

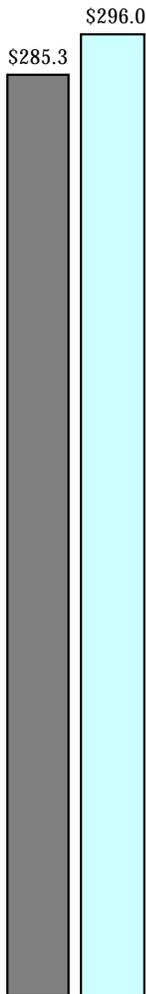


A Publication of the NATIONAL PRIORITIES PROJECT

The State of the States: New York 2000

Critical Needs, Federal Priorities

The 3rd Annual Assessment of the State We're In



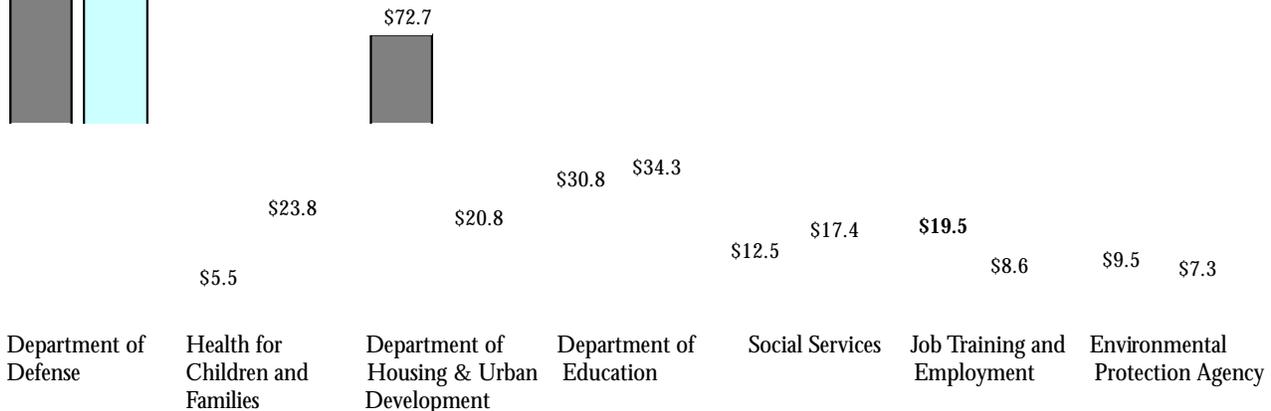
- 90% of our schools are in need of significant repair;
- 3.2 million have no health insurance, up from 2 million in 1987;
- 24.6% children live in poverty, up from 19% in 1980;
- 52% of renters are unable to afford the Fair Market Rent;
- 50% of the jobs with the most growth pay poverty wages;
- 44,715 New York residents drink polluted water.

Decent schools, a clean environment, affordable health care, housing and an economy that serves everyone are all measures of security. But for many in New York, this security is increasingly threatened.

For 18 years, the federal government has cut back in many of the programs that address these issues. New York received \$3.9 billion less in 1998 than it did in 1980.

The United States could lose millions of dollars in the next few years as these programs compete with Pentagon requests for expensive new weapons systems. Pentagon spending could go from the current 50% of all Discretionary spending to 56%.

This report questions whether cutting programs for our schools, children and communities to buy more weaponry, in fact, provides real national security.



Source: Budget of the U.S. Government Historical Tables of the Budget, FY2000 Table 5.1, 5.2 and Table 8.7. Information for Health for Children and Families from Kaiser Family Foundation and Information Science Research Institute, *50 Years of U.S. Federal Support for Children and Families*, 1985. Note: all numbers in billions of 99\$, represent Budget Authority except Health which is based on Outlays.

Chart 1

It's All in How You Define National Security.

Should We Cut Programs to New York Communities to Buy More Weapons?

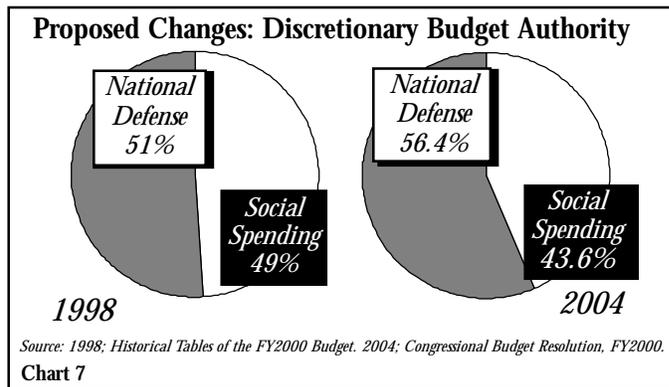
In 1998, New York received \$3.9 billion less in community-based (discretionary) programs than it did in 1980 (See Clipboard). Future budget proposals would take more money from these programs to pay for a proposed 6-year, \$100 billion increase in Pentagon funding.

