

Cuts Made to Current State Budget; More to Come

On December 2, 2009, the Governor and the Legislature reached agreement on \$2.7 billion in cuts in the current state budget. Reductions were made even as Governor Paterson and Comptroller DiNapoli expressed concern that the existing budget gap was at least \$3.2 billion and perhaps as large as \$4 billion.

Savings totaling \$550 million in local assistance were achieved through a combination of a 12.5% across-the-board reduction to remaining 2009-10 fiscal year spending in certain programs (\$390 million). These cuts will affect:

- Social services programs
- Those education and arts programs (that are not included in School Aid)
- Health care and aging programs (that are not included in Medicaid)
- Mental health, higher education, transit and other programs.

A full list of reductions can be found [here](#).

Among another \$160 million in targeted local assistance savings are: reducing anti-tobacco funding, eliminating the 2010 trend (inflation) factor for hospital, nursing home, home care, and personal care providers during the first quarter of the calendar year, authorizing nurses to increase the supply of prescription medicine for home care patients from 8 days to 15 days, and lowering the State General Fund subsidies for the cost associated with mental health parity coverage by 30%. The state will also offer a Tax Penalty Forgiveness Program and accelerate the use of education stimulus funding by \$391 million.

This plan sets the stage for the coming battle over the 2010-2011 state budget. At a program in New York City on December 9, the Governor and the Director of the Division of Budget estimated that the budget gap for the coming year could be \$8 billion and as high as \$19.5 billion by 2012-2013.

Advocates must be prepared to confront the budget challenge with information, statistics, stories and energy. Across New York State, counties and programs are bound to be impacted before the worst is over.