

Ravitch: Rush on for loans

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ALBANY -- Lt. Gov. Richard Ravitch said his plan for \$2 billion-a-year in borrowing to help pay the state's bills is seen as a starting point for even bigger borrowing by many lawmakers, some of whom are offering "ridiculous schemes."

"Believe me when I tell you they want to do more borrowing," Ravitch said Tuesday. His plan calls for up to \$2 billion a year for three years to help deal with projected budget deficits that are billions of dollars deeper than the total \$6 billion in debt financing he proposes.

He said lawmakers have been calling him with notions about issuing more tobacco bonds -- borrowing against projected revenues from a multi-state lawsuit settlement against cigarette companies -- or refinancing some of the existing \$54 billion in state debt.

"If you heard some of the schemes I've heard -- it's ridiculous," he said.

Ravitch's plan for borrowing and creating a review board to make sure the state's financial plan remains in balance is generally favored in the Assembly, said Assembly Majority Leader Ron Canestrari, a Cohoes Democrat. But it isn't embraced in the Senate, said Senate Majority Leader Pedro Espada.

"The basic plan is sound," Canestrari said.

"There's not that much appetite for that right now," Espada said. "It's a hard swallow."

Ravitch said lawmakers are going to have to take measures they never dreamed of because of the enormous deficits predicted for years to come. He said he believes Assembly Speaker Sheldon Silver, D-Manhattan, and his staff "get it."

The plan also received support on Tuesday from the Citizens Budget Commission, which likes his suggestion of budgeting by generally accepted accounting principles instead of using speculative revenue estimates and loose recognition of expenses.

Ravitch, speaking to the Times Union editorial board, said the media has focused on the \$6 billion in borrowing he proposed to the Legislature. "Let me tell you my friend, if they forget about my recommendations, you're going to see a hell of a lot more borrowing than that," he said.

He said bank representatives are telling lawmakers about other ways to borrow. "You've got all the banks wandering through the halls of the Capitol, selling all the same kind of

cockamamie borrowing schemes that got us into trouble in the first place," Ravitch said, defending the disciplines of his plan. "At least this borrowing is up front, contains covenants, is done with the best possible credit and it reflects my judgment which, I could be wrong, says, 'They ain't gonna cut \$10 billion.' "