



Legislative and Budget Agenda 2009 – 2010

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Empire State Economic Security Campaign (ES2) Legislative Agenda for SFY 2009-2010

Good jobs require educated New Yorkers, safe communities, affordable health care, reliable transportation and other essential public services. With the state facing a projected budget deficit of \$6.4 billion for FY 2010, many needed investments in critical human services, education and jobs programs are being cut. And the poorest of the poor remain largely neglected, starting with the failure to raise the welfare basic grant for the 18th year in a row.

In 2003, the state faced a similar deficit problem with the state budget. The Legislature, over the veto of Governor Pataki, increased the top marginal rates on the personal income tax for wealthy filers for three years to help balance the budget. During those three years, New York saw a substantial increase in the number of high income taxpayers and in the amount of their income despite Governor Pataki's claim that the temporary increases in the top PIT rates would have the opposite effect. These top rate increases have since been phased out and we have returned to a tax system where the majority of working class New Yorkers now pay almost twice the percentage of their income in state and local taxes as the richest 1 percent.

We must look at the overall tax burden in this state and realize that over the last two decades, as we have continually cut the top rate of the income tax, we have seen dramatic increases in property taxes across the state. New York's leaders could relieve the pressure on the property tax, increase funding for critical services, restore revenue sharing and make sure that working families are not shouldering the tax burden for the rich by restoring some of the personal income tax's lost progressivity. We must start undoing the damage that has been done to the tax system over the last 20 years.

To focus attention on these concerns, a coalition of over 200 groups across New York State have endorsed the **EMPIRE STATE ECONOMIC SECURITY CAMPAIGN – ES2**. ES2 is a statewide coalition of social service providers, faith based groups, and concerned citizens coming together to say that New York can do better. We seek to improve the lives of low and moderate income New Yorkers by challenging our state leaders to make better choices for our families. Specifically, ES2 promotes ongoing access to **education and training**; good **jobs** for all; affordable, high quality **health care**; **income security** for all; decent, affordable **housing**; high quality, affordable **child care**; and affordable, accessible **transportation**.

The following pages outline ES2 positions on each of our core issues, our long-range objectives and our priorities for this legislative session. Although we cover seven different issue areas, the broad themes are clear.

We need:

- Income security for all that enables New Yorkers to meet their most basic needs;
- Opportunities to learn, to develop skills, and to expand employment options;
- Measures to ensure the availability of jobs that pay a living wage; and
- Policies and programs – in transportation and child care – without which, education, and training efforts cannot be meaningfully pursued.

How Can New York State Address these Problems and Pay for ES2 Proposals?

We urge the Governor and the Legislature to work together to ensure that the 2009-2010 state budget meets New Yorkers' needs and does not balance the budget on the backs of the poor and working families. The revenues necessary must be raised in a fair and equitable manner

We can promote tax fairness, strengthen local economies and help struggling families by:

Creating a Tax System that is FAIR to all New Yorkers: The wealthiest New Yorkers' pay a much smaller percentage of their incomes in state and local taxes than low and middle income working families. Seniors on fixed incomes, working families and young couples are among the New Yorkers who suffer from the inequities in the current state-local tax structure. New York's policymakers must take the pressure off the property tax by restoring some of the income tax system's lost progressivity and closing corporate tax loopholes that allow some of the nation's largest corporations to avoid paying their fair share of taxes.

Most of the state's tax cuts over the last three decades have primarily gone to the wealthiest New Yorkers, shifting more of the tax burden onto low and moderate income families. If New York for instance still had the same tax system of thirty years ago, adjusted for inflation, 95% of us would pay lower taxes – and the state would raise nearly \$8 billion in additional revenues.

Strengthening Local Communities: Rather than putting increased pressure on the local property and sales tax bases and then providing “relief” to local taxpayers in the form of state rebate checks, New York State policymakers must work together to reduce the pressure on local property and sales tax bases by restoring the state's commitment to “revenue sharing” with its local governments and having the state government take over a greater share of local education and healthcare costs. And the state's STAR programs must be targeted to provide adequate relief to those families that are most in need.

