



Albany Update

Volume 5 January 21, 2005

Governor Pataki Presents His Budget

This week Governor Pataki released the Executive Budget. Here is an overview of the budget that was furnished by his office. We will be in touch with you about issues in the budget that may have a direct impact on your business.

- Totals \$105.5 billion , an increase of \$2.5 billion or 2.4% (which is below the rate of inflation)
- Closes a \$4.2 billion budget gap
- Increases the Rainy Day Reserve fund to \$864 million, the maximum allowed
- Places the Health Care Reform Act (HCRA) "on budget"
- Caps annual growth of local Medicaid costs "to generate over \$2 billion in local government savings"
- Accelerates the phase out of income tax surcharges
- Accelerates the state takeover of Family Health Plus
- Includes new "Co-Star" property tax relief program for county tax payers
- Includes more than \$160 million in new aid for cities, towns & villages
- Provides new tax credits through Operation SPUR for companies that are investing in Upstate communities
- Provides a cap on growth in local school budgets
- Increases aid to schools by \$526 million—\$201 million in traditional school aid & \$325 million for a new Sound Basic Education Aid program to be funded by VLTs— for a total Of \$15.9 billion
- Capital investment at SUNY & CUNY totaling \$323.4 million (increase in tuition)

Hearings on the budget are set to begin. This year the budget process will be somewhat different than in the past because of a December 2004 court decision that limits the legislature's ability to modify the Executive budget. Under the court decision, the legislature may add funding and new proposals, or entirely eliminate items proposed by the governor, but they cannot edit proposals contained in the budget proposal. Be prepared for a long budget period, well beyond April 1st.

A REQUEST TO OUR CLIENTS

Are you planning to contribute to a candidate, or buy tickets to a fund raiser? If so, please let us know (ahead of time) what event you will be attending and the amount of your contribution. This will help us make sure someone from our staff is there to introduce you around, and if you are not able to attend, someone from Bolton-St. Johns can be there to represent you.

Upcoming Fundraisers

Monday, January 24th

DEMOCRATIC SENATE CAMP COMM
Albany, \$600

Assem WILLIS STEPHENS [D]
Ways & Means, Rules, Ethics Comm
Albany, \$300

Assem HARVEY WEISENBERG [D]
Ass't Speaker Pro Tempore
Albany, \$300

Monday, January 31st

Assem DANIEL BURLING [R]
Deputy Republican Whip
Albany, \$250

Assem JAMES CONTE [R]
Ranking member—Education
Albany, \$250

Assem RICHARD BRODSKY [D]
Chair—Corporations
Albany, \$350

Monday, February 7th

Senator Byron Brown
Senator Hugh Farley
Senator Serphin Maltese
Senator Carl Marcellino
Senator George Maziarz
Senator George Onorato
Senator Mary Lou Rath
Republican Assem Camp Comm

If you have any questions about fundraisers, please call Sandy in the Albany office, 518 462-4620