Last year, the Pentagon accounted for 51% of discretionary spending. By 2004, under current proposals, the Pentagon would receive 56.4%. According to the Balanced Budget Agreement of 1997, every dollar of increase for the Pentagon will mean a dollar taken from programs for New York communities.

Military experts question whether this increase is necessary. \$50-75 billion a year would go to purchase new expensive weaponry. Lawrence Korb, former Assistant Secretary of Defense under the Reagan Administration, says that those weapons are designed to fight a war with a nation as militarily sophisticated as ours. But no nation comes close. In fact, we spend 2½ times what Russia, China and all potential threat countries spend on their militaries *combined*.

Korb calculates that we could save \$40 billion a year if we:

- stay with our current generation of sophisticated weapons systems;
- cut nuclear weapons to no more than 1,000;



- continue research and development program on new technology rather than introduce it into the force; and
- cut back deployments in Europe.

New York's share of that \$40 billion would amount to \$4.5 billion, enough to:

- Provide health care for every uninsured child in the state; and
- Provide Head Start for 8,470 more children; and
- Provide \$1.3 billion to rebuild our schools; and
- Build 17,554 affordable housing units.

If we define national security in terms of how we care for the people of this nation rather than just by how many weapons we can stockpile, we can address our concerns both at home and abroad.



Program	1980*	1998
Department of Education	\$922.6 mil.	\$804.1 mil.
Women, Infants and Children	\$ 97.2 mil.	\$281.6 mil.
Community Development Block Grant	\$925.6 mil.	\$168.6 mil.
Environmental Protection Agency	\$815.4 mil.	\$279.1 mil.
Revenue Sharing	\$ 1.5 bil.	---
Social Services Block Grant	\$378.7 mil.	\$168.6 mil.
Employment and Training	\$ 1.2 bil.	\$245.0 mil.

(* in constant 1998\$)



The National Priorities Project (NPP) offers citizen and community groups tools and resources to shape federal budget and policy priorities which promote social and economic justice. For more reports or other information go to our website at www.natprior.org or contact us at (413) 584-9556.

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Growing Needs, Declining Federal Commitment

Economic Security: The Rich get Richer, More get Poorer

The Issues:

The economic boom for some is a bust for many others. Chart 2 shows a dramatic increase in income for New York's wealthiest 20%. The middle 20% saw a slight increase in income; the poorest 20% saw a decrease.

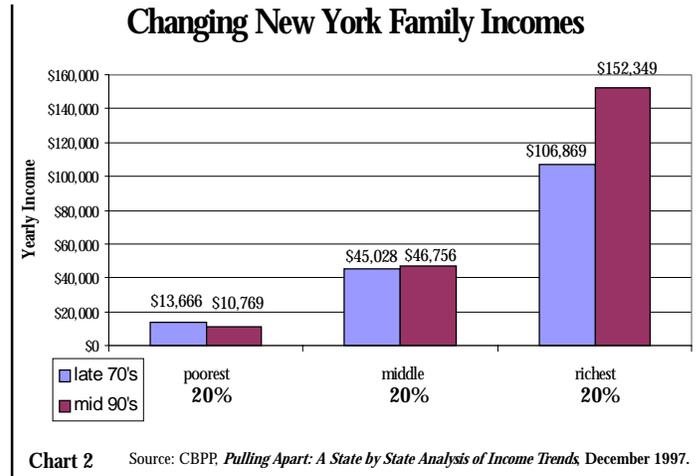
Many jobs in New York don't pay enough to make ends meet. Between 1994 and 2005, 50% of the jobs with the most projected growth pay poverty wages, less than \$16,530 a year. Few jobs provide benefits or training.

Child poverty is a chronic, growing problem, increasing from 19% (877,000) to 24.6% (1.2 million) between 1980 and 1998. Overall, 16.7% (3.1 million) New York residents live in poverty. 290,000 children in New York live in families that do not have enough food to meet their basic needs.

The Federal Role

Programs to help provide economic security have been cut back, eliminated or under-funded.

- 372,545 have been cut from or have left the welfare roles; studies show that, nationwide, 72% of them are working for poverty wages.
- In the past 20 years the federal government has provided New York with 79% less for job training, Head Start programs now serve only 11.2% of eligible children and, nationally, the Food Stamp Program has been cut by 22% since 1996.



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Education: Schools, Test Scores, Federal Commitment Decline

The Issues

New York schools are making little progress in providing equal access for all and for meeting national goals of making our schools the best in the world.

- 90% of New York schools are in need of repair in order to bring them up to good condition;
- The per child spending gap between the poorest and richest schools is \$3,646 per year;

- New York has made little progress in 10 years in meeting federal education goals for the year 2000 (see Chart 3).

The Federal Role:

In the past 19 years, the federal share of money spent by New York on education has declined from 7.1% to 5.5%.

