

2020 VISION

**Building a
Better
New York**

FPI

Fiscal Policy
Institute



BUILDING OUR FUTURE

Facing a multi-billion-dollar state budget deficit, the question is clear - what kind of New York do we want and how will we get there?

New York State has a robust economy but leads the nation in income inequality. Poverty, homelessness, hunger and food insecurity continue to plague far too many New Yorkers. After a decade of austerity under the state's self-imposed 2 percent spending cap, New York government is not living up to its promise and the greatest impact of tight budgets continues to fall on people who are already the most disadvantaged, reinforcing a legacy of bias, discrimination and unequal opportunity.

The choice is ours - we can do nothing and continue to let inequity increase and basic needs go unanswered, or we can take the steps necessary to build a better future for all New Yorkers regardless of race, immigration status, ethnicity, gender or gender identity, sexual orientation, religion, income or zip code. Don't be fooled into believing that we can't make a difference. We can, and New York depends on us.

Let's get to work!

BALANCE THE SCALES

Taxes fund essential services we all rely on, including our schools, infrastructure, and programs for New York's seniors, children and people with disabilities. **A just tax system means that the burden is shared equitably.** The wealthiest residents and largest corporations should shoulder their fair share of tax payments, and struggling working families and individuals should not be capsized by short-sighted policies.



Tax reform:

- Strengthen and improve working family tax credits like the state Earned Income Tax Credit and Empire State Child Credit by ending the exclusion of some immigrants and their children, young workers, and families with children under the age of four. These tax credits provide significant resources for New Yorkers who earn low-incomes while providing an economic boost for communities across this state.
- Reverse our upside-down tax system that currently favors the wealthiest individuals and corporations. New York State can raise enough revenue to fund high-quality government services without overburdening middle-income New Yorkers. Institute a wealth tax for billionaires, a personal income tax for ultra-millionaires with new income tax brackets above \$5 million, \$10 million, and \$100 million of earnings, a stock buyback transfer tax, carried interest fairness fee, pied-a-terre tax, and reform the estate tax.
- Reduce the pressure on property taxes by increasing the state share of jointly funded state/local services, increasing aid to municipalities, and implementing a property tax circuit breaker to help families that face a property tax burden they can't sustain.

Fiscal reform:

- Abandon the two percent state spending cap, which artificially constrains services and has resulted in a decade of austerity spending even as the economy has substantially grown. The state's human services programs have been hit extremely hard by the cap while at the same time poverty, hunger and homelessness remain at unjustifiably high levels.
- Re-think our approach to economic development with a view to reforming or eliminating our state's broken economic development programs. Invest in the infrastructure, education, and workforce development that make a real difference to business growth. Develop incubators and build on downtown small business clusters. New Yorkers deserve a more thoughtful approach that works from the bottom up rather than from the top down.
- Make sure the state government is a model employer and is responsible for those who work under state contracts. Support 3for5 and invest in a 3 percent increase in all state human services contracts and rates for the next five years to ensure that communities can thrive.

EVERYONE COUNTS: SUPPORTING ECONOMIC, SOCIAL, AND RACIAL FAIRNESS

We all do better when every community member is valued and supported. Affordable housing, access to quality education, healthcare, and adequate income are non-negotiable necessities for everyone regardless of race, immigration status, ethnicity, gender or gender identity, sexual orientation, religion, income or zip code. Our state's strength is our diversity.



- Fully fund our schools by meeting the state's obligations under the Campaign for Fiscal Equity settlement (currently a \$3.8 billion gap) by heavily investing in the foundation aid formula to ensure that school aid is channeled to schools and communities most in need.
- Fully fund and accelerate programs that create units of affordable housing and support the Home Stability Support (HSS) program and other initiatives to reduce homelessness, evictions and housing instability.
- Invest sufficient resources in low-income communities across the state to combat pervasive poverty, which disproportionately affects people of color, women, children, people in rural areas, and LGBT individuals. Investing in low-income communities means providing significant resources for quality, affordable childcare, increasing the shelter grant for families on public assistance, expanding access to affordable healthcare and making sure the minimum wage increases to \$15 per hour in our upstate communities.
- Expand New York's unique program of enhanced services to refugees from \$2 million to \$5 million. At a time of crisis in the federal refugee resettlement program, New York has a nation-leading program for the refugees and refugee resettlement agencies that are helping our communities grow. That's important around the state—nowhere more so than in upstate cities where refugees are a key to population rebound.

- Substantially expand funding for the Adult Literacy program, which helps New Yorkers whose native language is not English to gain English-language fluency. This is a win-win: classes are popular and make a difference, more people want to take them than there are spots available, and local communities and employers gain as well.
- Local governments are becoming too reliant on revenues from regressive fees and fines to meet revenue needs. New York should reverse this growing trend and start by eliminating Driver's License suspensions for unpaid traffic debt, an unjust and ineffective measure that disproportionately impacts low-income communities and communities of color.
- Improve access and quality through a substantial investment in higher education. State University of New York and the City University of New York have been starved of funds for decades, leading to large class sizes, rising tuition, too many classes taught by underpaid adjunct professors, and campus facilities that are far below par. The state's Tuition Assistance Program is also in need of modernization, to make sure part-time students and students with young children get the aid they need, the rising price of books is included in aid, and more.

We have the power to make the changes we need to see in New York State. Working together, we can craft a state budget supporting economic, social, and racial justice. Join us in making the 2020 legislative session a milestone year advancing equity and equality for all.



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