It's time for New York State to end the special treatment of the favored few by:

- **Closing loopholes** that allow large, profitable corporations to avoid paying their fair share of state taxes.
- **Stopping sweetheart deals** with high-priced consultants who are being overpaid to do jobs that state workers can do better and cheaper.
- **Lowering drug prices** for state and local governments by using New York's purchasing power to get a fair deal from the drug companies.
- **Reforming economic development programs** by improving the effectiveness and accountability of Industrial Development Agencies (IDAs), the Brownfield Clean Up Program (BCP) and the Empire Zones program.
- **Enacting the Bigger, Better Bottle Bill** and making the beverage bottling industry return unclaimed bottle deposits.
- **Making New York's tax system fairer** and more equitable by increasing the top marginal tax rates on the highest income households.

INCOME SECURITY FOR ALL
FUNDAMENTALLY MENDING THE SOCIAL SAFETY NET
Empire State Economic Security Campaign

The Challenge

More than 2.5 million New Yorkers are living in poverty – approximately one in five children (824,000) and one in ten families (473,910) had incomes below the official federal poverty thresholds in 2007.¹ Over one million of these New Yorkers had incomes below half the official poverty threshold -- or less than about \$10,000 a year for a family of four. Poverty is particularly severe in the state's cities. New York City's poverty rate was 19 percent but poverty rates in Buffalo, Rochester and Syracuse exceeded 30 percent. Child poverty rates were greater than 40 percent in Buffalo, Rochester, Syracuse and Albany and more than 10 percent of the residents of these four cities had incomes below 50 percent of poverty.

New York State and New York City still have the highest measures of income inequality in the nation, and this gap grew even wider between 2006 and 2007. New York is one of only two states with at least one county among the top 10 in the country with the highest poverty rates (Bronx) and another county among the top 10 in the country with the lowest poverty rates (Nassau).

Weakening trends in the U.S. and New York economies mean that even this 2007 data understates the problem and inadequately reflects the struggle of low-income families. New York's unemployment rate reached 5.2% in July 2008, with half a million unemployed and many more underemployed.² Unemployment has increased in every county of the state, and in most counties has increased by 20% or more.³ At the same time, while wages for those who *are* employed have stagnated with consumer prices, driven by dramatic increases in food and energy costs, rising sharply.⁴

In short, New Yorkers, particularly those with lower incomes, must simultaneously cope with rapidly increasing prices and stagnant or declining incomes.

In August 2007, Governor Spitzer announced the formation of an Economic Security Cabinet made up of 17 state agencies, including OTDA. Upon taking office in 2008, Governor Paterson maintained the Cabinet's role in State government. During the summer months, the Cabinet held town hall meetings throughout the State to obtain public input about their priority goals to: 1) expand access to certain public benefits and 2) connect low-income workers to workforce development and career advancement opportunities. While these are crucial as part of the State's efforts to combat poverty, it is also essential to repair the social safety net by improving the State's income security programs.

While much has been written about the decline in welfare caseloads in New York State, there has been no concurrent decline in poverty. In 1994, prior to welfare reform, more than half the state's 3 million poor people received cash assistance. Today, New York's cash assistance programs provide support to only twenty percent, or one in five, of New York's poor people. Three distinct groups of New Yorkers continue to rely on the state to provide income security: low-income workers and their families, public assistance recipients who have not been able to find or keep a job and those who are unable to work.

¹ U.S. Census Bureau, American Community Survey, 2000-2007 State-by-State Total Poverty Rates. And it should be noted that, particularly because of the high cost of living in much of New York, the Federal Poverty Level significantly underestimates the number of New Yorkers living in serious economic stress. *Maybe cite one or more of the studies proposing to change the FPL.*

² Fiscal Policy Institute. "New York's Rising Unemployment: The Other Crisis in Albany," August 2008, and "New York Has the Highest Poverty Rate of All Northern States," August 2008. Unlike the unemployment rate, the underemployment measure includes those who have become discouraged and stopped looking for work and those who are working part-time only because they cannot secure full-time employment. FPI reports that the current NYS underemployment rate is 8.1%.

