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Political gridlock persists

Governor fails to reach agreement with top legislative leaders on \$2B in cuts

By Irene Jay Liu

Gov. David Paterson may have sounded the alarm on the state's fiscal crisis, but it was drowned out Tuesday by partisan bickering and political rhetoric from state leaders, who did nothing to address the state's looming \$1.5 billion budget deficit in what was supposed to be a special session.

The governor and legislative leaders failed to reach an agreement on the \$2 billion spending cuts that Paterson requested for this year in anticipation of the scheduled session, and said he does not expect the Capitol to address the issue until January, when Democrats will take control of Senate for the first time in 40 years.

Instead of the planned legislative session, the governor and leaders of the Senate and Assembly participated in a public meeting in front of the assembled media — an hourlong piece of political theater during which all participants voiced grievances, pointed fingers and argued over the reasons why they were not able to act, all the while acknowledging the severity of the problem that brought them there in the first place.

Paterson called the meeting late Monday evening, after Senate Majority Leader Dean Skelos said he would put the governor's draft budget bill to a vote in the Senate, but would not vote in favor of it. Skelos had earlier refused to negotiate with the governor and Assembly Speaker Sheldon Silver, a position Paterson called politically motivated.

"The reason I called this meeting is not to talk about process, not to talk about meaningless actions," Paterson said Tuesday.

Silver echoed the governor: "We didn't come here to play politics or engage in theater with one-house bills."

Silver has repeated over the past few weeks that he would work with the governor and Skelos to develop a consensus on the spending cuts, but said he would not vote on a bill unless there was a three-way agreement. The speaker criticized Skelos' unwillingness to negotiate and suggested that it was a lack of understanding about the state's fiscal crisis. "There are those who fail to recognize the severity and the depth of the crisis that we face.," Silver said. "Crisis is not, as the Senate majority suggested, exaggerated."

Skelos responded by saying he understands the need to cut spending, but said that those decisions, particularly cuts to health care and school aid, "cannot be made in a vacuum."

Outside of the Capitol, over a 1,000 demonstrators rallied for their causes, including advocates for AARP, organized labor, health care and libraries.

Skelos defended his decision to bring the governor's bill to the floor by throwing the governor's own words in his face: "You stated, 'I wanted the Senate and Assembly to vote on my bill, whatever way the bills go.'... The Senate is ready to honor your request."

Skelos would repeat that refrain a few more times, to which Paterson, in exasperation, said, "I didn't mean the exact bill that was printed. That has never happened in this institution. ... I put the bills out, and I allowed all of your to make corrections, to make adjustments."

In August, Paterson and legislative leaders did just that — Paterson introduced a suggested "menu" of budget cuts that the legislature could choose from, and then sat down with Skelos and Silver to negotiate \$427 million in reductions. Once there was agreement between the three leaders, the legislature passed the finalized budget bills. This time, Paterson told Skelos on Tuesday, "You've brought us nothing," and raised a blank sheet of white paper. "You don't have anything to show. You have nothing," he said, slamming the sheet of paper on the table. "And you're going to come in here and Mr. Leader, with all due respect, I'm still waiting for what your solution to this problem is."

Assembly Minority Leader James Tedisco lamented the lack of his conference's inclusion in a previous leaders' meeting Sunday and accused the governor of not returning his phone calls, and focused his blame on Silver.

Senate Democratic Leader Malcolm Smith, who is expected to become the Senate Majority Leader in January, called Skelos' plan to bring the bill to a vote a "charade" and a "farce," and said that when the Democrats took over the Senate, "games like this are no longer going to be accepted."

Skelos charged that the reason why Paterson refused to send his bills to the legislature for a vote is because he would not be able to get support for the bill from either Silver's or Smith's conferences. Democrats didn't deny the charge, but said their goal was to find an agreed-upon package of cuts before a vote would be taken, they way it was done in August.

But a lot has changed since the August session. The Senate waged a brutal fight for the majority, in which the Democrats prevailed and Republicans lost their last bastion of power in state government. The deterioration of Paterson and Skelos' relationship was one of the greatest casualties of the fight. Paterson raised millions and campaigned heavily for the Senate Democrats in the final weeks before the election. Skelos accused

Paterson of breaking a promise to stay out of the fight; Paterson said he was helping Democrats because he grew tired of Skelos' attacks.

With the pressure of the election politics lifted and Senate Republicans in lame-duck status until the new session, Paterson had little leverage to force them to act.

At the end of the meeting, Paterson took an optimistic tone, "Oddly enough, besides a little anxiety and frustration ... maybe we have made some progress here."

Paterson said he planned to introduce his 2009-2010 budget to the Legislature on Dec. 16 and hoped the legislature would pass next year's budget by early March, a month ahead of schedule.

The governor said he would not call a special session to address this year's cuts until a three-way agreement had been reached, and it now appears that cuts for both this and next year's budgets — estimated to around \$15 billion — will be negotiated by a Democratic governor and Democrats in the Assembly and the Senate. It will be a serious test for the party, given what happened Tuesday.

The Democratic leaders are already planning for the work ahead — Paterson, Silver and Smith are in Washington, D.C., today to advocate for a federal economic stimulus package for New York.