

# Budget conflict between Carey, GOP may force state to use scrip money

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ALBANY — Saying that Gov. Carey was being intransigent, Senate Republicans yesterday threatened to pass their own budget next week with or without Assembly support.

The impasse is reminiscent of previous budget conflicts between the Democratic governor and Republican-controlled Senate.

But if it is not resolved soon, the state could be without a budget for the start of the fiscal year next week — raising the possibility that state workers will have to be paid in scrip, payments that can be cashed only at banks which agree to ad-

vance money until appropriations are approved in the budget. In addition, school aid and local assistance payments may be delayed.

Privately, Republicans say they hope their threat yesterday to pass a one-house budget will force Carey and Assembly Speaker Stanley Fink, D-Brooklyn, to move budget talks past the current impasse.

The Republicans, led by Senate Majority Leader Warren M. Anderson, R-Binghamton, insist that the first priority should be agreement on basic budget bills for the 1981-82 fiscal year. Action on other issues, including Carey's proposed mass transit package, assumption of local Medicaid payments and a cap on local and state spending, could

come later, they said.

But Carey, Fink and Senate Minority Leader Manfred Ohrenstein, D-Manhattan, saying they are fearful Senate Republicans might not act on the measures outside a budget context, want all the issues considered together.

"A hurried half-budget is not the best we can do," Carey said.

The four officials traded charges of irresponsibility yesterday, name-calling that is likely to be exchanged often as budget discussions continue.

The Senate Republican version of the budget totals \$16.6 billion — or approximately \$250 million more

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than requested by Carey. The bulk of the increase comes in school aid and revenue-sharing payments to localities.

Anderson said the differences on state spending are relatively minor and could be worked out in "two negotiating sessions" with the gover-

nor and Fink. But he said the issues were complicated by the governor's insistence that mass transit and the Medicaid takeover be dealt with together with the budget.

"He couldn't sing the Star Spangled Banner and God Bless America at the same time," Anderson said of Carey. "You'd have to do it one at a time."

The GOP spending plan includes a 15 percent hike in welfare payments, but cuts roughly \$140 million in agency spending requested by Carey. Among the cuts is a \$7-million reduction in Carey's \$10-million request for new community residences to house the mentally retarded.

Most of the cuts planned by Carey at the Staten Island Developmental Center, Willowbrook — more than a 1,000 jobs are supposed to phased out over the next 12 months — and the College of Staten Island — a loss of 27 faculty positions — remain intact in the GOP proposal.

A spokesman for Senate Finance Committee Chairman John J. Marchi, R-Ward Hill, said some of the cuts could be restored later in the year when the state adopts its supplemental and deficiency budgets.

The Republican budget also excludes \$5 million in Medicaid funding for abortions, but most observers expect the money to be restored when a final budget is negotiated.