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OP-ED CONTRIBUTOR

No More Aid for the Affluent

By CAROL KELLERMANN

Long after the recession and political crises are history, Albany will continue to be pressed fiscally, unless changes are made in three big areas of state spending: Medicaid, education and employee benefits, which together account for 70 percent of the budget.

MEDICAID The program's long-term care provisions drive overall Medicaid spending, and New York has such loose eligibility policies that many relatively well-off families can claim benefits. Fully 32 percent of all elderly-services beneficiaries nationwide are in New York, though our share of the population in poverty is just 7 percent. Albany will need to make cuts to Medicaid soon; restricting access to long-term care benefits so they go only to the truly needy is the place to start.

SCHOOL AID There is no question we should continue helping lower-income students. But New York spends too much on educating the wealthy. During the 2007-2008 school year, the richest 10 percent of New York school districts were spending \$28,754 per pupil, almost three times the national average. Why did the state provide \$3,809 per pupil to support such lavish spending in those districts? That money could be saved, or better spent elsewhere.

STATE EMPLOYEE BENEFITS State employees can retire after only 10 years and get lifetime health care for themselves, their spouses and dependents for just 10 percent of the premium for an employee and 25 percent for a family, even if they go on to another job. By 2014, state employee benefits will add 60 percent on top of their salaries. And, despite the recent adoption of a new, less generous pension tier, pension costs are expected to increase 132 percent during those three years. This is untenable.

Even if revenues fall no further and state leaders manage to agree to \$5 billion in spending reductions this year, the budget gap in three years will still be a formidable \$12.4 billion. To close it without raising New York's already high taxes, entitlements must end for those who do not need them.

Carol Kellermann is the president of the Citizens Budget Commission, a nonprofit watchdog group.

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