

## MEDIA ADVISORY

### For Immediate Release

November 5, 2009

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## **Advocates Join Together to Decry Mid-Year Budget Cuts in Governor's DRP Urge Legislature to Look at Other "Less Painful" Alternatives**

(Albany, N.Y.) A diverse coalition of statewide organizations joined together today to urge the Governor and the Legislature to explore alternatives to cutting funding for a variety of programs and services mid-year as proposed in the DRP. In response to the Governor's statement that his proposed cuts will be painful, the coalition has developed a set of "less painful" options and is urging states lawmakers to examine the states spending priorities in the context of the forthcoming budget process. The coalition includes statewide organizations that advocate for the interests of students, Medicaid recipients, the elderly, the disabled, the poor, the hungry and needy children.

The coalition urged the Governor and the Legislature to examine other choices before slashing important programs and services that will inevitably hurt vulnerable New Yorkers and do more harm than good to New York's already fragile economy. The coalition praised the Senate and Majority Leader Sampson for being among the loudest voices against the harmful cuts proposed by the Governor.

"The Governor and the legislature clearly have better choices than cutting essential programs and services mid-year. These cuts would be devastating. First and foremost, we should use our reserve funds as they were set aside for this specific purpose," stated **Ron Deutsch, Executive Director of New Yorkers for Fiscal Fairness**. Deutsch noted that the state has some \$1.5 billion in reserve funds set aside specifically for mid-year shortfalls. "Using our reserve fund is the most logical choice to make. It will protect services and jobs that we can simply not afford to lose right now."

According to the Fiscal Policy Institute, New York State has lost 253,000 jobs since August 2008, including over 23,000 in the government sector. There are nearly 850,000 New Yorkers unemployed, twice the number that were unemployed at the end of 2007.

**Frank Mauro, Executive Director of the Fiscal Policy Institute** said, "The Governor has argued that making these cuts will "prime" the state for the economic recovery. The Governor should acknowledge that his plan, if adopted and implemented as proposed, would definitely delay the recovery for which he is proposing to "prime" the state. There is no way to take \$2.26 billion of demand out of the state's economy on such a precipitous basis without disrupting and slowing down the recovery from the current recession. Making such cuts will prolong the downturn as similar budget policies did in the early 1990s."

Coalition members went on to comment on the human impact of the Governor's proposed \$1.8 billion in state spending cuts: \$500 million in cuts in state agency budgets; \$1.3 billion in local assistance cuts, including \$480 million less in aid to school districts (\$223 million of that in New York City); and \$287 million less in Medicaid reimbursements to health care providers. In addition, the Governor proposes to reduce state aid to school districts by another \$206 million during April, May and June of next year. Under the Governor's proposal, school districts would lose a total of \$686 million during the 2009-2010 school year already well underway.

"This year the state flat out failed to provide students with a single penny of the promised Campaign for Fiscal Equity funding. The Governor's proposal to cut \$686 million from education, in the middle of the year, will compound the state's broken promise to schoolchildren across the state. We are relying on the legislature to stand up for students by rejecting the governor's cuts," said **Nikki Jones, Alliance for Quality Education Communications Coordinator**.

Reducing state spending on Medicaid by \$287 million in just the next five months means that New York's health care providers will lose \$747 million in reimbursements – since the federal government, under the Obama stimulus package, is now funding nearly 62 percent of New York's Medicaid spending.

**Lara Kassel of Medicaid Matters** is very concerned that "Sweeping, across-the-board cuts in Medicaid would result in immediate impact to consumers because the community-based, safety-net providers people need to keep them healthy would be devastated. We understand the magnitude of this fiscal crisis, but balancing the budget by threatening the health, safety and dignity of low-income New Yorkers is not the answer."

Education and health care are not the only programs on the chopping block. The Governor's cuts include many programs that serve the poor, disabled, seniors and hungry New Yorkers. The coalition argued that many of the cuts proposed by the Governor would have severe impacts on vulnerable population in New York State.

"The Deficit Reduction Plan includes a shocking 207 cuts specifically targeting people with disabilities and the elderly who are living in deepest long-term poverty. These cuts will inflict real pain and jeopardize the stability of the most vulnerable people in the community. The cuts put people at risk of dehumanizing institutionalization and put taxpayers at risk of having to spend a lot more both today and tomorrow," stated **Susan M. Dooha, J.D., Executive Director of the Center for Independence of the Disabled in New York**.

**Justin Cunningham, Executive Director of Statewide Senior Action Council** stated that, "The Governor's proposed \$11.4 million reduction to SSI will devastate low income seniors and the disabled community. In New York State, a total of 600,000 people are beneficiaries of SSI. This program's intention is to provide a supplement that will bring low income seniors and the disabled up to the poverty level. The federal government grants a portion with an automatic Cost of Living Adjustment every year. However, New York State has not increased the state portion in over 20 years, and so, SSI beneficiaries in NYS have been slipping further below the

