

Senate approves budget resolution

Plan rejects wine sales, soda tax, park closures; accepts many school and health care cuts

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ALBANY -- The state Senate approved a preliminary budget blueprint on a strict party-line vote of 32-29; the resolution failed to attract a single Republican vote.

The plan, rolled out this morning by members of the chamber's Democratoc majority, tweaks Gov. David Paterson's proposal in many places but preserves many of the politically perilous cuts to education and health care.

Also included in the plan: A rejection of the governor's proposal for wine sales in grocery stores and a tax on sugared beverages; revenues generated from tobacco fund refinancing; and \$250 million worth of heretofore uncollected taxes from cigarettes on Indian reservations.

In addition, the Senate plan would roll back the highly controversial plan to shutter or curtail services at scores of state parks and historical sites.

Today's release isn't the final budget or even the Senate's final offering, but a resolution to move forward with conference committees and more detailed discussions.

Much of the plan -- which can be read in its entirety at the [Capitol Confidential](#) blog -- mirrors the blueprint offered by Paterson, including the \$1.4 billion school aid cut and an expected increase of \$221 million from tougher tax audits on taxpayers.

Opponents of the plan to sell wine in supermarkets heralded the Senate Democrats' action. "With Gov. Paterson leaving office, we hope this puts an end to this battle," said Jeff Saunders, founder of the Last Store Coalition and president of the Retailers Alliance. " ... We should focus on ways we can work together to build our industry so stores and New York wineries can grow and thrive together." (Read more at the [Table Hopping](#) blog.)

The Senate also is looking at \$700 million in tobacco bond refinancing -- that is, borrowing against future payments on those bonds. Paterson dismissed the idea as a one-shot when it was raised late last year during midyear budget-cutting efforts, but Senate numbers-crunchers are pointing to current low interest rates as a reason to move forward with it.

All told, Senate Democratic Finance Secretary Joseph Pennisi said the resolution, if adopted, would bring the

state's All Funds budget -- the total amount of expenditures, including federal monies -- from \$133.1 billion to \$136.2 billion with the General Fund portion going from \$53.3 billion to \$54.3 billion. The big jump in the All Funds amount, Pennisi explained, is due to the state's pushing forward some expenses that have actually occurred this year. Such maneuvers would become difficult if not impossible under a five-year budget plan recently introduced by Lt. Gov. Richard Ravitch.

While Senate Democrats said they weren't rejecting the Ravitch Plan outright, their budget outline doesn't include the \$2 billion in borrowing this year that the plan would allow.

The Senate vote on the resolution presented a challenge for Senate Democratic Conference Leader John Sampson: With all 30 Republicans voting against it, Sampson had to convince the 16 members of his conference who had previously said they would not vote for a budget that cuts school aid.

The 2010-2011 fiscal year begins April 1, although many officials have acknowledged that the budget is unlikely to be finalized by the deadline.

The Legislature will be in session today through Friday, but will not return to Albany until April 7 due to the Passover and Easter holiday break.