

For starters, a little off top

Cuomo announces pay cut for himself and others, says state's financial plight calls for wide pay freezes

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ALBANY -- Gov. [Andrew Cuomo](#) has handed himself a 5 percent pay cut and will ask a large percentage of the state work force to keep their salaries at current levels.

His self-imposed trim, announced Monday, amounts to \$8,950 of his \$179,000 annual salary. Because the governor's compensation is set by law, Cuomo will return the funds to the state.

In Wednesday's State of the State Message, Cuomo plans to repeat his campaign's call for a one-year pay freeze for the approximately 130,000 state employees who work in agencies under his control. Fiscal conservatives hope the measure could serve as prelude to a push for a more sweeping freeze covering the more than 1.2 million New Yorkers who work for local governments such as counties, towns, school districts and other entities.

"This is a beginning," said [Elizabeth Lynam](#), deputy research director for the [Citizens Budget Commission](#), a state spending watchdog.

"I don't think we've heard the end of calls to changes in employee compensation," she said.

Certainly, an across-the-board public sector wage freeze would be difficult to carry out due to numerous legal and political obstacles.

Talking to reporters Monday afternoon, Cuomo said he believed local pay freezes were essentially a local issue, and he's unlikely to broach the topic in his address on Wednesday.

Still, calls for such a move are growing. Cuomo has vowed to make a 2 percent property tax cap a top priority, and with a looming budget gap of at least \$9 billion, state aid cuts are a good bet too.

The state Conference of Mayors wants its members to be able to freeze municipal pay, which they say could help them live under a tax cap.

"What we're hoping for is a statewide freeze for all levels of government, state and local," said [Peter Baynes](#), executive director for the conference.

Additionally, the [Statewide School Finance Consortium](#), which represents more than 200 of the approximately 700 school districts across the state, is calling for a pay freeze for school employees as a cost-saving option.

"The alternative here is going to be chaos," said [Larry Cummings](#), executive director of the consortium.

Cummings said that if Cuomo's tax cap goes through -- he believes it will -- and there is a parallel drop in state school aid, districts simply won't have the cash to pay for contractual salary increases for their teachers and other employees, or handle the ever-rising costs of health care and pensions.

He said the state's Triborough Amendment makes it nearly impossible for superintendents and school boards to reduce benefits such as health insurance payments. The amendment says that the conditions of public employee union contracts such as health benefits remain in place when the old contract expires and they haven't settled on a new one.

New York State United Teachers, the state's major teachers union, noted that state funding for schools is down \$527 million (or 2.5 percent) this year since the 2008-09 fiscal year, when it stood at \$21.4 billion. That drop would have been even worse if not for the \$1.33 billion in stimulus and other federal funding that helped fill the gap.

A large-scale local pay freeze would most likely require that the governor and Legislature declare a financial state of emergency to justify freezing public employee union contracts.

Even if the Democratic-controlled Assembly, whose majority members are staunch union allies, agreed to a freeze, it would certainly meet a court challenge from unions.

That could result in a complex situation in which some municipalities and school districts could argue that not having a pay freeze would indeed send them off a fiscal cliff, while other communities couldn't make that assertion.

History provides some legal precedent for freezes, including the ones imposed in New York City, Yonkers and Buffalo after control boards took over their finances.

Cuomo's state worker pay freeze could save between \$200 million and \$400 million. A freeze for municipalities alone could save \$44 million, according to the Conference of Mayors.

It wasn't immediately clear how much a school district freeze would save -- it would depend on which districts participated. Calls for a local freeze generally include exceptions if a government entity can find equivalent savings through other means.

Cuomo said the proposed freeze was necessitated by the state's dire fiscal condition.

"This is not political theory, these are numbers," he said. "And people, reasonable people, can sit down and look at the numbers and understand the numbers, and let those numbers dictate action."

Cuomo isn't the only member of the executive who will see his pay reduced. His five top aides, along with Lt. Gov. [Robert Duffy](#), also are taking the 5 percent cut. At the same time, Cuomo ordered a 5 percent reduction on the overall [Executive Chamber](#) budget.

"I believe in the old adage of 'lead by example,'" the governor said.

Cuomo's salary reduction drew a shrug from Senate Republican Majority Leader [Dean Skelos](#), who noted that lawmakers had been under a de facto pay freeze for 12 years.

"That's his choice," said Skelos of Cuomo's pay trimming; he expressed greater support for the idea of a state workers salary freeze.

"I think what people are really looking for is for us to bring our government under control fiscally," Skelos said. "It has to be more than symbolism, it has to be action and results."