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## Sandy

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Jan. 23, 2013

Gov. Andrew M. Cuomo unveiled a \$142.6 billion budget proposal Tuesday that includes about \$4 billion in federal aid for superstorm Sandy recovery.

The governor proposed hiking school aid by 3 percent while keeping overall state spending growth under 2 percent. A \$1.35 billion deficit would be addressed by freezing spending on state operations, closing two state prisons, reducing the projected growth in aid to localities by one-fourth and refinancing debt.

He also proposed a smattering of tax extensions, tax credits and fee hikes, raises for some nursing-home workers and a minimum-wage hike from \$7.25 per hour to \$8.75.

The Democrat, entering his third year in office, said his plan would “maintain fiscal responsibility.”

“The taxpayer’s pocket is not a bottomless piggy bank,” Cuomo said during his budget presentation.

Overall spending would grow about 5 percent under his plan — largely because of an influx in federal aid for rebuilding after Sandy (\$3.6 billion) and to implement the new federal health-care law (\$2.5 billion). Without the bump in federal aid, the state budget would be \$136.5 billion and growth would be 1.9 percent.

New York expects to eventually receive about \$32 billion in Sandy aid from Congress, although only a fraction of that (\$5 billion) will be spent by the end of the 2013-14

fiscal year, the Cuomo administration projected.

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budget by April 1, the start of the state's fiscal year.

"I don't see anything that is a huge stumbling block right now," said Sen. Dean Skelos (R-Rockville Centre), co-leader of a new coalition controlling the state Senate. He praised the small spending increase and initiatives to help local governments cut costs.

Skelos, who opposed a minimum-wage hike last year, said it would be "more palatable" if it is paired with tax cuts for small businesses and if future increases aren't tied to inflation, as Assembly Speaker Sheldon Silver (D-Manhattan) and most rank-and-file Democrats have proposed. Cuomo's proposal doesn't include an inflation index.

"We want to make sure it's not counterproductive," Skelos said. "We will analyze it. We will see if this is the right year to raise the minimum wage."

Assembly Speaker Sheldon Silver (D-Manhattan) missed the speech following the birth of a grandchild. He later sent a statement praising the governor's "prudent" plan, but reiterated his call for a minimum-wage hike that is indexed to inflation.

The Sandy initiatives include money for rebuilding and to buy out homeowners who don't want to rebuild. Cuomo said the state wouldn't dictate rebuilding plans but instead review proposals submitted by local governments. He also proposed mitigation measures to keep subways from flooding.

Cuomo pitched a series of economic-development initiatives in his spending plan, including a \$50 million venture capital fund. But he didn't include any new casino money in the budget — even though he said he'll ask the state Legislature to approve a plan this year for three upstate Las Vegas-style casinos. He said it was unrealistic to count on any casino revenues till 2016.

The governor offered a series of measures to help local governments and schools stay

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