



NEW YORK STATE SENATOR

John J. Flanagan

## Senator Flanagan Introduces Legislation To Freeze Public Sector Wages

JOHN J. FLANAGAN May 25, 2010

| ISSUE: **GOVERNMENT OPERATIONS**

To address the severe state budget deficit, prevent thousands of layoffs, and generate hundreds of millions in savings, Senator John J. Flanagan (2<sup>nd</sup> Senate District) today introduced legislation to freeze the wages of all public employees statewide for one year.

Senator Flanagan's legislation would declare a state of fiscal emergency and suspend all salary increases for state, municipal and school district employees for one year, including any increases for holiday, vacation pay or shift differentials.

"New York State is in a state fiscal crisis and swift, responsible action must be taken immediately.

Unfortunately, Democratic leaders have failed to govern by holding secret budget negotiations and proposing the same old tax and spend policies. But taxpayers and small business owners cannot – and will not – survive Albany's spending addiction and this is a plan that will produce millions in savings while at the same time maintaining thousands of public jobs and essential services."

According to reports of the Senate Finance Committee, since Governor Paterson announced his budget in January, the State's deficit has grown from \$7.2 billion to almost \$10 billion. And, next year's deficit will be at least \$15 billion with long-term deficits nearing \$60 billion.

A statewide wage freeze would produce substantial savings for both state and local governments. Estimated savings include the following: \$430 million for New York State, \$65 million for Suffolk County, \$30 million for Nassau County, \$100 million for the Metropolitan Transportation Authority and \$1 billion in New York City.

"The private sector has been dealing with the real effects of the current economic crisis for some time. They have made difficult, unwelcomed choices of imposing their own spending reductions, wage cuts and widespread lay-offs because they know that is the only way they will survive. The Democrats in Albany need to realize that they need to work for the residents of the state and offer real solutions that help to balance the budget and create jobs, instead of saddling taxpayers and businesses with unsustainable spending and mounting debt," added Senator Flanagan.

A wage freeze is one of the most effective ways to produce immediate savings, while avoiding more drastic steps like deep programmatic cuts, massive layoffs, sharp tax increases and Governor Paterson's recently proposed furlough plan. In fact, despite overwhelming recent support for local school budgets, many districts budgeted for the elimination of jobs because of Governor Paterson's proposed \$1.4 billion cut to school aid.

Conservative estimates indicate that imposing a wage freeze now would still help to save up to 20,000 statewide jobs in education alone.

“All public and private employees deserve a good, honest salary and no one should blame public employees for the state’s current fiscal problems. Many of these men and women are the breadwinners for their families and that is why I oppose pay cuts that would take money out of their household budgets,” added Senator Flanagan. “But the fact is the state is in a fiscal emergency and everyone has to do their part for all taxpayers. These are the same choices that many families across New York have already been making and they deserve to know that their elected officials are able to make the tough choices that will benefit them.”

In addition to his wage freeze proposal, Senator Flanagan is also calling for a number of long-term changes that will fundamentally alter the way New York State continues to operate. Such changes include:

- A state spending cap to instill fiscal discipline on state budgets and force officials to establish priorities;
- A top to bottom reform of the State’s regulations to ease the crushing cost of doing business in New York State – Senator Flanagan is in favor of repealing all business regulations and requiring the State to review their worthiness before reinstating them;
- A ban on all unfunded mandates to provide relief at the local level for those already overburdened by property taxes; and
- The development of millions of dollars in tax credits for small business owners to create real jobs and kick-start the State’s economy.

“While freezing salaries alone is not a magic bullet, it goes a long way in producing the savings we need to ensure our State’s recovery. But, our entire state government needs to reexamine every facet of operation to make sure all the tough choices are carefully considered. Our taxpayers deserve no less,” concluded Senator Flanagan.

Senator Flanagan’s legislation, while groundbreaking in its statewide approach, follows previous cases where immediate action was necessary to protect an entire region. During the 1970’s New York City fiscal crisis and more recently, in Buffalo, under the control of the Buffalo Fiscal Stability Authority, wage freezes were enacted to protect taxpayers. Such actions have been litigated and determined to be constitutional by both state and federal courts.

[Please click here to see Senator Flanagan's comments on this legislation](#)