

CAPITOL

Governor orders aid delayed Paterson blames Legislature as move impacts schools

BY MICHAEL GORMLEY *The Associated Press*

Gov. David Paterson on Sunday ordered that 10 percent of state aid payments to schools and local governments be delayed, accusing legislators of being irresponsible and asleep on the job.

The Democrat blamed the need to delay payments on the Legislature's failure to cut spending to schools and health care, which are protected by Albany's most powerful special interests. As a result, he said, the state is projected to fall \$1 billion short of the sum needed to pay bills due Tuesday.

For New Yorkers, the delays could mean restrictions on social services for the poor and working poor provided through counties and cities, reduced programs at schools, threats of layoffs at schools, and potentially higher local property taxes if schools and municipalities have to borrow to cover the shortfall.

Paterson told reporters Sunday from Manhattan that "many legislators, not all of them" made an irresponsible choice by failing to address the full deficit earlier this month. "The question is, who is going to wake up and face reality and who is going to continue sleeping on the job?" Paterson said.

"I can't say this enough: The state has run out of money. We are \$1 billion short," he said.

The Senate majority leader's spokesman called Paterson's order unimaginative and ineffective.

"Constantly attacking the Legislature is easy, but it doesn't solve people's problems," said Austin Shafran, spokesman for Democratic Conference Leader John Sampson of Brooklyn. "New Yorkers don't want political rancor or self-indulgent theatrics, they want their leaders to work together to get things done."

There was no immediate comment from the Democrat-led Assembly.

Speaker Sheldon Silver, a Manhattan Democrat, had previously said he was willing to address more of the deficit but couldn't reach agreement with the Senate.

Elizabeth Lynam, a spokeswoman for the Citizens Budget Commission, said the governor is taking "the right course of action to protect the fiscal health of the state.

"If the funds are not available to make these payments at this time then they should not be made," she said in an e-mailed statement.

Lawmakers had argued any delay is unnecessary, if not unconstitutional.

They said that although December has some of the state's biggest bills due with little revenue expected even in good years, January has fewer bills and far more revenue anticipated.

"We cannot reliably predict what revenues will do," Paterson said.

If strong revenues are seen in January, Paterson said he will consider sending out the balance of the payments.

Paterson forced the Legislature into extraordinary session earlier this month to address the deficit of \$3.2 billion to \$4 billion. Ultimately, about \$2.7 billion was addressed.

The Legislature, under pressure from powerful teachers unions and school lobbyists, refused to cut any school aid midyear. School officials contended the midyear cuts would force layoffs and hurt instruction.

"Some of the poorer districts really don't have reserves," said Billy Easton of the Alliance for Quality Education, a group that lobbies for schools and is often at odds with Paterson, who is seeking election in 2010. "The governor is playing a very dangerous game in mixing school funding payments with political posturing that he thinks will salvage his poll numbers."

On Sunday, Paterson ordered \$750 million in payments to be delayed out of \$4.85 billion due, but gave no firm date for when the remaining payments would be released. They must be

released by the start of the next fiscal year, April 1, because the Legislature hasn't authorized any cuts in spending.

Paterson blamed the Legislature for failing to address the full deficit. The 10 percent across-the-board cut also affects hospitals and some nonprofit groups.

