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Contact: Jonathan Rosen, BerlinRosen Public Affairs (646) 452-5637

More Than 90 Non-Profits that Provide Services to Seniors, Children, Homeless, Mentally Ill, People with AIDS Respond to News of \$12 Billion Projected Deficit

New Coalition Calls on Paterson to Embrace Shared Sacrifice at This Morning's Budget Announcement: Every New Yorker, Not Just the Most Vulnerable Must do Their Part

New York – Today a newly formed coalition of 90 non-profit organizations, service providers and unions that provide front line services to many of New York's most vulnerable citizens released an open letter to Governor David Paterson and legislative leaders responding to today's reports that next year's state budget gap would exceed \$12 billion dollars and that the current year's budget gap has grown to \$1.5 billion.

The One New York: Fighting for Fairness Coalition called on Paterson to resist blunt across-the-board cuts that could undermine New York's ability to serve many of its most vulnerable residents and to call on all New Yorkers – not just those that depend on government services - to sacrifice.

"In today's news Governor Paterson painted a dire picture of the budget crisis facing New York. The coming year promises to be unlike anything our state has seen since the early 1990's and will require serious reductions in spending and tough choices about New York's priorities. But it will also require shared sacrifice. New York simply cannot cut its way out of a multi billion dollar budget gap and continue to provide for the education, health and safety of its citizens," said **Jennifer March-Joly, Executive Director of Citizens' Committee for Children of New York.**

March pointed to recent data from the Center on Budget and Policy Priorities that found "[w]hen the economy weakens, state and local revenues decline but the need for public programs increases, as residents lose jobs, income, and health insurance."

Already, according to the New York State Department of Health, applications for Medicaid have increased by 30% between December and April to 39,000 per month. According to reports in Gannett News Service, the health department has run out of application forms for the program that provides health insurance for poor New Yorkers and their families.

"New York has not hit bottom, but already the demand for services is increasing as families deal with job loss and the attendant loss of health insurance and the ability to pay mortgages and utility bills," said **Lisa Ritchie, Public Policy Coordinator, Hunger Action Network of New York State.**

"Clearly there will need to be cuts, but shared sacrifice has to mean that all New Yorkers – not just those that depend on government services – pay the price," said **Mary Brosnahan, Executive Director of the Coalition for the Homeless.** Citing already enacted cuts to food pantries, eviction prevention and crisis intervention services for homeless families coming at a time of increasing foreclosure, Brosnahan urged the Governor to consider not only more cuts but increased revenue.

"We cannot afford to turn the clock back on our children's education, or on the needs of our communities. To take money out of the classroom or out of the services children need in their homes without even proposing that the wealthiest New Yorkers pay their fair share in these trying times would be unconscionable," said **Geri Palast, Executive Director of the Campaign for Fiscal Equity.**

"Governor Paterson's apparent resistance to even considering asking the wealthiest New Yorkers to be part of the solution to our state's problems is completely unrealistic and does not provide any the added resources we need to stimulate a turn around in our economy. The chair of Governor Paterson's own council of economic advisors, Joseph Stiglitz, has as recently as March advised that New York look to

raise revenue as part of a balanced approach of shared sacrifice rather than close its budget gap through cuts alone,” said **Billy Easton, Executive Director of the Alliance for Quality Education.**

Stiglitz wrote to the Governor and legislative leaders, “increases on higher-income families are the least damaging mechanism for closing state fiscal deficits in the short run. Reductions in government spending on goods and services, or reductions in transfer payments to lower-income families, are likely to be more damaging to the economy in the short run than tax increases focused on higher-income families.”

Stiglitz went further in an essay in the October issue of Vanity Fair where he wrote, “[State] cutbacks in investment and in basic human services” mean “the poor will suffer today and growth will suffer tomorrow”.

“The Governor should level with New Yorkers and prepare them for the reality that shared sacrifice means both deep cuts and an increase in taxes. He should take it from his own top economic advisor Joe Stiglitz that cuts alone will not only harm New York’s children and families but will prolong and deepen the economic downturn,” said **Dan Cantor, Executive Director of the Working Families Party.**

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 – albeit on a smaller scale. 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 State employed a temporary top rate of 7.25 percent for single filers with incomes over \$100,000 and 7.7 percent on income over \$500,000. 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 positive income growth, economic conditions improved overall, and the State realized job creation.

“The Governor must go beyond sounding the alarm about New York’s budget gap. He must prepare all New Yorkers to do their part to help us get through this crisis together,” said **Nancy Wackstein, Executive Director United Neighborhood Houses.**

The full text of the letter and the full list of signers is below.

ONE NEW YORK: FIGHTING FOR FAIRNESS

October 28, 2008

Honorable David Paterson
Governor - New York State
Executive Chamber
The Capitol
Albany, NY 12224

Dear Governor Paterson:

While all New Yorkers are reeling from the current economic crisis, few are likely to be harder hit than the poorest New Yorkers.