³ New York State Department of Labor, "Employment in New York State," August 2008.

⁴ This overall picture is discussed in, for example, the Spring 2008 Statewide Economic Review published by the New York State Banking Department. In addition, U.S. Department of Labor's Bureau of Labor Statistics reports that the consumer price index has risen in the New York Metropolitan Area by 8% since 2007 and by 11% since. Finally, the New York State Department of Labor's Occupational Employment Statistics indicate that private sector wages in NYS have risen by less than 1% over the past year. As might be expected, low-income families, with the least capacity to absorb higher costs, suffer the most; see, for example the Food Research Action Center's "Low-Income Families Disproportionately Affected by Rising Food Costs, According to New USDA Data," September 4, 2008.

Working but Still Poor

Most poor New York households include at least one worker. According to the Census Bureau's American Community Survey, 61 percent of the New York families with incomes below the poverty level included at least one worker and more than a quarter of these working poor families (82,000) included an adult who worked full-time, year-round.

As of June 2008, about 12,000 cash assistance cases included an adult who was working but earning so little that the family continued to be eligible for cash assistance.⁵ While the cash assistance rules in New York attempt to “make work pay” by disregarding a percentage of earned income when calculating cash benefits, all of these families are still cut off from cash assistance before they are able to earn a sufficient income to raise their families out of poverty. Updating New York’s standard of need to reflect the real cost of living would enable the public assistance programs to serve as a valuable work incentive and wage supplement.

Barriers to Participation in Work Activities

Although caseloads have declined by more than 66% since the April 1994 peak, not all those leaving welfare have found gainful employment and many public assistance recipients have not been able to make the transition from welfare to work. In June 2008, as a result of a wide range of barriers and disabilities, only 33.6% of TANF and SNA-MOE families were participating in “countable” work activities for the required number of hours per week.

Research has shown that many of the adults in these families that continue to receive public assistance suffer from multiple disabilities – physical and mental disabilities, domestic violence, low literacy skills, and limited education - that make it harder for them to find and keep employment. The most employable welfare recipients have been pushed into low-wage jobs, many of which offer little or no on-the-job training or career advancement opportunities. Many of those who still receive benefits are “employable” but need more intensive services, including access to education and training, to make the leap to a living wage job.

New York can and must do more to help these individuals with participation in education and vocational training to successfully enter the labor force on a career path. According to OTDA's reports, in September 2007 only 14% of individuals were participating in some type of education or training activity.⁶

Limited Ability to Engage in Work Activities

Finally, a large portion of the people remaining on public assistance have work limitations, either because they are children, they are taking care of family members, or they have a disability. Of the 12,943 individuals classified as work-limited in June 2007, 31.8% were work-limited for 0-3 months, 30.8% were work-limited for 4-6 months, 19% were work-limited for 7-12 months, and 18.4% were work-limited for 13 or more months.⁷ According to OTDA Commissioner Hansell, a full 43% of New York's TANF caseload is comprised of child-only cases.⁸

Cash assistance should provide at least enough for these families to survive in New York in the 21st century but current benefit levels are far below any common sense notion of subsistence. In 1975 public assistance for a three-person family was equal to 110% of the Federal Poverty Level. Today it has fallen to less than 51% of the poverty level. Within the past two years, there has been a modest, inadequate, increase in the shelter portion of the public assistance grant, but only for families with children, and the basic allowance for all other expenses has been unchanged for almost 19 years. To keep pace with the rising cost of living, the \$291 a family of three received in the non-shelter portion of its public assistance grant in 1990 would today have to be increased by 63% to \$492.

⁵ June 2008 OTDA Caseload Statistics, 11,620 TA cases with earned income. Available at: <http://www.otda.state.ny.us/main/bdma/2008/2008-06-stats.pdf>.

⁶ September 2007 OTDA Education and Training Data Report.

⁷ 2007 OTDA Statistical Report on the Operations of NYS TA Programs. Available at: http://www.otda.state.ny.us/main/reports/2007_LEGISLATIVE_REPORT.pdf.

