guts for Gov. David Paterson to propose the cuts that he did,” said Ravitch. “This [situation] is serious, and the proposal is, in my judgment, a sensible one.”

Last Wednesday, before Paterson’s announcement, Senator Dean Skelos, outlined his own plan to close the state’s projected deficit. Skelos said he was disappointed there have been no proposals made by Democrats in the Legislature to close the deficit and said the deficit was largely their making. Waiting for a plan from the Senate Democrats is like “waiting for a slow boat to China,” said Skelos.

“I’m pleased Governor Paterson has put forward his plan to address the state’s multi-billion budget deficit,” said Skelos. “It’s unfortunate that neither Assembly Speaker Silver, nor the Senate Democrats have put any proposals on the table to cut back state spending.”

Members The Business Council of New York State, an organization that represents large and small businesses within the state, have similar opinions.

“To fuel an economic recovery that will create good jobs New York must reduce the unsustainable levels of state spending to fix this budget crisis,” said Kenneth Adams, president

and CEO of the Business Council. “The governor gets that and his deficit reduction plan reflects it.”

Paterson said he is not upset with the separate legislative conferences for their lack of suggestions on how to reduce the deficit, despite his repeated requests to do so.

“Now we know who’s governor,” smiled Paterson.

Thomas DiNapoli, the state comptroller, also supports the governor’s proposal. “Waiting for the economy to recover is not the answer ... Though there are some early signs of an economic recovery, the state must still align recurring revenues with recurring spending. The Legislature needs to work with the governor to get the state’s perilous finances back on track and protect the interests of tax payers,” said DiNapoli

Environmental organizations, like education advocates, are in an uproar over proposed cuts.

In a prepared statement, John Sheehan, spokesman for the Adirondack Council, said, “This money was supposed to go toward energy conservation and clean energy development – two areas where the investment would have provided both real savings for the taxpayer and clear benefits to the environment and public health ... This may be the first time in history that a dedicated fund was actually raided for another purpose before one cent of it was spent on its intended purpose.”

Likewise, the New York League of Conservation Voters, said the environmental cuts proposed would significantly undercut the state’s momentum toward a clean energy future.

Paterson, however, was steadfast.

“Every time I’ve told you a situation was dire,” said Paterson. “It was true.”