



NEW YORK STATE SENATOR

Patrick M. Gallivan

State Passes Fiscally Responsible Budget That Respects Taxpayers

PATRICK M. GALLIVAN April 3, 2012

| ISSUE: **AGING, AGRICULTURE, BANKS, FAMILIES, CITIES**

- ✓ **ON-TIME**
- ✓ **REDUCES SPENDING**
- ✓ **NO TAX INCREASES**
- ✓ **HELPS CREATE JOBS**



THE NEW STATE BUDGET FOR 2012-2013

Budget Comes Early, Controls Spending and Holds The Line On Taxes

Senator Patrick M. Gallivan hailed the 2012 state budget today as lawmakers approved the spending plan ahead of the April 1st deadline, marking the second consecutive year New York State will enact an on-time budget.

“Passing a second on-time budget in as many years is indicative of the larger progress we’ve seen lately in Albany. Just as late budgets were once a symbol of dysfunction, on-time

budgets are symbolic of continued progress,” the Senator said. “Even more important than passing an on-time budget, is that we passed a fiscally responsible budget that respects New York’s taxpayers and keeps the State moving forward.”

The \$132.6 billion spending plan, passed Friday afternoon, holds the line on state spending and eliminates a \$2 billion deficit without raising taxes and fees. The budget makes state government smaller by consolidating a number of state agencies, eliminating or repealing various councils, boards, commissions and committees that are no longer delivering for taxpayers, and providing for other reforms, consolidations and efficiencies to reduce government costs.

Gallivan also noted that this budget is particularly responsive to the needs of Western New York and includes important provisions that have been long-held priorities of his.

Medicaid Mandate Relief For Local Governments

The budget phases in a full state takeover of the county share of growth in Medicaid spending, resulting in \$1.7 billion in savings over the next five years for counties and local property taxpayers.

“In September I introduced legislation that called for an immediate freeze of local Medicaid costs followed by a gradual transition of the local share of Medicaid from county governments to the State. While I still believe we must provide greater mandate relief for local governments pressed against the constraints of the new property tax cap, particularly from Medicaid, I am very pleased that Governor and my fellow legislators saw fit to include a portion of my proposal in this year’s budget,” Gallivan said.

A state takeover of the county share of growth in Medicaid will provide significant savings over the next five years for local governments and taxpayers. Erie County will save \$33

million; Wyoming County, \$855,000; Livingston County, 1,462,000; and Ontario County, \$2,560,000.

Western New York Schools

Joined by 11 of his fellow upstate senators, Senator Gallivan led the call during budget negotiations to allocate additional education funding to rural, high-need districts, which incurred inequitably severe cuts in last year's budget.

The budget includes a total of \$20.4 billion in aid to education, including an increase in school aid of \$805 million - a four percent increase. From that increase, high-need rural districts will see an average aid increase of \$472.00 per pupil, compared to a statewide average increase of \$277.00 per pupil.

"Districts across Western New York's rural counties have been on the short-end of the stick for too long," Gallivan said. "Rural communities have an inherently limited property tax base, so when the Governor included additional aid for schools in his executive proposal, I felt very strongly that it should be used to reinforce our rural students who need it most."

Western New York Transportation

In 2008, a clerical error caused the Department of Transportation's (NYSDOT) Region 5 (covering much of Western New York) to be shortchanged \$167 million in infrastructure funding for area road and bridge projects. This budget outlines a process to refund that money to NYSDOT Region 5 and to the Western New York economy over the next several years.

NY Works Initiative

This budget will create the "NY Works" program to rebuild the state's roads, highways and bridges and fund other critical infrastructure projects to create thousands of new jobs and

get our economy back on track.

It also includes \$150 million for the second round of Regional Council economic development awards funding to continue the important work accomplished in last year's budget to rebuild New York's regional economies.

A capital plan is also authorized for \$4.5 billion in state and federal road and bridge funding for 2012-13, including NY Works transportation projects.

The budget includes \$30 million in capital funding for a new round of economic development grants under the NYSUNY 2020 program. When combined with an equal share from SUNY, the University's 60 campuses, excluding the university centers, will compete for three \$20 million challenge grants.

Additional Highlights

- Aid to community colleges is increased by \$150 per full-time equivalent student for a total of \$9.1 million additional funding for CUNY community colleges and \$22.1 million for SUNY community colleges.
- The budget provides \$30.6 million to restore the EPIC program. Under the new plan, prescriptions will continue to be paid by Medicare Part D, but EPIC will pay the Medicare Part D co-payment, which will range from \$3 to no more than \$20. This EPIC restoration was a budget priority for Senate Republicans.