⁸ Child-only cases fall into three categories: (1) There is an adult, non-parent caregiver who is not on the case (kincare), (2) The parent is in receipt of SSI, and not on the public assistance case, or (3) The parent is not eligible for public assistance because of immigration status.

In addition, many families must use a portion of their basic allowance to pay the rent, because the shelter allowance in the public assistance grant is rarely sufficient to meet the housing cost. For example, in Monroe County a family of three with children heating with gas has a shelter allowance of \$397 per month, while the HUD 2008 Fair Market Rent for a two-bedroom apartment is \$773. In New York City, a family of three with children has a shelter allowance of \$400 per month, while the HUD 2008 Fair Market Rent for a two-bedroom apartment in Manhattan is \$1,318. In New York City it is estimated that by 2007, 86% of families living in private housing will have a rent level that is higher than the amount provided for rent in their welfare grant.⁹

Fuel for Heating allowances have not been increased since 1987. Since that time average prices for electricity have increased 72 percent and the cost of natural gas has increased by 135 percent.¹⁰ For example, public assistance families in Albany using fuel oil to heat their homes are given only \$828 per year to pay for all home heating costs. Families heating with natural gas are given only about \$700 per year.

Impact of Federal Rules on New York's Program

Recent changes in federal TANF law have had the effect of intensifying the pressure on states to increase welfare recipient participation in allowable activities. However, the new rules also provided some significant opportunities to meet participation requirements by increasing recipient involvement in college and other educational activities. Specifically, the Final TANF Rule allows participation in 4-year degree programs and some hours spent doing unsupervised homework to count toward work requirements.¹¹

ES2 Policy Recommendations

ES2 supports a social safety net that is adequate to meet the needs of New Yorkers who must rely upon it. With high poverty rates and welfare grant levels at half of the poverty level, the state's safety net needs to be fundamentally mended. ES2 also believes that we should "make work pay" by supporting the working poor and increasing their earnings and income, and removing barriers to work for the unemployed and underemployed.

The 2009-2010 Session

New York State should MAKE WORK PAY by:

- Restoring the purchasing power of the minimum wage to \$10/hour and indexing it for inflation to prevent future erosion.
- Providing assistance to the working poor by changing the public assistance gross income eligibility limit from the lesser of the poverty threshold or 185 percent of the standard of need to the higher of the two. (A.1296 would repeal the 185% SON eligibility rule. S1021 would repeal the 185% SON eligibility rule.)
- Strengthening work incentives by improving the earned income disregard. All earned income should be disregarded until a family's income is equal to the federal poverty guidelines for its family size. Above that point, 50% of income should be disregarded until families reach 135% of the federal poverty guidelines. Childless public assistance recipients should be given the same earned income disregard as households with children. (A.1296 would increase the EID to 67%)
- Creating a State-funded young worker Earned Income Tax Credit (EITC) for low-income workers without children ages 17-24 who are currently ineligible for the EITC until they turn 25 to provide a financial benefit for these workers and an incentive for unemployed youth to enter the workforce. (A.4875/S. 2720) would create a Young Worker EITC)
- Expanding the Wage Subsidy and Transitional Jobs program for low-income workers. A NYS Transitional Jobs Program, as proposed by Community Service Society, would create pipelines to sustainable wage employment that offer economic mobility for long-term public assistance recipients, formerly incarcerated, and disconnected youth by providing time-limited, wage paying jobs combined with skill development and supportive services designed to transition participants into the labor market.
- Expanding the Career Pathways program helps participants move into jobs that will eventually provide sufficient income to achieve self-sufficiency.

⁹ U.S. Department of Housing and Urban Development (<http://www.huduser.org/datasets/fmr.html>)

¹⁰ According to the Bureau of Labor Statistics, CPI for New York -New Jersey metropolitan area.

¹¹ Federal Register, Department of Health and Human Services, Administration for Children and Families, 45 CFR Parts 261, 262, 263, 265; Reauthorization of TANF Program, Final Rule, February 5, 2008.

