

From: "Citizens' Committee for Children of New York" <ADVOCATE@cccnewyork.org>
Subject: CCC E-News: Economic Downturn Harshesht for Children and Families

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Securing Every Child's Birthright(R) to be Healthy, Housed, Educated and Safe

August/September 2008

Economic Downturn Harshesht for Children and Families

While many New Yorkers are reeling from the current economic crisis, few are likely to be harder hit than poor children and their families. Governments tend to cut their way out of crises, and while we agree that the spending of tax dollars must be prudent, we also believe that further reductions in programs serving poor children and families will lead to unimaginable strain and greater economic costs in the future. To tackle this crisis in a way that minimizes damage to an already fragile social safety net, we must look beyond just examining the expense side of state and city budgets to identify concrete opportunities for raising revenues.

Even prior to the downward spiral of the financial sector last week, New York City and New York State had anticipated significant deficits for the coming 2010 fiscal year (\$2.5 billion at the city level and \$6.5 billion at the state level) and had begun to plan for additional rounds of budget reductions. By all accounts, deficit levels are expected to grow.

In June, the City adopted a \$59.1 billion budget that kept spending relatively flat. Of programs serving children, \$67.4 million in city funds were reduced from a wide range of core supports including child abuse and neglect prevention, child health clinics, after school and youth development programs, as well as legal services for the poor to prevent eviction and assist eligible households in accessing Earned Income Tax Credits and Unemployment Insurance. These cuts were made at the same time the city's Adopted Budget extended a "temporary" 7% reduction in property tax and a \$400 property tax rebate to homeowners at a combined cost of \$1.4 billion – funds that could have been better used to prevent cuts in services.

In August, Governor Paterson called the State Legislature back to Albany for an emergency session to enact \$400 million in budget cuts from the current fiscal year (2009) and \$600 million for next fiscal year (2010). The Governor also reduced state agency spending by \$630 million or 7% on top of the 3.35% reduction previously imposed in April. All state agencies serving children faced reductions, forcing cuts to a wide range of core supports including: services for runaways and homeless youth, after school programs, school meals, and resources for soup kitchens and food pantries. While state elected officials reached agreement on budget reductions, the Senate and Assembly remain very far apart in their approach to revenue and the Governor has repeatedly underscored his desire to contemplate tax increases only as a last resort.

And yet, while it is clear that New York City and New York State must continue to show restraint in their expenditures, neither can rectify the economy by simply making larger and larger cuts. The prospect of additional reductions to core services for poor children and families is untenable and defies the reality that these households require more, not less, aid at this time. Research also suggests that reductions in government services can have a damaging impact on the economy and lengthen a recession as dollars are pulled directly out of the local economy. [1]

In light of this dire situation, CCC is asking our state and local elected officials to take the steps necessary to address both sides of the budget ledger – Revenue and Expense. On the local level, there are promising signs that fairer policies will be considered, as Mayor Bloomberg has proposed rescinding the 7% property tax reduction in January. The City Council should accept Mayor Bloomberg's proposal. In addition, in an effort to soften the blow of the new round of agency budget reductions announced this week, the City Council and the Mayor must go farther in their discussion of revenue and bring back to the table additional options they began to negotiate last

spring.

On the state level, the depth of the economic crisis and growing deficit must propel legislators to advance a fairer system of taxation. Among the many options to consider, recent history [2] suggests that a marginal increase in state personal income tax would have a positive impact on the state's ability to weather this economic storm without negatively impacting the economy or triggering the flight of higher income earners.

In short, CCC asks New Yorkers and our colleagues across every sector to join us with a unified voice to ensure that decisions made at City Hall and in Albany balance both sides of the budget ledger – revenue and expense – and protect children and families from shouldering an undue and unjust burden of a faltering economy.

[1] "Déjà Vu All Over Again – Budget Balancing in Bad Times: Lessons from the Last Two Recessions," 2008, New Yorkers for Fiscal Fairness. [2] In 2003 the Senate and Assembly overrode then Governor Pataki's veto and instituted a temporary personal income tax increase which sunset in 2005. "Déjà Vu All Over Again – Budget Balancing in Bad Times: Lessons from the Last Two Recessions," 2008, New Yorkers for Fiscal Fairness.

2008 Celebration Breakfast

Tuesday, October 21, 2008

7:30 AM to 9:15 AM

Waldorf=Astoria, Grand Ballroom

Keynote Speaker:

Darren Walker

Vice President, Foundation Initiatives
The Rockefeller Foundation

[Purchase Tickets](#)

Fall 2008 Policy Briefings

Citizens' Committee for Children of New York invites you to attend our Fall 2008 Policy Briefing series. If you have not already, RSVP for our upcoming Policy Briefings below:

Strategies to Prevent Family Homelessness

Megan Fogarty, HomeBase Director, Citizens Advice Bureau

Bruce Jordan, Executive Director, Rental Assistance, Human Resources Administration

Jacyln Moore, Program Manager, Prevention Services, Department of Homeless Services

Pamela Ross, Director, Homelessness Diversion Program, Human Resources Administration

Monday, October 6, 2008 at 10 AM

[RSVP](#)

Mayoral Control of New York City's Public Schools: Lessons Learned and Implications for authorization

Norm Fruchter, Director, Community Involvement Program, The Annenberg Institute for School Reform

Sister Paulette LoMonaco, Executive Director, Good Shepherd Services,

Mayoral Accountability for Student Success

Dr. Kenneth K. Wong, The Walter and Leonore Annenberg Professor in Education Policy,

Urban Education Policy Program, Brown University

Monday, November 3, 2008 at 10 AM

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The Mayor's Center on Economic Development: Update

Cathie Mahon, Assistant Commissioner and Executive Director of the Office of Financial Empowerment, Department of Consumer Affairs

Veronica White, Executive Director, New York City Center on Economic Opportunity

Wednesday, November 19, 2008 at 10 AM

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Court Ordered Supervision in Child Welfare Cases

Michele Cortese, Deputy Director, Center for Family Representation

Jan Flory, Deputy Commissioner for Child Protection, Administration for Children's Services

Gilbert Taylor, Deputy Commissioner for Family Court Legal Services, Administration for Children's Services

Wednesday, December 17, 2008 at 10 AM

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