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**OVER 200 NON PROFITS AND SERVICE PROVIDERS TELL GOVERNOR PATERSON:
BALANCING BUDGET GAP WITHOUT SHARED SACRIFICE WILL DEVASTATE NEW YORK**

**Groups Who Support and Provide Services to Seniors, Children, Homeless, People with
Mental Illness, People with AIDS: Real “Shared Sacrifice” Includes Contribution from New
York’s Highest Earners**

New York City— As Governor Paterson proposed his 2010 Executive Budget, the One New York: Fighting for Fairness Coalition called on the legislature to adopt broad based progressive revenue measures to soften the blow of the Governor’s \$9 billion in proposed cuts.

“While some of the Governor’s revenue proposals make sense, increasing the clothing sales tax and SUNY/CUNY tuition are painfully regressive, hitting those families who have not prospered economically in recent years. The Governor needs to step up to the plate and ask high-earners to pitch in to balance the budget. That was done in 2003 and the sky didn’t fall. Scores of economists from across the state, including Nobel laureate Joseph Stiglitz, have urged the Governor to follow the economically sound course by seeking modest increases in the top individual income tax rates,” added **James Parrott, Deputy Director & Chief Economist, Fiscal Policy Institute.**

The Coalition— representing more than 200 non-profit organizations, service providers, advocates, and unions that supply front line services to many of New York’s most vulnerable citizens— called on the legislature to examine broad based revenue options such as an increase in the Personal Income Tax for the state’s high income earners. Governor Paterson’s budget raises revenue principally through regressive fees and taxes. The Governor is also proposing billions of dollars in cuts to health, education, human needs, legal services, and other programs that are expected to have a devastating impact on communities throughout New York.

“Progressive tax increases are the most equitable and least painful means to address the economic crisis that New York State faces and must be part of the solution. In fact, statewide polling shows broad support for increased taxes on high income earners to protect from cuts in government services. Governor Paterson must take the lead in calling for sacrifice to be shared by all New Yorkers,” said **Jennifer March Joly, Executive Director of Citizens' Committee for Children of New York.**

“Shared sacrifice must mean exactly that. We cannot ask our schoolchildren, our seniors, or New Yorkers with disabilities to bear the burden of our fiscal crisis alone. Fairness and commonsense demand that we also ask the wealthiest New Yorkers, those who have seen their state tax burden

cut in half, to contribute a little more to the cost of keeping New York running. Modest income tax increases on the rich have helped keep our state solvent before, and they can help get us through this recession without sacrificing critical public investments," said **Dan Cantor, Executive Director of the Working Families Party.**

Two One New York member organizations released new polls this week showing that New Yorkers strongly support raising the income tax on high earners as a way to prevent cuts in vital services. The Working Families Party released a poll showing that 75% of New Yorkers support raising the income tax on those earning over \$200,000 a year. A poll released by the Citizen's Committee for Children showed that 73% of New Yorkers prefer income tax hikes on those earning over \$250,000 to cuts in services. According to the Fiscal Policy Institute, a slight increase in income tax rates for those earning over \$250,000 would raise between \$5 and \$6 billion.

While recognizing the revenue increases in Paterson's plan as movement towards more balanced budgeting, the Coalition urged him to go further.

"We need to keep in mind that cuts don't come without a price— a human price. The Governor wants to show he understands the importance of supporting vulnerable New Yorkers during this economic crisis by increasing the welfare grant next year, but this is not enough: low-income, working New Yorkers need support too. New York State should not abandon its commitment to these residents by cutting millions from youth programs, services for older adults, preventive services, and home visiting programs. New Yorkers support progressive revenues to prevent profound and lasting harm to our safety-net services because they understand at the end of the day, we are all in this together. An equitable solution must be found," said **Nancy Wackstein, Executive Director United Neighborhood Houses.**

Patrick Markee, Senior Policy Analyst at the Coalition for the Homeless, added: "Now is exactly the wrong time to eliminate homeless prevention and reduce support for aftercare and support services. Plus, the sharp reduction in the Supplemental Security Income benefit will make it much harder for disabled and elderly New Yorkers to pay their bills. It is shocking that while New York City is seeing record increases in homelessness — including an all-time high number of newly homeless families entering shelters — the Governor is asking the most vulnerable New Yorkers to sacrifice. Legislative leaders need to make it clear to Governor Paterson that shared sacrifice means that New York's most well-off should pitch in before we take away support for those who need it now more than ever."

New York has been here before and has proven resilient in times of crisis. Following the economic downturn after September 11, the national recession, and the burst of the dot.com bubbles, New York faced a similar crisis. At that time all New Yorkers were called to sacrifice. In addition to budget cuts on critical programs for New York's children and families, New York temporarily increased income tax rates. The increase expired in 2005. According to the Fiscal Policy Institute, the increases had no negative economic impact. In fact, during this time, high-wage earners saw rapid income growth and the number of high-earners living in New York grew dramatically and the state experienced job growth.

