

CAREY WEIGHS CUT IN PAID WORKWEEK FOR CIVIL SERVANTS

UNION ATTACKS PROPOSAL

Plan Is Alternative to Layoffs
— State of State Message
to Be Delivered Today

By E. J. DIONNE Jr.

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ALBANY, Jan. 5 — New York State employees may be asked to shorten their paid workweek to forestall thousands of layoffs. That is one of the many budget proposals that stand behind the annual State of the State Message Governor Carey will deliver to the Legislature Wednesday.

The workweek proposal was immediately attacked by the employees' union.

The Governor, who has spoken frequently of the fiscal crisis facing the state this year, also plans to offer virtually no increases in general local aid, and will present an education aid proposal certain to cut assistance to many of the state's wealthier school districts.

But Mr. Carey's staff, many of whose members have spoken for months of a "doom and gloom" budget, argue that by making deep cuts in certain areas, the Governor will be able to offer a number of program initiatives.

Medicaid Takeover Proposal

These will include a proposal to have the state take over the local costs of Medicaid, though officials say that even this plan will be less "comprehensive" than the Medicaid takeover that was proposed by the Governor and rejected by the State Senate last year. The Governor also plans to call for major spending on the state's roads, bridges and water systems.

"There is gloom," said Robert J. Morgado, the Governor's top aide. "But there's not necessarily doom. We intend to show that by making tough decisions, you can solve problems."

The proposal on shortening the workweek that the Governor is considering

State Workers Face Reduction In Paid Hours

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includes such options as giving half the state work force two hours off without pay at the end of the day on Friday and asking the other half to come in two hours late on Monday.

Meyer S. Frucher, the state's director of employee relations, said that cutting the paid workweek in this way would save the state about \$150 million.

—“Another way to do it is to extend the workday and have a four-day week,” he said. “Another way is voluntary furloughs without pay — people could take the summer off.”

Would Keep Retirement Benefits

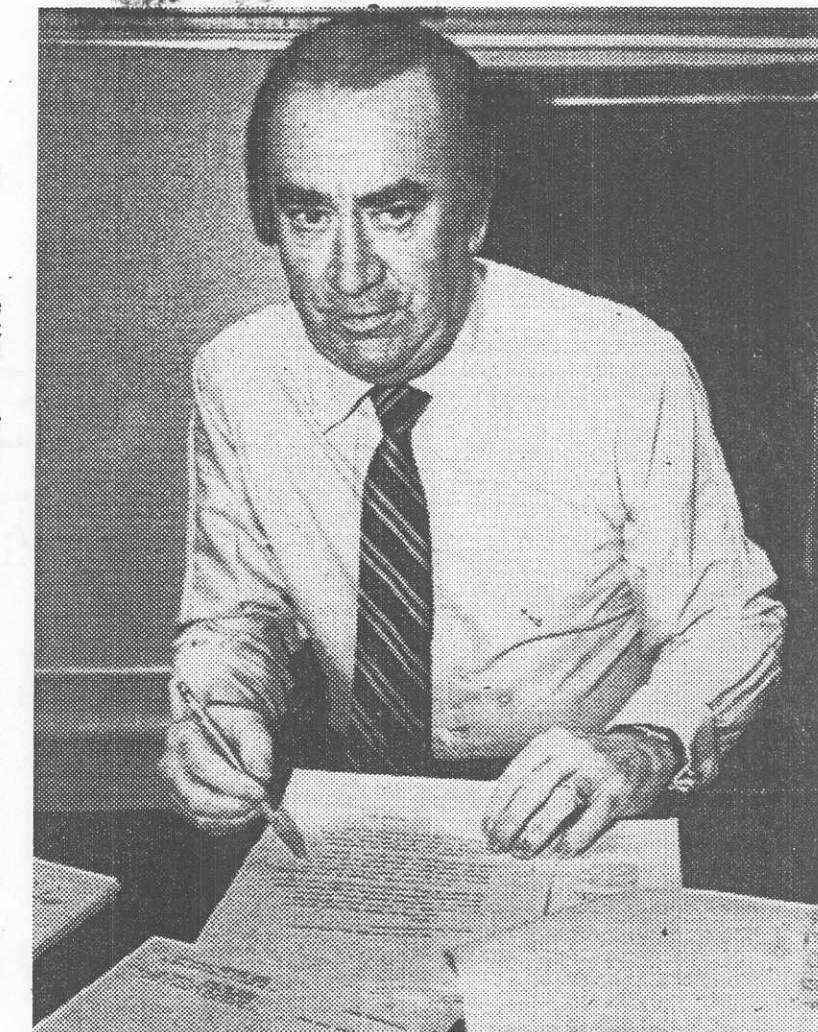
Mr. Frucher, who is Mr. Carey's leading labor negotiator, said the furloughs would be designed to allow employees to keep their retirement benefits, seniority rights and health insurance. “That's the carrot,” he said.

The proposal, which would require legislative action, met with sharp resistance from the Civil Service Employees Association, which represents state workers.

“It's a desperate ploy. It's mind boggling,” said Gary Fryer, communications director for the employees association.

“It says: ‘We'll give you a raise and take it away from you by cutting the workweek,’” Mr. Fryer said.

Mr. Fryer, who said he viewed Mr. Frucher's proposal as a ploy in collective bargaining, noted that state workers had accepted modest increases in re-



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Governor Carey working on State of the State Message yesterday in Albany.

cent years in return for proposals to prevent large-scale layoffs, and could not easily make further concessions. The workers' contracts expire this year.

In the meantime, the Senate majority leader, Warren M. Anderson, fired the first shot in what is expected to be a raucous legislative fight over state finances.

Mr. Anderson, a Binghamton Republican, said he would oppose a proposal the Governor is believed ready to make that would cut the link between state and Federal taxes in some areas to prevent Federally enacted tax cuts from being passed along automatically on New York tax returns.

“Under so-called ‘conformity’ provisions that New York has adopted, state tax cuts automatically result from Federal tax cuts,” Mr. Anderson said. “People know this. They expect these state tax cuts, and are planning for them. But tax uncoupling is, in effect, a tax increase.”

Republicans Issue a Statement

“If the Governor forces the issue,” Mr. Anderson said, “we should be consistent and oppose this tax increase.”

Assembly Republicans issued a statement charging that for the last three

years, Mr. Carey had made a “deliberate underestimate of expenditures” at the beginning of each year that “enabled the Governor to claim he has held the line on spending.” Later in the year, the Assembly Republicans charged, the Governor's final spending figures were always much larger than his original proposals.

Mr. Carey is scheduled to give his annual State of the State Message at 1 P.M. and will unveil his budget on Jan. 19. The State of the State Message typically offers the Governor's vision for the future; the budget includes some of the more painful and less heralded news, including tax increases and program cuts.

Mr. Carey's education aid proposals also promise to be controversial. His aides have spoken of the possibility of statewide taxes specifically geared to providing more money for education. They have also been considering the potentially painful shifting of property tax revenues across regions in order to equalize spending for education in richer and poorer districts.

“The Governor is not Chicken Little,” said Mr. Frucher. “He's not going to say, ‘The sky is falling, the sky is falling,’ without offering specific solutions.”