



NEW YORK STATE SENATOR

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Bailing Out Downstate

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The secretly-negotiated MTA bailout deal is a massive new mandate that will drive up local property taxes, increase taxes on jobs and do nothing to reform the bloated and wasteful spending by the Authority. Even worse, the plan does nothing for Upstate New York.

The Democrats' bailout is a \$2.2 billion tax increase that will be paid by not only New York Metropolitan area commuters, but also by taxpayers throughout the state. Upstate tax dollars will be used to fund this massive bailout, but unlike in the past, there is no road and bridge capital plan for Upstate New York included in the bailout.

For over a decade, the state approved five-year capital plans for the MTA and for road and bridge projects in Upstate. For the first time in memory, that parity was ignored. The Democrats' MTA bill funds a two-year capital plan for mass transit in the Metropolitan area only. There is no road and bridge capital plan, only vague promises by Governor Paterson to try to do something, sometime in the future.

Furthermore, in order to relieve downstate schools from a payroll tax imposed on all New York Metropolitan area businesses, schools, not-for-profits, and local governments, the bill provides for the reimbursement of payroll tax obligations to Metropolitan area public schools. However, this money will come out of school aid next year. As a result, \$90 million will be taken off the top of school aid otherwise available to schools throughout the state,

including Central New York. This means less school aid for Central New York schools next year and likely higher property taxes.

The MTA bailout bill comes just days after Governor Paterson announced that he is committed to preventing new mandates on local governments. Despite this, cities, towns and villages will now have to pay millions more under this plan. The Democrats' MTA plan is the largest new state mandate since Medicaid.

Not only does this bailout plan negatively affect Central New York this year, it does nothing to reform the MTA to ensure that we don't face the same problem in the future. The bill is a big loss for taxpayers, homeowners, local governments, businesses and the future of our state.