



NEW YORK STATE SENATOR

Eric Adams

Senate Passes Critical Deficit Reduction Legislation

Eric Adams

March 31, 2009

This legislation will close a budget gap of approximately \$1.6 billion for the current fiscal year, improving the state's bond rating and significantly reducing the cost of funding for public works and other vital projects. This action demonstrates New York's readiness to manage funds from the federal stimulus package while creating solutions to the budget deficit in the 2009-2010 fiscal year.

The State Senate rejected proposed reductions and eliminations of over three quarters of a billion dollars to hospitals, nursing homes, and home care; our representatives recognize the state's obligation to the most vulnerable portions of New York's population, especially during this time of great fiscal uncertainty.

Budget reductions were made through legislative measures and administrative efficiencies including optimization of statewide spending and authorized transfers of both the state fund balance and debt reduction reserve fund. The cumulative savings achieved from administrative efficiencies have exceeded \$380 million.

The State Senate has achieved reductions in excess of \$1.2 billion, primarily through cash transfers and fund sweeps. The largest reductions include:

- \$306 million in payments from the New York Power Authority
- \$137 million from assessment on insurers for financing of Healthy NY
- \$120 million from assessment on insurers for funding public health under Covered Lives
- \$100 million in federal reimbursements for enforcement of child support payments
- \$75 million through cuts in Capital Bonding commitments, while still allowing for future growth
- \$40 million through shifting subsidy of direct-pay insurance from state to insurers

Understanding that investing in the education of New York's young people will benefit the state as a whole, the Senate has increased the funding to the Tuition Assistance Program (TAP), which provides aid to low-income students matriculating to college and university by \$8 million.