Last week— coordinated by Coalition member the Fiscal Policy Institute— more than 100 economists throughout New York State sent a letter to Governor Paterson imploring him to take "a balanced approach" to closing the gap in the state budget, including raising taxes on high-income households. The economists argued that steep cuts in state spending would weaken the already struggling New York economy and will hurt poor and middle income New Yorkers. The letter was signed by professors William J. Baumol, Ronald G. Ehrenberg, Robert H. Frank, Teresa Ghilarducci, Alfred E. Kahn, Jeff Madrick, Dimitri B. Papadimitriou, Edward Wolff and more than 100 of other economists from across New York.

The One New York: Fighting for Fairness Coalition includes over 200 organizations and counting who advocate for and serve New Yorkers needing services such as: AIDS services, child care, child welfare, education, health care, homeless housing, housing, immigrant services, income support, legal services, people with disabilities, senior services, youth services and other vital areas services.

Organizations represented in the coalition include: The Legal Aid Society; Citizen Action of NYC; Coalition for the Homeless; Working Families Party; Education Voters of New York; Alliance for Quality Education; New York Immigration Coalition; NY ACORN; Citizens' Committee for Children of New York; Campaign for Fiscal Equity; Legal Services NYC; Human Services Council; United Neighborhood Houses; and the United Federation of Teachers and American Federation of Teachers.

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STATEMENTS FROM ONE NY MEMBER ORGANIZATIONS ON GOVERNOR PATERSON'S PROPOSED CUTS

Steven Banks, Attorney-in-Chief, The Legal Aid Society: "The proposed State cuts for criminal defense and civil legal services will hurt New Yorkers accused of crimes and families and individuals who need legal help in the midst of this severe economic downturn. In the criminal defense area, we cannot keep taking on new cases, provide the constitutionally mandated defense for New Yorkers, and absorb new State cuts on top of \$3 million in cuts that we have already sustained in the State and City budgets this year. On the civil side, we have also already suffered \$3 million in cuts in the State and City budgets and we are forced to turn away six out of every seven New Yorkers who seek our help, and now with the new State cuts we'll have to turn away more families and individuals who need legal aid to get unemployment and disability benefits, flee from domestic violence, and prevent evictions, foreclosures, and homelessness which is at record levels in New York City."

Lillian Roberts, District Council 37, AFSCME, AFL-CIO: "Governor Paterson's proposed cuts to Medicaid and school aid strike at the heart of a quality of life that 125,000 members of DC 37 works so hard to protect. How can we ask the Have-nots to get us out of this mess when the Have's brought us to the brink of disaster? Cuts directed at health services are not the answer. For thousands of New Yorkers these services are a lifeline. These budget cuts will only cause harm and possibly even death. Cuts in schools directed at support staff, damage our communities that are already in pain. Hunger is on the rise. How can anyone endanger school feeding and other programs and the federal funds needed to support them? Instead the state should be making sure these funds are used properly. Budget cuts and layoffs are not the answer. They are a round about way to tax on the poor. They put a strain on lifeline services and a burden on the workers who provide them, while. At the same time they jeopardize their jobs. We need a solution that is fair and equitable. We need economic justice. We need a progressive revenue structure that taxes each according to his ability and gives to each according to his need."

Judy Wessler, Director of the Commission on the Public's Health System: "Medicaid dollars should be spent to keep Medicaid patients healthy and out of inpatient hospital care. The Governor had begun a program of reforming Medicaid so that care would be available in community-based settings and safety-net providers would be available in medically underserved communities. The Governor must continue, and ensure this reform, before he slashes Medicaid."

Dr. Barbara Bowen, President of the Professional Staff Congress/CUNY: "Governor Paterson's budget assumes that New York has to choose between cutting vital public institutions like CUNY and allowing New York to run out of money. But that's a false choice. There is an alternative, and we're here to demand that Albany adopt it. New York would have \$17 billion in increased revenue this year alone if it simply restored the tax cuts enacted between 1994 and 2005. The State should use that money right now to invest in CUNY; public higher education is the key to revitalizing the State's economy."

Hector Figueroa, Secretary Treasurer of 32BJ, which represents 5,000 public school cleaners who could face sweeping layoffs under the proposed budget cuts: "The Governor's willingness to explore revenue enhancements is a step in the right direction, but it should also include higher income taxes on the very wealthy. Laying off low-wage workers should be the last thing we consider when balancing the budget."

Geri D. Palast, Executive Director, Campaign for Fiscal Equity: "Governor Paterson's proposed education budget gets a failing grade. By cutting \$2.5 billion from committed funding, and extending the CFE phase-in from four to eight years, he is turning back the clock on the state's legislated obligation to keep the CFE promise. By refusing to propose progressive across the board revenue options, New York's 15 year education budget deficit will now grow to 21 years, and the price will be paid by our neediest students. Simply put, the Governor is using bad

arithmetic. The future of our neediest students and their constitutional rights must not be subtracted from our state's budget."