

**FOR IMMEDIATE RELEASE:  
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## **GOVERNOR PATERSON CALLS FOR FIVE-WAY PUBLIC LEADERS MEETING**

***Governor and Leaders Will Discuss Measures to Address New York's \$2.1 Billion Budget Gap; Meeting Scheduled for Wednesday, September 23***

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Governor David A. Paterson today announced that he will call a five-way public leaders meeting for Wednesday, September 23, to discuss measures to address New York's current-year \$2.1 billion budget gap and additional out-year budget gaps.

"The longer we wait to deal with this problem, the harder the decision-making becomes. Every state in the nation is confronting the same historic economic crisis, and many states that have passed their budgets have been or will be forced to take additional action," said Governor Paterson. "States that have failed to address their budget problems in a timely manner have been forced to deal with cash flow difficulties, delayed payments on critical obligations, employee furloughs, and diminished credit ratings. I will do everything I can to ensure that this does not happen in New York."

Over the last 15 months, New York, like every state in the nation, has experienced dramatic declines in revenues as a result of an historic, national economic crisis. Governor Paterson has thus far worked with the Legislature to address a combined, two-year \$20.1 billion budget gap through a February Deficit Reduction Plan and the April 2009-10 Enacted Budget. While these actions substantially reduced the State's structural budget deficit by seventy percent and kept spending from state tax dollars flat year-to-year, further action is now needed. Although the budget was based on conservative revenue estimates, Governor Paterson announced this summer that continuing weakness in the economy and lower than projected tax collections have resulted an additional current-year gap of \$2.1 billion.

Governor Paterson warned that, though governors and Legislatures across the country are working hard to address their respective fiscal challenges, many states are facing severe consequences because they have been unable to reach agreements in a timely manner. California issued IOUs and had its credit rating downgraded to near junk-bond status. Arizona is mortgaging state facilities, including potentially its Governor's Office, and House and Senate buildings, to help cover expenses. In Pennsylvania, a budget impasse prevented the paying of state employees for more than a month, delayed payments to school districts and vulnerable social service organizations, and could result in the closing of the entire Philadelphia library system.

"We must do everything we can to come together in the spirit of cooperation to address our fiscal difficulties in a responsible and timely manner. I look forward to working with the Legislature to enact a comprehensive approach to eliminating New York's budget gap," Governor Paterson said.