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### **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.<sup>[1]</sup>”

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 • Asian American Federation • Black Equity Alliance • Brooklyn Center for Independence of the Disabled • Campaign for Fiscal Equity • Canaan Senior Service Center • Center for the Independence of the Disabled, NY • Child Care Inc. • Children’s Defense Fund New York • Citizen Action of NY • Citizen Action of NYC • Citizens Committee for Children of New York • Citywide Council on High Schools • Class Size Matters • Coalition for Asian American Children & Families • Coalition for A District Alternative • 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 Board 7, Manhattan • Community Health Care Association New York State • Community

Voices Heard • Connecting to Advantages • Council of Family and Child Caring Agencies • Council of Senior Centers and Services • Cypress Hills Child Care Corp. • Cypress Hills Local Development Corporation • District Council 37, AFSCME, AFL-CIO • Education Voters of New York • Family Justice • Federation of Protestant Welfare Agencies • Fiscal Policy Institute • Freedom Community Center • Goddard Riverside Community Center • Good Jobs New York • Grand Street Settlement • Greater Chinatown Community Association • Haitian Americans United for Progress (HAUP) • Hamilton-Madison House • Harlem United Community AIDS Center, Inc. • Henry Street Settlement • Highbridge Community Life Center • Hispanic AIDS Forum, Inc. • Hispanic Federation • Hispanic Senior Action Counsel • HIV Law Project, Inc. • Homeless Services United • Human Services Council • Hunger Action Network of NYS • Institute for Community Living • Institute for the Puerto Rican/Hispanic Elderly, Inc. • Isabella Geriatric Center • Internationals Network • 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 • Lincoln Square Neighborhood Center, Inc. • Long Island Progressive Coalition • Medicare Rights Center • Melrose Senior Center • MFY Legal Services • National Association of Social Workers, NYC Chapter • National Center for Schools and Communities • Neighborhood Family Services Coalition • New York AIDS Coalition • New York Citizen' Committee on Aging, Inc. • New York City Central Labor Council • New York Civic Participation Project (NYCPP) • New York Immigration Coalition • NY ACORN • NY Jobs with Justice • NYC Coalition for Educational Justice • NYC Employment and Training Coalition • One Stop Senior Services • Pratt Center for Community Development • Professional Staff Congress-CUNY • NYS Public Employees Federation, Region 10 • Project FIND • Project Renewal • Riverstone Senior Life Services • SEIU Local 32BJ • Staten Island Inter-Agency Council for the Aging • Staten Island Legal Services • Strycker's Bay Neighborhood Council, Inc. • Supportive Housing Network of New York • The Center for Law and Social Justice at Medgar Evers College, City University of New York • The Children's Village • The Committee for Hispanic Children & Families, Inc. • The Geriatric Mental Health Alliance of New York • The International Center in New York • The School for International Studies • Women's Housing and Economic Development Corporation • Thorpe Family Residence, Inc. • Time Out From Testing • UAW REGION 9A • UAW Local 2325 Association of Legal Aid Attorneys (AFL-CIO) • UJA-Federation of New York • United Community Center, Inc. • United Federation of Teachers • United Neighborhood Houses • University Settlement Society • Urban Justice Center • Village Care of New York • Violence Intervention Program • Welfare Rights Initiative • Working Families Party • YKASEC- Empowering the Korean American Community

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