



DECEMBER, 2018

NEW POLITICS, NEW ACTION, NEW BUDGET,

**NEW HOPE FOR ALL
OF NEW YORK**

EXECUTIVE SUMMARY

New Hope Budget For All of New York

The economic “recovery” from the 2008 Financial Crisis and subsequent Great Recession has left most New Yorkers behind — it’s time to end extreme inequality with a bold new approach.

New York is one of the wealthiest states in the nation. But instead of economic fairness, many of our state government policies benefit the super rich, while the vast majority of taxpayers in New York, who are not in this rarified class and including impoverished, low-resourced, tax-burdened communities in rural, suburban and urban communities, are left to pick up the tab.

At the same time, the politics of fear, resentment, hate and division attempt to divide us along ethnic, racial, gender lines, rural vs. suburban vs. city, upstate vs. downstate, red versus blue.

New York has an opportunity starting in 2019 to forge a new and better way forward — one that firmly rejects the politics of manufactured scarcity, fear and division, embracing instead a politics of shared abundance, fairness, equity, respect and cooperation.

Together as one state we need a new budgeting approach which enables all New Yorkers in every part of the state to contribute and thrive, not just the few.

*Our State Government Must
Work for ALL New Yorkers!*



Time for a Bottom-Up Strategy!

We need to invest in a bottom-up growth strategy that will benefit ALL New Yorkers, including those who have been left behind in this economic recovery. We call on our elected and public officials to embrace the following principles:

- *Fight Poverty and Racism* — Invest in Early Learning, Public and Higher Education, Healthcare & Local Communities and address the disproportionate burdens carried by people of color, immigrants, and people with disabilities.

To address gross inequities and discrimination, the state needs to fairly and fully fund our child and elder care, public schools, colleges & universities, housing people who are homeless, expanding access to affordable housing, providing healthcare for ALL, feeding people who are hungry, caring for children, and ensuring a fair criminal justice system for all New Yorkers.

- *Reduce Inequality — Tax the Wealthy and Wall Street* — Not Working and Middle-Class New Yorkers. We need to make our tax system more progressive and adjust our income tax brackets to reflect the explosion of wealth among multi-millionaires and billionaires at the very top. In addition to extending and expanding the Millionaire's Tax, the state must take such measures as collecting and keeping the stock transfer tax and closing the carried interest loop hole.
- *Austerity Won't Bring Prosperity — The 2% spending Cap is Not Progressive or Effective* Austerity was never a good approach to meeting the needs of regular New Yorkers — and now it's stretched beyond the limits of reason. The 2% spending cap is unevenly applied inflicting unnecessary austerity on programs which benefit people who are poor and middle class, people of color, immigrants and people with disabilities. It needs to be lifted.
- *Fix State and Local Tax Structure.* Our state and local tax systems are broken and need to be modernized. Working and middle-class homeowners, farmers, and small and medium sized businesses, struggling to pay their rent or property taxes, need relief by their municipalities who should be able to have some costs (like Medicaid) born by a state government benefiting from increased revenue from properly taxing people at the very top.
- *Protect our Environment and Deal with Climate Crisis.* We need to proactively address the looming economic and environmental disaster resulting from climate change. We urge the state embrace the concept of the Green New Deal and take very aggressive steps by passing holistic legislation towards building a 100% clean energy economy by as early as 2030.
- *Strengthen Our Democracy.* New York needs to change some of the worst voting laws in the country which disenfranchise voters. Moreover, we need public financing of elections to eliminate the influence of big money used to encourage elected officials to vote against the best interests of their constituents.
- *Economic Development that Works.* The state often makes investments in companies and projects which are more geared to who has the most influence than what makes economic sense. Huge campaign contributions give the wealthy and corporations political access that locks in profound inequality — instead of smart bottom-up investments that will benefit all New Yorkers.

A CALL TO ACTION

Now is Not the Time for Timidity

Now is the time for our elected officials to take a bold new approach that benefits all New Yorkers and ensures no one in our state is left behind. New York has always been a beacon of hope. The Statue of Liberty stands tall in the harbor of our largest city. Our state has the resources and the ability to show the country how to stop runaway inequality, create good jobs and pay living wages, and build an economy that works for low- and middle-income families, celebrates diversity, protects each other, and gives a helping hand to those in need.

