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News

## Guv: Cut schools, health, state jobs

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By Tom Caprood  
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ALBANY — The impact of Gov. David Paterson's \$134 billion proposed budget could be felt across the state through funding cuts as well and increased taxes and fees.

Paterson presented his executive budget Tuesday and announced plans to cut billions of dollars in school aid, health care, and state agency funding, while adding approximately \$1 billion in new taxes and fees, to close the state's \$7.4 billion budget deficit.

### Education and the Arts

As part of his proposed cuts, the governor proposed reducing state education funding by \$1.1 billion, which would translate into major cutbacks for area school districts.

In Troy, the Enlarged School District of Troy is expected to lose \$3 million, according to school district spokeswoman Caroline Boardman. The district had originally anticipated a loss of only \$1.5 million.

"While we appreciate the situation that the governor finds himself in with regard to the New York State budget, these cuts will have a severe impact on our school district," said Superintendent Fadhilika Atiba-Weza. "We will take a careful look at how this can be absorbed and plan accordingly."

Also, under Paterson's plan, the New York State Theatre Institute would have its \$3.1 million allocation cut in half to \$1.5 million this year and would cease to be funded in the 2011-12 fiscal year as part of the governor's proposal to make the organization "self-supporting."

David Morris, chairman of the NYSTI Board of Directors, said the idea that Paterson's office thought his volunteer board could raise \$3 million to run NYSTI was the most absurd thing he had ever heard of.

"For him to cut our budget in half, if it's passed, which I cannot believe it would be, we're going to lose about half our employees this year and next year we're going to be done," said Morris, stressing that NYSTI is a state agency which relies on state funding. "To me, it's a shame. He's eliminating NYSTI and never said one word to the board of directors or to me."

### Wine in grocery stores

Paterson also once again proposed the idea of allowing grocery stores and supermarkets to sell wine if they pay a franchise fee which the governor's office estimated could raise some \$93 million in the first year of the agreement.

However, wine sales reportedly account for approximately 70 percent of the profits at area wine and liquor stores.

When the governor first announced the initiative during the 2009 budget process, he noted that 19,000 potential new outlets could sell wine under the plan, compared to the 2,500 which currently sell the product.

Craig Allen, the owner of All Star Wine & Spirits in Latham Farms, said that the move would hurt smaller wine and liquor stores throughout the area.

"It's definitely going to. We've been saying that all along," said Allen, who believed up to 1,000 of the 2,500 outlets selling wine now would be out of business or bankrupt within three years.

"Give us three years so that we can start to build our business to be able to combat a billion dollar competitor," he continued, noting that many stores in shopping plazas will not be able to compete with supermarkets by selling food and other products because of non-competing clauses in their leases. "We'll put up a great fight, and if we don't make it, I can promise you that I will never put another dollar into New York State again."

Assemblyman Bob Reilly, D-Colonie, said he did not believe it was fair to allow the sale of wine in grocery stores.

"We're going to put out of business many little liquor and wine stores," said Reilly. "I don't think that's a very good idea."

#### Cigarettes and soda

As part of his newly proposed taxes and fees, Paterson proposed an additional \$1 tax on packs of cigarettes, bringing the total state tax up to \$3.75, and instituting a \$7.68 per gallon excise tax on beverage syrups and \$1.28 per gallon on bottled soft drinks and powders tax.

Assembly Majority Leader Ron Canestrari, D-Cohoes, said that the additional taxes had to be considered to offset further cuts to state health care.

"My greatest fear on the budget is of the health care cuts of \$1 billion, and if we do not enact his two tax proposals, it will be a \$2 billion cut to health care," said Canestrari. "That's unconscionable."

Assemblyman Jack McEneny, D-Albany, said that most people would likely support a cigarette tax, but noted things could be tougher when it comes to soda.

"I think there will be a great resistance to the sugar tax, but I wouldn't be surprised if people are just desperate enough to do it," said McEneny.

