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Inside ExploreLI

**TOP STORIES**

# INITIATIVES UP, BUT

## Cuomo's proposed \$175.2B budget would limit spending boost to 2%

BY YANCEY ROY  
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ALBANY — With state revenues dipping, Gov. Andrew M. Cuomo on Tuesday proposed boosting overall school aid 3.6 percent, extending the “millionaires’ tax” another five years, legalizing and taxing recreational marijuana, and using monetary settlements to limit budget growth.

The Democrat, who is beginning his ninth year in office, delivered a \$175.2 billion budget proposal to state legislators for the fiscal year 2019-20. If adopted, it would restrict the overall spending increase to 2 percent. The governor's budget division said revenues from New Yorkers' personal income taxes are down by \$500 million from last year's projections as of December, and that overall revenues could decline by \$1.6 billion.

The governor proposed making the state's 2 percent property tax cap permanent, rather than keeping it subject to renewals every few years.

Beyond the financials, Cuomo put a heavy emphasis on nonfiscal policy initiatives popular with Democrats, touching on criminal-justice, social and voting issues, among others. It's a signal that Democrats, with complete control of state government for the first time in years, will focus as much or more on policy measures than fiscal ones.

Besides marijuana, some of those include making college aid programs available to children of people in the country illegally, a stronger abortion-rights law, changing the state's bail system and allowing people who were sexually abused years ago to file civil lawsuits. All of those are expected to sail through the Legislature.

“I believe we can have the most productive first 100 days in state history,” Cuomo said, focusing on Democrats' wide areas of agreement. “It's just us. We are in control. There is no one else. And I believe together we can do it.”

That ruffled some Republicans.

“I understand we now have one party controlling both houses and the governor's office, but I really didn't hear any reaching across the aisle. I heard quite the opposite,” said Assemb. Edward Ra (R-Franklin Square). “I didn't really leave the speech with the spirit we're all going to work together.”

Some of the governor's high-profile initiatives lacked details and will have to be worked out with state legislators.

He called for legalizing recreational marijuana for those 21 and older, creating an “Office of Cannabis Management” and a three-tiered taxing system on sales. But his budget plan doesn't count on any revenue from it until 2021 — and then banks on \$83 million the first year, far short of the \$300 million Cuomo has said it will annually generate for the state.

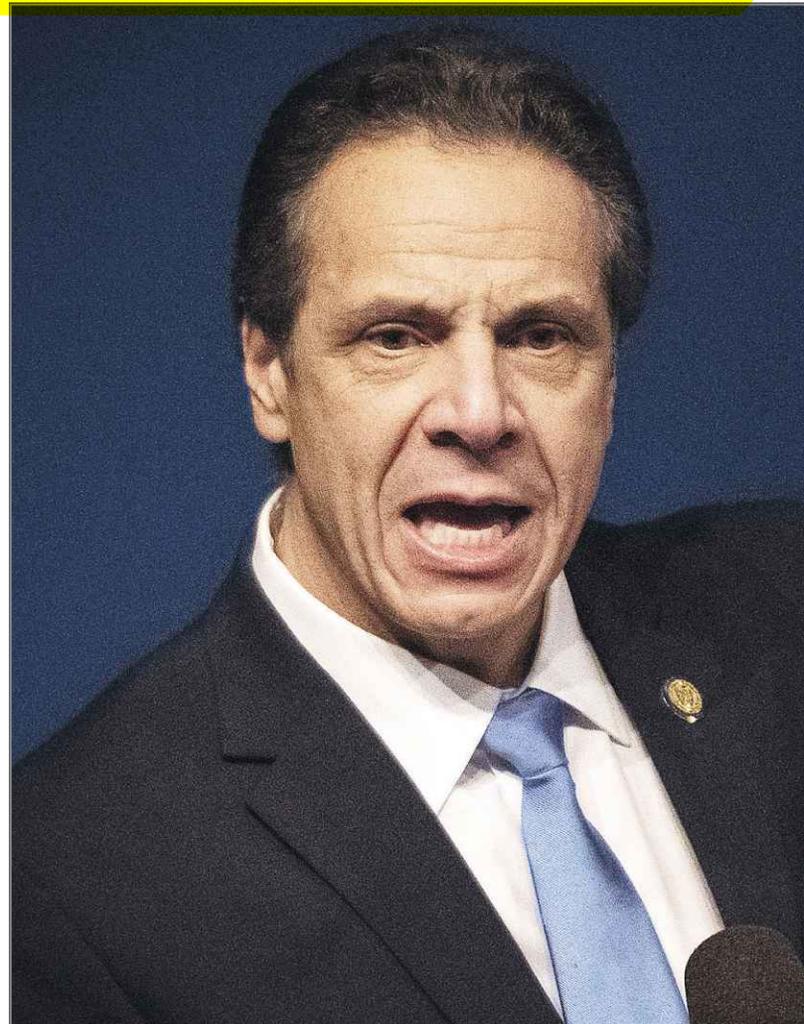
Further, his idea of letting some municipalities “opt out” of legalization severely undercuts the proposal, Sen. Julia Salazar (D-Brooklyn) and others said.

Similarly, Cuomo didn't spell out a lot of details in calling for “congestion pricing.” The idea is to impose tolls to travel through Manhattan below 60th Street as a way to alleviate gridlock and funnel some money toward subway repairs. The governor suggested convening a panel to work out specifics. And his administration said the state can't expect to begin collecting until 2021, even if the concept is approved this year.

