

At issue: Proposed 2009-2010 budget

Governor's austerity budget raises opposition of diverse New Yorkers

Below are reactions from community and statewide organizations to Gov. David Paterson's proposed 2009-2010 budget.

Elderly would feel pain of the cuts

Gov. Paterson's proposed 2009 budget released last week contains funding reductions which, if enacted, will imperil the lives of our most vulnerable citizens — our elders who can no longer live without substantial assistance.

Under the governor's budget, Medicaid funding for nursing home residents would be cut 12 percent statewide by a total of \$420 million in 2009-10 and \$334.1 million in 2010-11. Cuts of this magnitude would result in massive layoffs of both support staff and direct caregivers in nursing homes statewide. Quality of care would be threatened and many nursing homes already in a fragile financial condition would be forced to close.

At the same time, the governor's budget calls for reductions in funding for community-based services such as transportation for adult day health services and home care. Without this transportation program, these individuals would be forced to live in nursing homes rather than being able to remain living at home and coming to us daily for the care they need. This would result in much higher costs on a long-term basis.

DANIEL KATZSenior Health Alliance of
Greater Rochester**State reserve fund should be tapped**

The state's plan should use all

available resources — certainly including funds set aside precisely to meet unplanned end-of-year deficits.

In proposing actions to close this year's \$1.7 billion deficit, the governor unaccountably ignores balances available in the Tax Stabilization Reserve Fund. This reserve fund is specifically designated for unplanned end-of-year deficits. It cannot be used to cover already anticipated deficits. The Tax Stabilization Reserve Fund should be an important component of the plan to close this year's deficit.

The governor's proposal hurts low- and moderate-income New Yorkers while requiring little from wealthy New Yorkers. Cuts in state programs disproportionately affect New York's working and poor families, who have not prospered in recent years and who will suffer greatly in this recession. "Shared sacrifice" should mean that all New Yorkers contribute to help solve this problem.

The budget should not be balanced on the backs of low- and moderate-income people.

FRANK MAURO

Fiscal Policy Institute

Wealthy get a pass while poor take a hit

Wall Street had a party in the '90s and we weren't invited. Now that the party is over, it isn't right to ask our children to clean it up.

Gov. Paterson is confronted with a \$15 billion deficit and is talking about shared sacrifice. He is asking us to tighten our belts, proposing \$2.5 billion in cuts from our children's classrooms (on top of reneging on a court ordered increase of \$1.9

billion in education funding the governor is proposing and an additional \$700 million in education cuts).

But not everybody will feel the burden of these budget cuts in the same way. The cuts will have a disproportionate impact on upstate residents with low incomes and people of color.

By increasing the income tax on New Yorkers earning more than \$250,000 the state could collect up to \$5 billion in revenue, reducing the pressure to cut funding for our children's education.

JON GREENBAUM

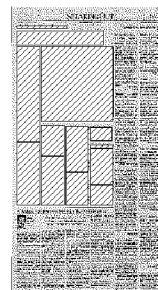
Metro Justice Organizer

Budget shifts costs to local government

While the governor's announced Executive Budget was encouragingly wrapped in language about "spending effectively" and "shared sacrifice," it unfortunately falls short of a fair solution to protect New York's neediest and distribute the impact of the economic crisis equitably.

Despite some desperately needed protections for New York's neediest — such as an increase in the welfare grant, expansion of health insurance coverage to older youth, and preservation of uncapped funds for child abuse and neglect prevention — the budget relies heavily on shifting costs to local governments, including cuts in aid to preschool special education.

Most importantly, the governor's plan does not redirect funding saved or revenue raised into programs that can reduce the actual long-term need for costly services. The budget would close underutilized juve-



nile detention facilities across the state; but fails to invest a single dollar saved in alternatives to detention to prevent teens from entering the system in the first place.

JENNIFER MARCH JOLY
Citizens' Committee
for Children of New York

Empire Zone changes hurt business growth

The governor's budget would subject companies that relied on Empire Zone benefits in making significant state investments to a 20-1 cost-benefit requirement that they were not subject to when they made those invest-

ments. Because of this, more than 2,000 businesses would be removed from the program.

These actions would have a devastating effect on economic development upstate, where the Empire Zone program has been the primary incentive used to encourage numerous major expansion and attraction projects.

Going forward, the Empire Zone Program should be rebranded to make it less bureaucratic, less complex, more targeted and less costly.

Increasing New York's already high cost of doing business by raising business fees and taxes, significantly cutting the state's business development budget,

and tarnishing the credibility of our economic development efforts for years to come would make New York less competitive. As a consequence, the impact of the recession on New Yorkers would be that much greater.

BRIAN MCMAHON
New York State Economic
Development Council

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The Associated Press

State budget director Laura Anglin advises Gov. Paterson during last week's budget presentation.

Printing imperfections present during scanning

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