Goals for Year 2000	Actual NY (most recent year)
HS graduation rate: 96%	✓ 90.9%
All students would be competent in reading, science and math.	✓ Students Below Grade Level Reading: 38% Math: 35.6% Science: 43.4%
No adult illiteracy.	✓ 24% of adults are illiterate

Source: HS graduation rate: "High School Completion Rates of 18-24 year olds not currently enrolled in high school or below 3-year average 94-96, U.S. Census Current *Population Survey*, October various years. % of students below grade level - Reading and Math 4th grade, Science 8th grade: Department of Education, NCES, NAEP State Reading Summary Tables, www.nces.ed.gov Percent of adults illiterate: Represents a synthetic estimate of the adult functional illiteracy rate, Comprehensive Adult Student Assessment System Database, Portland State University, Portland, OR, 1996, www.casas.org.

Chart 3

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Health Care: A Sick Scenario

The Issues:

The number of uninsured in New York has remained alarmingly high in the past 12 years.

- 3.2 million people (17.3%) in New York have no health insurance, up from 2 million (11.6%) in 1987.
- 668,000 children (13.8%) in our state have no health insurance, up from 423,000 (10.1%) in 1987.
- 333,000 (34.7%) low-wage working parents in New York have no health insurance.

The Federal Role:

While Medicaid coverage for low wage people increased from 12.2% to 16.3% between 1987 and 1996, it has since declined to 15.1% in 1998. New federal programs will help struggling families who earn above the poverty line.

New York Uninsured

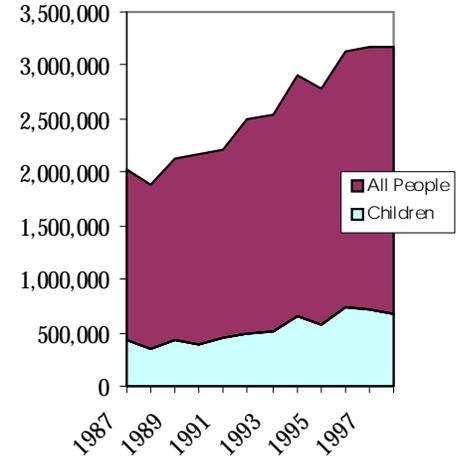


Chart 4

Source: U.S. Census, Health Insurance Historical Tables Table HI-4.

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Housing: Federal Cuts Create Affordability Crisis

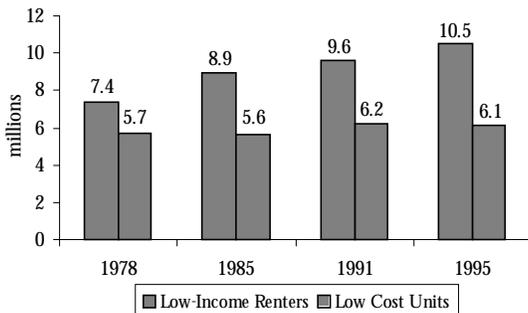
The Issues:

There is an extreme shortage of affordable housing, largely created by 19 years of federal budget cuts.

- The nation needs 4.4 million affordable housing units.
- The number of New York renters unable to afford Fair Market Rents is 52%, up from last year's 44%;

Affordable Housing Gap

(difference between low cost units and low-income renters)



Source: Affordable Housing Gap: Center on Budget and Policy Priorities, *In Search of Shelter: The Growing Shortage of Affordable Rental Housing* June 15, 1998, pg. 11.

Chart 6

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HUD Funding 1978-1999

(in constant '99\$)

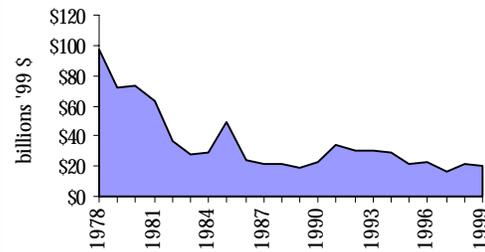


Chart 5

Source: Budget of the U.S. Government FY 2000, Historical Tables, Table 5.3.

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The Federal Response:

- Nationwide, annual new subsidies for low-income units have declined from an average 204,000 a year between 1977 and 1983 to an average of 18,000 since 1995.
- 80,955 units of low-income housing in New York could be cut if federal contracts are not renewed.
- Federal Community Development Block Grants (CDBG) in New York have been cut from \$925.6 million in 1980* to \$168.6 million in 1998. (* in constant 1998\$)

The Environment: Crystal Clear?

The Issues

While federal EPA funding and regulations have helped clean up our state's drinking water, there is more to be done.

- 44,715 people in New York still drink water from watersheds in violation of EPA standards.

(Note: Many environmental groups believe that EPA standards are not strict enough and data gathering techniques are not sufficient.)

- \$1.2 billion is needed *now* to replace deteriorated pipes and improve water treatment facilities and other infrastructure.

- \$4.5 billion more will be needed to keep New York drinking water safe through the year 2014.

The Federal Response

EPA funding to address New York drinking water needs has been cut from \$784.6 million to \$250.3 million in the last 18 years. (Note: in constant 1998\$)