Officials from the Hunger Action Network of New York State supported the soda tax as an anti-obesity initiative but called for a good portion of the proceeds to go towards directly towards anti-obesity and anti-hunger initiatives.

"A soda tax is a critical step in the effort to reduce obesity, especially among children, and to promote better nutrition," said Andreas Kriefall, upstate director of the network. "Proceeds from the soda tax should be clearly earmarked to support anti-obesity, nutrition and health care programs."

American Heart Association officials believed the additional cigarette tax could prevent 100,000 children from smoking and noted that smoking remains a major risk factor for coronary heart disease.

"High cigarette taxes can reduce tobacco consumption and deter kids from beginning this deadly addiction, while at the same time reducing the huge financial burden smoking places on our healthcare system," said AHA Director Julianne Hart.

#### Environmental concerns

The executive budget also called for a \$69 million cut to the state's Environmental Protection Fund as well as reductions in the number of staff members at the Department of Environmental Conservation and various park agencies, among other cuts.

The Adirondack Council, an environmental research, education and advocacy organization, referred to Paterson's plan as a

declaration of war on the state's environment.

"These cuts are massive and way out of proportion with cuts being made to other areas of the state budget," said Brian L. Houseal, executive director of the council. "This budget plan will cause instant and irreversible harm to the environment in general, and to the Adirondacks in particular."

Robin Dropkin, executive director of Parks and Trails New York, a statewide advocacy organization, said the state Office of Parks, Recreation, and Historic Preservation would now have to decide how many parks to close and which ones would be shuttered because of the cuts.

"It will be tragic if any parks are forced to close this year," said Dropkin. "They provide New Yorkers with affordable, nearby recreation, and they provide our communities with sustainable, long-lasting jobs. New York absolutely cannot afford to lose any of its state parks."

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### **NYS budget highlights**

The following is a list of selected highlights from Gov. David Paterson's \$134 billion proposed budget for the 2010-11 fiscal year. Paterson said the actions would be taken as part of an effort to close the state's \$7.4 billion deficit.

- Cutting public school aid by \$1.1 billion to \$20.5 billion.
- Providing \$3.9 billion in aid to the Metropolitan Transportation Authority, up \$161 million, and \$501 million for bridge and highway construction, up \$10 million.
- An ongoing hiring freeze with the state work force expected to decrease by 675 to 195,700.
- Closing four prisons. With inmate population expected to drop by 1,100 this year and 1,000 next year to 57,600, close Lyon Mountain in Clinton County and Butler in Wayne County, both minimum security prisons, in January 2011, followed in April 2011 by Moriah shock facility in Essex County and Ogdensburg medium security prison in St. Lawrence County.
- No state police training class. With New York's crime rate down 28 percent in a decade, no recruits for the second straight year, with an estimated two-year loss of 269 positions through attrition by April 2011 from a high of some 4,900 officers.
- A moratorium on state purchases of forest preserve land and open space.
- Allowing grocery stores to pay a franchise fee to sell wine.
- Allowing the state and city universities to set their own regular tuition increases without legislative approval. Increases could vary by campus.
- Limiting growth in Medicaid spending to \$51.5 billion, up 1.8 percent.
- Eliminating a restriction on daily operating hours for the Lottery's Quick Draw game and video lottery terminals.
- Legalizing mixed martial arts in New York.
- Deploying speed enforcement cameras in 40 highway work zones and 10 other locations considered dangerous.
- Allowing same-sex couples married in other jurisdictions to file joint state tax returns with spousal exemptions.

- Increasing staff-to-youth ratios, improving medical and mental health services and reducing capacity for 23 juvenile detention facilities with 1,209 beds. Consolidating the Annsville and Taberg facilities in Oneida County, eliminating the limited secure program at the Tryon Boys facility in Johnstown, Fulton County, and the non-secure residential center for girls in Lansing, Tompkins County.
- Cutting 100 Transportation Department positions in preventive maintenance and snow and ice control while using new salting techniques, projected to save \$6 million.

*Source: New York Budget Division*

*(List compiled by the Associated Press)*

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