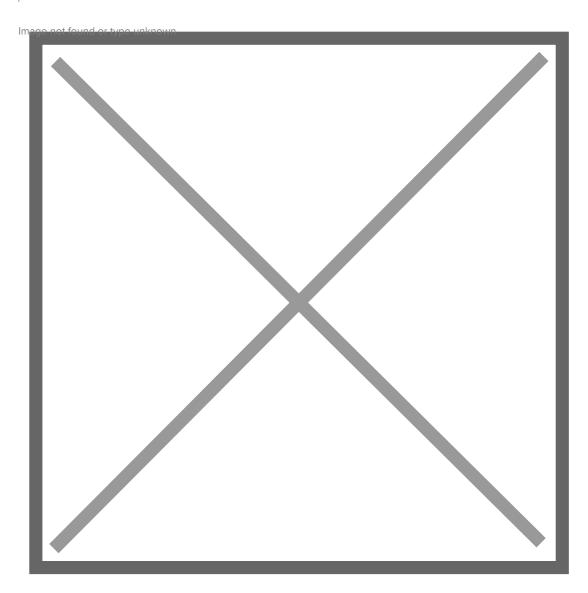


Update on NY State Budget

OWEN H. JOHNSON April 4, 2011

ISSUE: BUDGET



The completion of the state budget closed a \$10 billion budget gap without raising taxes.

The \$132.5 billion budget for the 2011-2012 fiscal year reduces year to year spending by 2%, and trims State operations expenditures by 10 percent.

The budget we enacted requires nearly every area of State government to increase efficiency, maximize performance and do more with less -- just like families across Long Island have been doing in response to the recession. Thanks to the leadership of the Senate Republican conference, we achieved regional balance in school aid and ensured that every region of the State is treated fairly and equitably. We fought to redirect funds to school districts that were hit the hardest by the Governor's proposed cuts.

The new budget phases out a multi-billion dollar tax that was previously imposed on thousands of small businesses across the state. This, coupled with a renewal of proven job-creating programs, will allow businesses to keep more of their money and reinvest it to promote growth and job creation.

We enacted major reforms to the state's out-of-control Medicaid spending, including imposing a cap on Medicaid expenditures and restructuring Medicaid to be more efficient and get better results for patients.

We took steps to make sure that next year's projected budget deficit has already been reduced from \$15 billion to a more manageable \$2 billion—less than one percent of the overall budget.

The budget included tough choices and difficult decisions that had to be made to close the deficit. My colleagues and I in the Senate Republican Majority will continue to fight for passage of the property tax cap to give New Yorkers the tax relief they need and deserve, along with mandate relief that will allow local governments and school districts to better control their costs. We will continue our efforts to get rid of the onerous taxes imposed over the last two years, like the MTA payroll tax.

For more details on the 2011-2012 State Budget, please click here.

With best personal regards, I remain

Very truly yours,

Senator Owen H. Johnson