- Creating a state program to perform one million green residential retrofits to increase energy efficiency and lower environmental impact in five years, as proposed by the Center for Working Families. The workforce development plan to implement this proposal should incorporate Green Pathways out of Poverty, which create Career Pathways in specific green collar sectors, such as green construction and building maintenance.
- Reforming the Unemployment Insurance system to increase the maximum benefit, increase benefits at the bottom of the income distribution and establish dependent allowances (A.4920 and S.2245).
- Expanding child care subsidies; and keeping child care funding out of the Flexible Fund for Family Services.
- Increasing or eliminating the basic asset limit for public assistance recipients – New York State’s asset limit of \$2,000 is one of the lowest of any state in the U.S.

New York State should ADDRESS BARRIERS TO WORK by:

- Stopping further consolidation of state level programs (e.g. Wheels to Work, Supportive Housing) into the Flexible Fund for Family Services.
- Expanding transportation programs for welfare recipients. The Wheels to Work program should also include a job training component.
- Timely rolling out the NYS Welfare-to-Work employability evaluation tool which includes screening tools.
- Making New York State’s hourly work requirements no higher than the levels set by Federal law. Currently many counties require recipients to participate in work activities for more than 30 hours a week, despite their right, under Federal and State law, to get full participation credit once these individuals participate for twenty hours (if the household has a child under six) or thirty hours (for all other households). By reducing the hourly requirements to the lower federal level, individuals will be better able to balance schooling and training with work and parenting.

New York State should STRENGTHEN THE SAFETY NET FOR THOSE WHO CANNOT WORK by:

- Increasing the non-shelter portion of the public assistance grant from \$291 to \$492 for a family of three to reflect increases in the cost of living since the last adjustment in 1990.
- Increasing Home Energy Allowance (HEA) and Supplemental Home Energy Allowance (SHEA) to account for inflationary increases since the last adjustments in 1987.
- Creating a State Food Stamp Supplement to help families meet their basic food needs on a severely limited budget in the midst of skyrocketing costs of food and other consumer goods.
- Expanding the scope of the Economic Security Cabinet to adopt a statewide goal to reduce poverty by 50% in 10 years, mirroring the national Half in Ten campaign and other initiatives being implemented by states throughout the country.
- Providing expedited food stamps for all applicants
- NY should assist low-income New Yorkers in reducing their home energy costs. Some of the proceeds from the auctioning of carbon emission permits under the Regional Greenhouse Gas Initiative (RGGI) should be used to offset the regressive nature of such a carbon tax. This would include providing a state supplement to the Low Income Home Energy Assistance Programs, as well as insisting in energy weatherization and efficiency programs targeting low-income families. We support the proposal (A11590) to raise more than \$500 million to pay for HEAP and other renewable energy measures by a tax on the excess profits of oil companies. We support the proposal to energy retrofit one million homes in NYS, creating 30,000 living wage green jobs while reducing energy costs.
- Expanding the separate state funded program for two parent families to include others who cannot meet the new federal work participation rate requirements, including:
 - SSI applicants
 - Parents caring for disabled children
 - Parents enrolled in vocational education, two-year or four-year postsecondary educational programs not “countable” as work under federal TANF definitions; and
 - People with treatment needs beyond the very limited allowances set forth in the federal regulations.
- Reject the Governor’s proposed cuts to the Supplemental Security Income (SSI) Program. New York State’s portion of the SSI benefit is not indexed to inflation and has been increased only once since 1989. Currently, SSI recipients must survive on a benefit which is about \$140 per month below the poverty level.

HOW CAN THE STATE PAY THIS?

First, the state should hold local social services districts accountable for use of the significant resources provided to them through the Flexible Fund for Family Services (FFFS). If funds are being used for “fiscal relief” rather than the kinds of benefits, programs and services described here, OTDA should force counties to revamp spending plans and reconsider the block grant mechanism.

If there are still not sufficient funds in the TANF block grant and the FFFS to fund these services and benefits, the state should consider either financing the NYS EITC in the same way it finances other tax expenditures rather than taking the funds from the TANF block grant and/or financing all child welfare funding out of the general fund. This could free up significant TANF block grant funds. Alternatively, the state should use general fund revenues to fund all child welfare services.