While New York State must show restraint in its expenditures and should invest public dollars prudently, the implementation of across the board budget reductions will lead to unimaginable human strain and decimate an already fragile social infrastructure, killing jobs and reducing spending in every community at precisely the moment when economic stimulus is needed.

At this stage in the economic cycle, budget reductions of the sort envisioned will only compound the effects of private sector job losses, further slowing the state's economy. Rather, the state must protect funding for core and safety net services to help counteract what is likely to be a severe economic downturn with increased human needs.

It is simply not possible, nor prudent for the State of New York to cut its way out of a budget deficit of the magnitude projected. The prospect of additional reductions to core and social safety net services is untenable and belies the reality that poor New Yorkers require more help, not less, in these difficult economic times.

In light of this dire economic situation, state elected officials must take necessary steps to address both sides of the budget ledger – Revenue and Expense – and fairness must be the guiding principle in this effort.

We are calling on state leaders to explicitly identify the concrete revenue raising options that they will enact – in order to protect poor New Yorkers from shouldering an undue and unjust burden of the faltering economy.

Sincerely,

Advocates for Children
Alliance for Quality Education
ARISE Coalition/ Advocates for Children
Asian American Federation
Black Equity Alliance
Brooklyn Center for Independence of the Disabled
Campaign for Fiscal Equity
Canaan Senior Service Center
Center for Independence of the Disabled,
NY (CIDNY)
CEC 1
CEC/ WestSide CB 7/ AQE
CEJ
CEJ/ Highbridge
Child Care Council @ CUNY
Children's Aid Society

Children's Defense Fund
Citizen Action of NY (CASF)
Citizens Advice Bureau
Citizens' Committee for Children of New York (CCC)
Citywide Council on High Schools
Class Size Matters
Coalition for a District Alternative (CODA)
Coalition for Asian American Children and Families
Coalition For The Homeless
Coalition of Behavioral Health Agencies
College of Mount Saint Vincent- Institute for
Immigrant Concerns
Commission on the Public's Health System
Community Access
Community Health Care Association of New York
State (CHCANYS)

Community Service Society of New York (CSS)
Community Voices Heard
Connecting to Advantages
Council of Family and Child Care Agencies (COFCCA)
Council of Senior Centers and Services of
New York City, Inc.
Cypress Hills Child Care Corp.
District Council 37, AFSCME, AFL-CIO
Education Voters of New York
Episcopal Social Services
Family Justice
Federation of Protestant Welfare Agencies
Fiscal Policy Institute
Freedom Community Center
Goddard Riverside Community Center
Good Jobs New York
Grand Street Settlement House
Greater Chinatown Community Association (GCCA)
Haitian Americans United for Progress (HAUP)
Hamilton-Madison House
HANAC, Inc.
Harlem United Community AIDS Center, Inc.
Henry Street Settlement
Highbridge Community Life Center
Hispanic AIDS Forum, Inc.
Hispanic Federation of New York State
HIV Law Project, Inc.
Human Services Council
Hunger Action Network of NYS (HANNYS)
Institute for Community Living
The Internationals Network for Public Schools
Isabella Geriatric Center
Jamaica Service Program For Older Adults
Korean American Family Service Center
Legal Aid Society
Legal Information for Families Today (LIFT)
Legal Services NYC
Lenox Hill Neighborhood House
Make the Road New York
Medicare Rights Center
Melrose Senior Center
MFY Legal Services
Mosholu Montefiore Community Center
National Association of Social Workers, NYC Chapter
National Black Leadership Commission on AIDS (NBLCA)
National Center for Schools and Communities
at Fordham
Neighborhood Family Services Coalition
South Asian Youth Action
South Brooklyn Youth Consortium Inc.
Staten Island Federation of Parent Teacher
Associations

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New York ACORN
New York AIDS Coalition
The After School Corporation/ TASC
New York Citizen's Committee on Aging, Inc.
New York City Central Labor Council
New York City Employment and Training Coalition
New York Civic Participation Project/32BJ
New York Immigrant Coalition
New York State Coalition for School Based
Health Center
NY Jobs with Justice
NYC AIDS Housing Network/ NYCAHN
NYC Coalition for Educational Justice
NYS Public Employees Federation, Region 10
One Stop Senior Services
Phipps Community Development Corporation
Pratt Center for Community Development
Professional Staff Congress-CUNY
Project Renewal
Riverstone Senior Life Services
SCAN-New York
SEIU Local 32BJ
Staten Island Inter-Agency Council for the Aging
Staten Island Legal Services
Supportive Housing Network of New York
The Center for Law and Social Justice, at
Medgar Evers College, City University of NY
The Children's Village
The Committee for Hispanic Children & Families, Inc.
Time Out From Testing
UAW LOCAL 2325 Association of Legal Aid Attorneys
(AFL-CIO)
UAW Region 9A
United Community Center, Inc.
United Federation of Teachers
United Neighborhood Houses
Village Care of New York
Working Families Party
YKASEC-Empowering the Korean American
Community