



NEW YORK STATE SENATOR

Darrel J. Aubertine

Senate Passes Bipartisan Deficit Reduction Plan

DARREL J. AUBERTINE December 2, 2009

| ISSUE: **BUDGET**

Aubertine-led coalition led the fight to protect against new taxes, fees, devastating cuts

ALBANY (December 2, 2009)—In a truly bipartisan manner, State Sen. Darrel J. Aubertine and the New York State Senate today passed legislation that will close the state’s budget gap by close to \$3 billion—without new taxes and fees, without sacrificing the quality of healthcare for our seniors and without shifting the burden of the fiscal crisis down to local property taxpayers.

“This deficit reduction plan required many difficult decisions and does not mark the end of the difficult decisions we will have to make,” said Sen. Aubertine, chair of the Senate Majority’s Upstate Caucus. “Our work is not finished, but this deficit reduction plan will keep New York strong and protect Upstate residents from mid-year cuts that would have pushed the state’s problems down to our local property tax bills.”

The deficit reduction plan passed today with widespread bipartisan support in both the Senate and Assembly. The three bills passed the Senate 62-0, 59-3, and 59-3. The plan fits into the parameters set by the Upstate Caucus last month by protecting schools and property taxpayers from mid-year cuts, and limiting healthcare cuts, without adding new taxes or fees. Of the cuts made, about 50 percent are recurring, meaning the difficult decisions made in this deficit reduction plan will provide savings in future budgets.

“As a caucus and as a conference, we were able to forge a bipartisan agreement with careful and deliberate cuts and other measures that do not include tax increases or the devastating cuts that had been proposed,” Sen. Aubertine said. “This deficit reduction plan seals a significant portion of our state’s budget gap this year, but it does not change the fact that more difficult decisions will have to be made next year. By taking

the action we did today, we have kept our state in a position to temper the impact of next year's cuts and reform the way we do business in Albany.”

Among the spending reductions passed by the Senate (other than the \$485 million in agency cuts to be enacted by the Governor):

- 12.5 percent cut to remaining balances of local assistance grants;
- 5 percent cut to operating aid for SUNY, CUNY and community colleges;
- 5.4 percent cut to the Office of Mental Retardation and Developmental Disabilities; and
- \$107 million in health care actions.

Several one-time legislative actions were included in the DRP as well, including:

- \$200 million from the Battery Park City Authority;
- \$90 million from the Regional Greenhouse Gas Initiative;
- \$10 million from the Environmental Protection Fund; and
- \$26 million from the Dormitory Authority.

By working with the Governor and Assembly to find alternative cuts, the Senate successfully turned back a number of proposals that would have cost the state hundreds of millions in lost funding, established new taxes and left nursing homes without the funding they needed to continue vital services for our elderly.

- The Senate stood firm against the imposition of any new taxes on New Yorkers or businesses by reversing the Governor's proposal to more than double the gross receipts tax on hospitals (from .35 percent to .75 percent).
- The Senate ensured that outside sources of funding remain strong by finding more sensible cuts than the proposed \$287 million to Medicaid programs, which would have triggered the loss of hundreds of millions in federal matching funds—the state would have lost \$1.60 for every dollar saved, totaling \$746 million (state and federal share).

- The Senate eliminated the plan to delay rebasing payments to nursing homes and hospitals (costing them \$60 million). The original proposal would have had a particularly negative impact on those Upstate and in suburban providers.