We have the leadership and the know-how to get this done. Now we need the political will and moral commitment. We have faith that the new year will bring new hope for all New Yorkers. Let New York lead the way!

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Together As One State We Need A New Budgeting Approach

*Which Enables All New Yorkers in Every Part of
the State to Contribute and Thrive, Not Just the Few.*

FULL COMMENTARY AND REQUESTS

New Hope Budget For All of New York



OUR STATE GOVERNMENT MUST WORK FOR ALL NEW YORKERS

Economic “recovery” from the 2008 Financial Crisis and subsequent Great Recession has left most New Yorkers behind — it’s time to end extreme inequality with a bold new approach.

New York is one of the wealthiest states in the nation. But instead of economic fairness, many of our state government policies benefit billionaires and the super rich, while the vast majority of taxpayers in New York, who are not in this rarified class and including impoverished, low-resourced, tax-burdened communities in every part of the state, are left to pick up the tab. As a result, New York now has the worst inequality of any state, period. Our state is a place where the vast majority lives paycheck to paycheck, millions live in poverty, most homeowners struggle to pay their property taxes and a tiny few enjoy unimaginable, lavish and excessive wealth.

While wealthy political donors continue to give more and more campaign cash to warp our government towards policies that enrich them, millions of working-class families struggle with higher costs combined with not being able to access good jobs, living wages and needed benefits.

While the global business elite enjoy multi-million-dollar luxury apartments and oceanfront mansions, housing becomes less affordable for more and more New Yorkers and over 88,000 homeless New Yorkers are homeless, yearning for a bed.

While billionaires and CEOs pay thousands of dollars for lavish meals and wines in posh Manhattan restaurants, three million hungry New Yorkers suffer from food insecurity, depending on assistance from public and private sources.

While huge corporations are showered with billions of dollars in subsidies and tax breaks, half of the children in our biggest Upstate cities live in poverty.

Ten years after the financial meltdown, the majority of income gains in New York have gone to the wealthiest among us.

It’s time for Governor Cuomo and state legislators to focus their attention on helping those who need the most help — and that’s not the billionaires and CEOs.

The top priority of state government should be improving the lives of working New Yorkers and those in need. And it’s crucial that lawmakers find a fair way to fund important new initiatives that won’t hit renters and working- and middle-class homeowners. It’s time to end the taxpayer subsidies for the very rich, start building economic fairness for New York, creating good jobs, and making it possible for every New Yorker to have a living wage.

GEOGRAPHIC AND DEMOGRAPHIC DIVISION BENEFITS WEALTHY SPECIAL INTERESTS

A new approach to state government would abandon artificial divisions between working people living in different parts of our state and focus on effective investments in public goods and fighting poverty that will benefit all of us.

“Albany shorthand” often blurs the reality of common interests that unite low-income and working people all across our state and covers the tracks of those who created and benefit from ineffective state government policies. Our property tax crisis was created by Democratic and Republican lawmakers who cut taxes on the wealthy in well-resourced communities, cut revenue sharing to local communities, and pushed the costs of government services onto county governments in the 1990s. Much of our Upstate/Downstate divide was caused by corporate disinvestment and deindustrialization over the past 30 years, often driven by greedy Wall Street hedge fund and private equity managers who put their own profits first and the impact on our communities last.

Our housing crisis was created by wealthy real estate interests who manipulated state lawmakers from both parties to hurt tenants, renters and working and middle-class homeowners. We also erect many barriers to adding to our affordable housing stock and making it possible for people to access such housing at all income levels.

Our education funding crisis, our continued struggle with the prison-industrial complex, our homeless crisis, our water-quality and environmental crises, and our profound struggle with endemic poverty have their roots in the decades-long politics of racial division, economic redlining and white supremacy. The fact is that we need policies that will benefit all New Yorkers — Black, Latino, White, Asian and Native.

We also need policies that will benefit those who reside in upstate or downstate—whether that be in a suburb, rural community or a big city. All New Yorkers deserve great public schools, affordable quality healthcare and housing, clean water and a safe environment, a good transportation system, fair policing, fair taxes and good living wage jobs. And no New Yorker should live in poverty in one of the wealthiest states in the nation. To achieve these goals, we must require Wall Street, the very wealthy and the biggest corporations to pay their fair share in taxes by closing their loopholes and modernizing our tax system. And we’ll need to clean out the corrupt and wasteful public subsidies that pit business-against-business and community-against-community. We can do a whole lot better than we’ve done before — but we need a new approach.

