



NEW YORK STATE SENATOR

Brian X. Foley

## Senator Foley, Governor, Assembly and Senate, Announce On-Time Budget That Protects Long Island's Schools, Closes Largest Budget Gap in State History

BRIAN X. FOLEY March 29, 2009

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*Job Creation, improved government efficiencies and statewide balance are trademarks of budget agreement*

Hauppauge, NY – State Senator Brian X. Foley (D – Blue Point) has announced that an agreement has been reached between the Assembly, Senate, and the Governor that will close the largest budget deficit in the New York State history. The agreement will give way to an on-time budget that protects Long Island's schools, enacts major reforms, and moves the state towards fiscal solvency.

The budget – to be passed on time for only the third time in over two decades – will fill a nearly \$18 billion hole without including any cuts to Long Island's schools.

"We had two top priorities heading into budget deliberations: To prevent any tax increases on our middle class and to ensure that funding for Long Island's schools is not cut," said Senator Brian X. Foley, who serves on the Senate Education Committee. "I am pleased to

announce that we've been able to do just that.

"By holding Long Island's education aid harmless, we not only give our schools the resources they need but also encourage localities to hold the line on property taxes," said Foley.

In addition to maintaining education aid levels, the Senate is redoubling its efforts to reduce the property tax burden faced by Long Island's working families. The Senate is proceeding with its plans to install a circuit breaker that will roll back property taxes for the middle-class and allow parents to raise their children right here on Long Island.

"Poor financial planning and irresponsible decisions over the past decade as well as the nation-wide economic crisis have forced us to make difficult choices. But these hard choices, while painful, will help us rebuild our state so that it's fiscally stable and returns us to growth instead of more deficits," said Foley.

As state revenues plummeted by an additional \$3.2 billion since February 2009 and new unemployment claims reaching nearly 40,000 per week in March 2009, the Senate Majority displayed a strong commitment to fiscal responsibility in their efforts to reduce the State's multi-year deficit by an estimated 80 percent. Coupled with the Deficit Reduction (DRP) Legislation, passed by the Senate and Assembly just over a month ago, the budget agreement reflects the largest spending reduction in state history at \$6.5 billion.

General Fund spending is expected to increase no more than one percent and total approximately \$54 billion. Concurrently, All Funds spending is expected to total approximately \$131.8 billion, an increase of \$10.5 billion or 8.7 percent with the overwhelming majority of that increase (\$7.2 billion) a result of federal stimulus money which by federal

mandate must be spent during the current fiscal year.

The Senate successfully fought to include substantial job creation initiatives in the budget that will result in over 110,000 new jobs throughout the state. "With 58,000 jobs in energy efficiency, retrofits and renewable energy 'green jobs', 50,000 jobs in transportation and over 2,000 jobs for low-income New Yorkers, the Senate provided our state with the tools necessary to achieve long-term economic growth" said Foley.

To raise the necessary revenue to meet the extraordinary challenges of these difficult fiscal times, the budget agreement calls for a \$4 billion personal income tax surcharge on the wealthiest New Yorkers which will expire after three years. This change will have no impact on the amount of personal income tax paid by nearly 96% of constituents in the 3rd Senate District.

Also included in the budget were approximately \$800 million in restoration of healthcare cuts proposed in the governor's budget and over half a billion dollars in transitional funding to ease the change to a more patient-driven health system. To make health care delivery more efficient, the budget agreement includes new reforms to increase investments in primary and preventative care. The Senate fought for, and won, initiatives for \$127 million to support community based health clinics and a \$16 million pool to support Upstate and suburban community hospitals.

Protecting our state's most valuable asset, our children, the Senate was able to hold the line on all cuts to education, restoring school funding to fiscal year 2008-09 levels and maintaining foundation aid and high tax aid. The budget agreement also includes \$30 million in bullet aid to schools with special financial challenges, a restoration of funding for teacher

centers and libraries and reimbursement of mandated expenses at private schools. Additionally, the Senate was able to secure a much needed restoration of over \$10 million to preschool special education programs and \$1.4 million in money for low-income special education students.

"The best way to attract new businesses, is through an educated workforce — that's why education is so important to our economic agenda," said Foley. "That we were able to hold the line on education funding amid the greatest economic crisis of our lifetimes, was important and demonstrates the Senate's priorities."

"Throughout this budget process, we utilized a core set of principles to lead our way— protect healthcare from the harshest cuts while reforming the system through investments in primary care, maintain strong education funding, and create new jobs to jump start the economy. This budget is far from ideal, but neither was the dire state of the economy that confronts us. Thanks to Senator Foley's leadership and the work of our other members, what we now have is a road map for long-term economic growth and sustainable recovery to bring New York back into fiscal solvency," said Senate Majority Leader Malcolm A. Smith.

*For more information, please contact us at [sd3info@gmail.com](mailto:sd3info@gmail.com) or by phone at 631-360-3365 (3356).*