

Judge voids state rule on pay caps

ALBANY, N.Y. (AP) — A state judge says New York acted in an "arbitrary and capricious" manner when it denied raises earlier this year to more than 1,000 high-level state employees.

In a decision released yesterday, state Supreme Court Justice Harold Hughes of Albany County ordered the Cuomo administration to give raises immediately to two of its employees who were denied 8 percent pay boosts as a budget-cutting measure.

The pay hike denials on April 1, which came at the same time the state was giving 8 percent pay raises to about 180,000 other state employees, was designed to save New York \$5.5 million in the current fiscal year.

Gov. Mario Cuomo said the state was facing a budget deficit of \$1.8 billion and he was taking the action in conjunction with other cost-saving measures such as new taxes and layoffs of state workers.

The affected workers all make \$23,065 a year or more and serve at the whim of the governor or heads of state agencies.

Hughes said the power to block the pay hikes for the state's 1983-84 fiscal year rests in state law with state Budget Director Michael Finnerty — not with the governor.