ALMOST HALF OF NEW YORKERS CAN’T AFFORD THE BASICS — *Communities of Color, Immigrants, and People with Disabilities Hit Hardest*

Despite an overall improvement in employment and gains in median household income, the economic recovery in New York State has been wildly uneven, according to an updated report released by United Way of New York State.

The 2018 ALICE Report details how a large number of New Yorkers — 3.2 million households, or 45% of the overall population — cannot afford basic needs and lack sufficient income and resources to pay for housing, food, child care, transportation and health care.

Many of the people being left behind are people of color. The income of the median white family in New York is almost double that of Black and Latino families. These families are twice as likely to be low-income. Structural and institutional racism and xenophobia have resulted in people of color facing major barriers in employment, housing, public education, health care, social services, and criminal justice. A similar plight is experienced by people with disabilities. Immigrants are also at a great disadvantage in accessing and keeping important services.

As we move towards new approaches in state government, we must examine each and every government policy for explicit or implicit biases and work instead for true racial and economic justice.

IT'S TIME TO MEET THE NEEDS OF RURAL, EXURBAN AND INNER CITY COMMUNITIES

Longtime education funding practices in our state have significantly under-funded rural school districts. Health care spending cuts and unfettered market consolidation can destabilize or close rural hospitals and health networks. Economic development initiatives are often just plain insensitive to and under-informed about what really works for rural and exurban communities. Public services and transportation are less available in exurban and rural areas and underfunded. The lack of healthy food impacts the ability of a child to learn, forces seniors to have to choose between medicine and food, increases the costs of Medicaid and more. State government's refusal to assume responsibility for real costs like Medicaid or fair education funding means hard-pressed rural county governments have been pushed to load extra tax burdens on homeowners and also on renters (in the form of higher rent to help landlords pay their tax bills). Too many politicians don't represent the interests of their rural constituencies because they're beholden to their campaign donors from big real estate, private charter schools, and other interests which have little understanding of rural communities. Rural areas and small towns need smarter infrastructure investment, state-of-the-art broadband, housing, community renewal, and jobs which offer living wages and benefits. We believe many of the needs in inner city settings are quite similar to those of rural and exurban communities. We need small-d democracy that connects with farmers, farmworkers and rural residents with those living in underserved urban communities and works to meet their needs.

OUR TAX SYSTEMS ARE BROKEN — *IT'S TIME FOR UPDATED POLICIES THAT ARE MORE FAIR*

We also must acknowledge our state and local tax systems are broken, that they need to be modernized, and that we need to provide relief to residents struggling to pay their rent and/or property taxes.

Local and county governments shouldn't have to struggle with the burden of Medicaid costs that most states cover with statewide tax revenues. And the wide variation in wealth and resources in our state could be balanced with effective revenue-sharing policies to reduce poverty and reduce

the tax burdens of seniors and working-class homeowners. To make our tax systems fairer, we'll need to adjust our income tax brackets to reflect the explosion of wealth at the very top. Economic analysts from all ideological perspectives agree that the income and the wealth of multimillionaires and billionaires has dramatically increased in the last thirty years, but our state income tax brackets haven't moved much at all at the top tiers. This small number of super-rich New Yorkers also got the biggest benefits from the new federal "tax scam" law, with dramatically reduced federal income and inheritance taxes.

Meanwhile, millions of middle-class New Yorkers lost important federal deductions, including the SALT deduction, they really needed. If we address our state and local tax systems with a clear-eyed, reality-based perspective, we can help working and middle-class New Yorkers all across our state. We can ameliorate the harsh impact of the new federal "tax scam" law including the SALT CAP — and we can do it simply by taking back some of the new benefits the GOP Congress gave to multi millionaires and billionaires and large corporations. In addition, tax policies that support working families, create high paying jobs, promote living wages, and make low-wage workers' paychecks stretch further, should be strengthened and expanded. These include the State Earned Income Tax Credit, Empire State Child Credit, and Child and Dependent Care Credit.

