

CUNY facing \$\$ cuts

(From Page 1)

venue sharing formula. New York City gets about 60 percent of the funds, but has already assumed in its financial plans that it will not get the increases called for under the formula.

¶ Only a small part of the \$300 million in business taxes proposed by Carey in his State of the State message last week would take effect in the next fiscal year, beginning April 1, and the \$500 million in individual tax cuts, also proposed in the message, would not take effect for several years.

¶ The takeover of local Medicaid costs proposed by Carey would be phased in during the next fiscal year with an assumption of local Medicaid costs for mental health and retardation programs. That would cost the state about \$80 million in the next fiscal year. Carey plans to complete the takeover of local Medicaid costs, which costs New York City about \$800 million a year, over the next five years.

Carey plans to unveil his school aid proposals on Sunday, but will not release his entire budget proposal until Monday in a session with lawmakers.

Lawmakers have already predicted a major battle over Carey's plan to limit education aid increases and revenue sharing assistance to localities.