

Carey to put lid on state spending

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ALBANY — Gov. Carey, in a five-year budget projection submitted to the Legislature, has said that only minor increases in state spending can be expected between now and the 1979-80 fiscal year.

Increase revenues through normal growth and tax hikes proposed for this year, Carey said in the 71-page report, will be largely offset by the effects of inflation and other economic factors, leaving little money available for new programs or expansion of existing ones.

He added, however, that by legislative action "the pattern of state spending...in terms of its distribution among the various programs of expenditures, can be changed."

The five-year projection, which must be revised and submitted to the Legislature annually, estimates that the state's revenues will increase from \$9.7 billion during the current fiscal year to some \$13.8 billion for the 1979-80 period.

Expenditures, during the same period, should increase by about 20 per cent from \$9.7 billion to nearly \$12.9 billion, according to the report.

A spokesman for the governor said the apparent \$900 million surplus projected for 1979-80 could disappear over the next five years, however, since the forecast is based on assumptions involving existing data.

Among the largest spending increases anticipated in the forecast is for the Department of Mental Hygiene, which already accounts for nearly one-tenth of the \$10.6 billion in expenditures proposed by Carey for the 1975-76 fiscal year, beginning April 1.

Some of the additional

money, according to the report, will be used to improve living conditions and staffing arrangements at institutions such as the Willowbrook Developmental Center and to provide special programs for some institutionalized persons so that they may be transferred to community facilities.

The report estimated that should improvements expected to be ordered at Willowbrook as a result of a pending lawsuit be extended to all other state-run facilities for the retarded, expenditures by the Department of Mental Hygiene could rise by \$100 million annually.

Revenue projections contained in the report are based on tax and fee increases being sought by Carey for the 1975-76 fiscal year and on the scheduled expiration of the federal revenue sharing program in January 1977.

Increases in expenditures, the report said, will result largely from inflation, workload increases, and formulas for state aid programs developed during the Rockefeller-Wilson administration.

"It is clear that under the present state income and expenditure structure, funds will not be available during the projection period for significant expansion of expenditure commitments," Carey said in the report.

While noting that income and spending patterns for the future were in large part developed during past years, the governor said: "Nevertheless, working together, we can alter the course indicated in these projections."

The five-year projection, which includes spending forecasts for state agencies, aid to localities and capital construction projects, is designed to assist legislators in evaluating the impact of current decisions on future years.