IT'S TIME FOR ECONOMIC DEVELOPMENT INVESTMENTS IN PUBLIC GOODS THAT BENEFIT ALL OF US

Spending billions of dollars on taxpayer subsidies to for-profit corporations doesn't make long-term sense as an economic development strategy.

A better, smarter, more cost-effective move would be to invest our money in public goods like education, infrastructure, social services, and healthcare that benefit all businesses. New York state government should move forward with new investments in early education, K-12 public schools, community colleges and public universities that will make sure all employers can hire a well-educated and well-prepared workforce. Statewide investments in clean energy, clean water, public and affordable housing, healthcare and public transportation infrastructure will make our state more competitive with other locations in the US and around the world in the competition for new businesses — and these investments will help our own home-grown businesses do better as well. For example, New York's best-in-the-nation public health insurance could be made available to all businesses, large and small, as part of a coming transition to real universal healthcare for all residents.

A high-quality and reliable public health insurance program available to all New Yorkers would relieve businesses of the burden of high insurance costs, making New York a magnet for start-ups and growing enterprises and enable them to offer good jobs and pay living wages. Statewide investments in public goods would also offer real advantages to small businesses and start-ups in rural and exurban areas of the state. Combined with fairer tax policies and new investment, these policies will strengthen the healthcare and education institutions that are the foundation of employment in many areas of the state and help spread prosperity from high-wealth urban areas to all New Yorkers.

AUSTERITY WON'T BRING PROSPERITY — ***SPENDING CAPS ARE NOT PROGRESSIVE***

Austerity was never a good approach to meeting the needs of regular New Yorkers — and now it's stretched beyond the limits of reason.

The state has continued to impose a two-percent-per-year state spending growth cap, even as the incomes of the wealthy have soared and the needs of people in poverty and the middle class have exploded. Year-after-year these caps have gone beyond efficiencies to actual cuts and reduction in services at many state agencies and human services agencies. Further cuts will cripple operations and lower output quality. At the same time, economic, environmental and political changes have resulted in new challenges for state agencies, authorities and not-for-profit groups.

For example, New York's Medicaid program has seen little, if any, new investment since its global cap was put in place in 2011. While the state has allocated billions of dollars to large hospital-centric health care systems through delivery system reform programs, spending has lessened in other areas to ensure access to home and community-based services, particularly in the area of long-term care.

The 2% state spending growth cap is not evenly applied. It imposes unnecessary austerity on programs for people who are poor and middle class while allowing unchecked and corruption riddled economic development projects to grow every year. It also suppresses creation of good jobs.

The cap needs to be lifted and the increased costs need to be born by the very rich — not farmers, not rural and urban school districts, not pay check earners, not working- and middle-class property owners, and not people who are poor.

PROTECT OUR ENVIRONMENT AND DEAL WITH THE FUNDING CRISIS

We need to invest in clean energy infrastructure to reduce reliance on dirty fossil fuels, create good-paying and living wage jobs, and reduce cost burden on energy consumers.

We need to proactively address the looming economic and environmental disaster resulting from climate change. We urge the state to take very aggressive steps by passing holistic legislation, like the Climate and Community Protection Act and Off Fossil Fuel's Act which moves us towards building a 100% clean energy economy by as early as 2030.

We imagine a “Green New Deal”, offered by the emerging national Sunrise Movement, which calls for comprehensive investments in clean energy infrastructure, affordable, clean and lead free housing, and in communities which have been disproportionately affected by various forms of environmental degradation like poisoned water, bomb train traffic, and ground and air toxins. We see this Green New Deal as an outstanding approach to the robust creation of well paying jobs. We also support divestment of fossil fuel stocks in the state pension fund and encourage investment in companies which lead us toward a clean energy and more economically viable future.

STRENGTHEN OUR DEMOCRACY

The pay-to-play scandals that have rocked Albany seem to have no end. Huge campaign contributions give the wealthy and corporations political access that locks in profound inequality — instead of the bottom-up investments that will benefit all New Yorkers.

We need serious campaign finance reforms that include a small donor matching funds system that puts people back at the center of our politics, voting rights reforms and economic development accountability measures to rebuild public trust in our government. The full democracy agendas lifted up by the Let NY Vote campaign and the Fair Elections for NY coalition will help make budgets and economics in New York fairer and more likely to benefit the vast majority of New Yorkers. As a budget coalition, it's clear to us that the only way to beat the concentrated power of big money and wealth is with people power — we need a stronger democracy and more public participation.



