

ing in a supplemental budget later in the year.

But as things currently stand, the compromise budget does not leave a sufficient reserve for funding the local groups, he said.

Last year, only one Island group won funding — the Staten Island Children's Museum. It is now possible the groups will go through a second straight year without state funding.

Among the groups that had been hoping for state funding were the Children's Museum, Snug Harbor Cultural Center, Staten Island Cooperative Continuum of Education, Richmondtown Restoration, High Rock Nature Conservation Center, the Learning Institute of the

Jewish Community Center, and the Eden II Institute.

Cuomo had called for adding about \$82 million in state aid to local school districts statewide, but the legislative leaders got him to agree to sweetening that pot by about \$40 million. Because the leaders rejected his plan to cut aid from wealthy districts to aid more needy districts like New York City, however, the city will actually get \$40 million less than proposed by Cuomo.

Senate Majority Leader Warren Anderson, R-Binghamton, said he wasn't willing to give up the "hold-harmless" provision of previous school aid formulas

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which guarantees districts at least as much money as they received the previous year.

Cuomo said the final budget would not include any tax and fee increases beyond the \$919 million he had already proposed.

However, Cuomo said he was giving up a proposal to apply the state's sales tax to such things as hair cuts and drycleaning.

The governor said that in place of that, the legislative leaders had agreed to impose a statewide 10 percent capital gains tax on real estate transactions worth more than \$1 million.

In his Democratic gubernatorial campaign against New York City Mayor Edward Koch last year, Cuomo had repeatedly accused the mayor of pressuring the state Legislature into removing just such a tax in New York City. Cuomo not only beat Koch, but he will soon have the tax back.

The governor estimated that, applied statewide, the new real

estate tax would raise "between \$85 million and \$120 million" annually.

And while Cuomo said some "nuisance" taxes he had proposed — possibly sales tax on movie tickets or the like — might remain in the new budget, he was considering a proposal to have them automatically disappear within two years.

The governor also said the legislative leaders had agreed with him on "the concept" of a bond issue to rebuild the state's public works. The \$1.25 billion Cuomo plan would be used to rebuild roads, ports, bridges, airports and rail lines.

Fink said he expected the Legislature would begin passing the budget bills late next week.

The final agreement on a new budget came after a 1½-hour meeting between Cuomo and the legislative leaders late yesterday afternoon — the latest in a series of similar sessions which had been going on all week at the state Capitol.

The push was on this week to reach agreement because Cuomo had insisted on getting a budget in place by the start of the state's new fiscal year on April 1. That date has routinely come and gone in recent years without a budget in place largely because of fights between former Gov. Hugh Carey, a Democrat, and Anderson, the Legislature's most powerful Republican.

Cuomo has said the need for state worker layoffs, reduced state spending in some areas and higher taxes and fees are necessary to close what he said could be a \$1.8 billion deficit in the new fiscal year.

The governor said that even though there would be many fewer layoffs than earlier planned, he still hoped to reduce the state's work force by about 14,000 jobs. However, he said the bulk of that reduction would now be accomplished through voluntary layoffs and early retirements rather than through firings.