Congestion pricing will be one of three major areas of contention for suburban legislators, said Lawrence Levy, head of Hofstra University's Center for Suburban Studies.

**EDITORIAL**

A third term's  
ambitious start  
A22



In his budget address on Tuesday, Gov. Andrew M. Cuomo proposed

The others: Legalizing marijuana and Cuomo's proposal to reconfigure the distribution of education aid based on schools rather than school districts. It should be no coincidence, Levy said, that all three proposals are a bit fuzzy at this point.

“The lack of details gives the governor more room to maneuver, both budgetarily and politically,” he said.

On school aid — always among the most contentious issues — Cuomo called for spending \$27.7 billion, an increase of \$1 billion or 3.6 percent. But he also said aid should be allocated on a campus-by-campus basis, rather school district by school district. The governor said that would help needy schools, but lawmakers didn't immediately embrace the idea.

Lawmakers are supposed to adopt a budget by April 1, the beginning of New York's fiscal year.

“From a policy standpoint, it's good that we have the governor, Assembly and Senate pretty much talking about progressive, Democratic issues that have been bottled up the last few years,” Assembly Speaker Carl Heastie (D-Bronx) said.

But he signaled lawmakers won't be happy with some of the initiatives being included in the budget as opposed to stand-alone legislation. Tying nonfiscal items in the budget with unrelated items such as school aid gives a governor more leverage over lawmakers.

“I think with the Democratic governor, Democratic Senate

# REVENUES ARE DIPPING



making the state's 2 percent property tax cap permanent.

and Democratic Assembly there is probably not a need to do it," Heastie said.

The governor surprised some lawmakers by calling for more oversight of state contracts valued at \$250,000 or more. Last year, Cuomo resisted contract oversight despite a bid-rigging scandal that resulted in the conviction of his former top aide, Joseph Percoco, several campaign donors and the head of a state university.

But he also asked more from legislators, proposing to make them and their offices subject to the state's Freedom of Information Law.

Fiscal watchdogs said Cuomo's proposed budget contained "no big departures" from his usual approach. Among the wrinkles: his call for extending

the millionaires' tax, along with all of New York's tax rates, for five years — a longer extension than ever granted. The rates are set to expire this year.

"It's a stay-the-course budget for the governor, for better and for worse," said E.J. McMahon of the fiscally conservative Empire Center think tank in Albany. "For the better, he's restraining spending and promising to put the property-tax cap in the budget. That shows he means business. For the worse, the news of the budget is the weakness of revenues."

With Michael Gormley and Rachele Blidner

**MORE  
INSIDE**

5 key issues  
in budget  
A24-25



Lindenhurst would be among the few LI municipalities not disqualified under one state aid program.

## Proposal to trim incentives would pinch LI municipalities

BY RACHELLE BLIDNER  
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ALBANY — Long Island municipalities would lose at least \$15 million in state aid under Gov. Andrew M. Cuomo's 2019-20 budget plan unveiled Tuesday.

The governor's proposal to disqualify certain towns and villages from receiving money from a program called "Aid and Incentives for Municipalities" was one of a small number of Long Island-specific initiatives in the governor's plan.

Among others, the governor called for continuing the cleanup of the Bethpage plume; spending \$3.6 million more on the state's shellfish restoration program; omitting Suffolk Off-Track Betting from gambling places that might offer sports betting; and finally increasing Nassau OTB's share of revenue from video slot machines at Aqueduct Race Track.

Long Island towns and villages would lose at least \$10 million in funding through a cut in the aid to the municipalities program, documents show. The Cuomo administration said it no longer wanted

to provide the aid to communities where it covered less than 2 percent of expenditures in 2017. It said such communities didn't need the aid.

All towns and villages on Long Island would stop getting this funding, except for Lindenhurst, Island Park, Manorhaven, Massapequa Park, South Floral Park and Williston Park, according to budget documents.

State Sen. Phil Boyle (R-Bay Shore) called the cut a "dangerous proposal."

"Even though some of these villages and municipalities may have a wealthier base, that doesn't mean the state revenues are not very important to them," Boyle said. "It's a matter of equity and fairness that Long Island villages get their fair share, too."

One proposal tucked into the budget allows the number of video slot machines at Aqueduct that are specifically earmarked for Nassau OTB to increase from 505 to 1,000. Two years ago, Nassau OTB sold its authority to run 1,000 machines in the county to Aqueduct in a \$43 million deal. The number of machines earmarked for Nassau

has gradually increased since then, giving the county a bigger share of slots revenue, and will reach the maximum 1,000 this year.

But the Island would miss out on sports betting under Cuomo's budget. He proposed allowing sports betting only at the state's upstate casinos — permitting it anywhere else would require a constitutional amendment, an administration official said.

Still, some lawmakers questioned the strategy.

"Doing it at small number of locations in one part of the state is a strange approach," said Assemb. Edward Ra (R-Franklin Square). "The upstate casinos thought they would be an economic development driver. Several are in major economic trouble. Maybe he sees this as something that might help them."

Cuomo said the state will remediate the Grumman plume in Bethpage, where the Navy and what is now Northrop Grumman researched, tested and manufactured airplanes and equipment from the 1930s and 1990s. The state would later recoup their costs through a lawsuit, Cuomo said.

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