OUR REQUESTS

Time For A Bottom-Up Strategy!

We need to invest in a bottom-up growth strategy that will benefit all New Yorkers, including those who have been left behind in this economic recovery. We ask our elected officials to embrace the following principles:

- *Fight Poverty and Racism — Invest in Child and Elder Care, Public and Higher Education, Health Care, and Local Communities*

It's time to invest in ending poverty, fairly funding our public schools, housing the homeless, feeding the hungry, offering living wages, providing universal health care and ensuring a fair criminal justice system for ALL New Yorkers.

- *Reduce Inequality – Tax the Very Wealthy and Wall Street, Not Working- and Middle Class New Yorkers*

To make our tax systems fairer, we'll need to adjust our income tax brackets to reflect the explosion of wealth at the very top. The state needs to keep the stock transfer tax, close the carried interest loophole and pass a stock buyback recapture tax. In addition, tax policies that support working families, like earned income and child and dependent care tax credits, should be strengthened and expanded.

- *Meet Needs of Rural, Exurban and Inner City Communities*

New York State government must assume responsibility for real costs like Medicaid and a higher percentage of education funding to relieve the tax burden on rural county governments and homeowners and renters. Rural areas and small towns and inner city neighborhoods, need smarter infrastructure investment, state-of-the-art broadband, housing and community renewal, and living wage jobs. We need small-d democracy that connects with farmers, farmworkers and rural residents with those in urban communities and works to meet their needs.

- *Lift the 2% Spending Cap*

The cap needs to be lifted and the increased costs need to be borne by Wall Street, large corporations, and the very rich — not farmers, not rural and urban school districts, not working- and middle-class property owners, not pay check earners, and not people who are poor. ·

- *Fix State and Local Tax Structure*

We need to provide relief to working- and middle-class residents struggling to pay their rent and/or property taxes. We need the state to assume more responsibility for reducing poverty, improving education, and strengthening health care while easing the tax burdens of seniors and working-class and middle-class homeowners.

· *Protect our Environment and Deal with Climate Crisis*

We need to invest in clean energy infrastructure to reduce reliance on dirty fossil fuels, create good-paying and living wage jobs, and reduce cost burden on energy consumers. We support legislation in support of a “Green New Deal”, which pairs comprehensive investments in clean energy infrastructure, affordable, clean and lead free housing, and communities which have been disproportionately affected by various forms of environmental degradation like poisoned water, bomb train traffic, and ground and air toxins. Divestment of fossil fuels from the State Pension Fund is also important.

· *Righting the Ship of Economic Development*

After numerous corruption trials and convictions, poor performance audits, lackluster results from existing programs and an overwhelming lack of transparency, it is long past time to reform our broken system of economic development.

We ask for a bold new bottom-up approach to economic development and economic justice in New York. We need to focus on our human and physical infrastructure to attract more businesses to New York, not simply handing out corporate subsidies to some of the wealthiest businesses in the world.

We request the state hits the pause button on economic development spending until the legislature holds public hearings and puts in place transparency and accountability measures.

We also request passage of the bi-partisan Data Base of Deals that will clearly detail which companies are receiving subsidies, how many jobs they promised to create, and how many they actually created. We also support the Procurement Integrity Act that will provide the Comptroller the ability to pre-audit contracts before they are awarded. In addition, we urge our elected officials to support smaller scale programs with a proven track record, that have been flat funded for over 20 years such as the Entrepreneurial Assistance Program and Community Development Financial Institutions Fund.

· *Strengthen Our Democracy*

We need voting laws that make it easier to vote and participate in our democracy. We call for serious campaign finance reforms that takes the money out of politics and includes a small donor matching funds system. We need to put people back at the center of our politics.

A CALL TO ACTION

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Now is the time for our elected officials to take a bold new approach that benefits all New Yorkers and ensures no one in our state is left behind. New York has always been a beacon of hope. The Statue of Liberty stands tall in the harbor of our largest city. Our state has the resources and the ability to show the country how to stop runaway inequality, create good jobs and pay living wages, and build an economy that works for low- and middle-income families, celebrates diversity, protects each other, and gives a helping hand to those in need.

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