New York can use its TANF contingency funds and its emergency TANF contingency funds to cover some of these costs.

AFFORDABLE AND COMPREHENSIVE UNIVERSAL HEALTH CARE COVERAGE

Empire State Economic Security Campaign

The Challenge

The rising cost of health care is a major concern for all segments of New York. Inadequate coverage, even among persons who are insured, has become a major cause of personal bankruptcies. Medicaid expenditures now represent (if we include the federal share) almost half of the state budget.

Even as NY has made progress in increasing enrollment in the various public health benefit programs, the huge numbers of New Yorkers without health insurance—almost one in three in a twelve-month period—are a major factor in our health care costs and in the financial problems facing many hospitals. High health care costs are a major reason in why we have such high auto insurance and worker comp rates in our state.

It is estimated that a single payer national health care program could save as much as \$350 billion a year (New England Journal of Medicine, 2003) by eliminating the system of private health insurance. As much as a third of every health care dollar going through private health insurance goes to pay for their overhead, profits, marketing costs and excessive CEO salaries. Doctors on average have to hire 2.5 staff people just to deal with the conflicting paperwork, rules and bureaucracy of private health insurance.

Despite having some of the best medical professionals, hospitals and equipment in the world, the U.S lags behind many other countries on basic public health indicators such as life expectancy and infant mortality rates. Our overall quality is only ranked 37th by the World Health Organization. US spending on health care is now over 2.1 trillion dollars – nearly \$7,000 per person. This is more the double the world average of \$2,571. This amounts to a whopping 15.5% of our GNP on health care – far more than any other country – which puts our businesses at a competitive disadvantage in the international marketplace. Increases in health care costs thwart job growth, suppress increases for current workers, weaken the viability of pension funds, and depress the quality of jobs.

We are the only industrialized country to allow for-profit insurance companies to be middlemen in our health system. In their drive to enroll healthy (and profitable) patients and screen out the sick, private insurance waste vast sum on billing, marketing, underwriting, utilization review and other activities that enhance profits but divert resources from care and hassle patients and physicians.

In 2007, state lawmakers agreed to our proposal to fund a series of cost-benefit studies on the various ways New York could provide health care to all. A single payer system will be one of the approaches studied. Governor Spitzer subsequently appointed a Task Force to oversee the studies, hold public hearings and develop a recommendation for a universal health care system by May 2008. The studies have been delayed. It is expected that the Urban Institute will complete the studies in late 2008. In addition, there is significant interest in universal health care at the national level. President-elect Obama, Senator Kennedy, and Senate Finance Committee Chair Max Baucus have proposals under development.

During the last two years, former Governor Spitzer correctly pushed to overhaul the state's Medicaid financing to focus more on providing care to patients rather than continuing historical funding patterns that were both obsolete and a reflection of the power of hospitals and others to obtain funding to support their operations. While some progress was made, in most cases the agreements were to phase in new funding patterns over a number of years, raising the potential for this to be revisited.

What the Public Thinks

Public opinion polls have consistently shown strong public support for a universal health care system. For instance, a March 2007 poll by CBS/ NY Times found that 64 percent of the respondents said the government should guarantee health insurance for all; 27 percent said it should not. An overwhelming majority in the poll said the health care system needed fundamental change or total reorganization.

A recent national survey by Indiana University of 2,193 doctors found a solid majority, almost 60 percent, supporting government legislation to establish national health insurance (NHI) -- a 10 percent increase in support since 2002. Many labor, community and faith groups have endorsed single payer, including NYS AFL-CIO, Physicians for a National

Health Program, NYS State Nurses Association, NYS Academy of Family Physicians, Healthcare Now, Presbyterian Church USA, United Auto Workers and League of Women Voters of NYS.

ES2 Policy Recommendations

ES2 supports a universal health care system to provide quality, comprehensive health care service to all New Yorkers. The most common sense solution is a single payer financing system, similar to Medicare for All. (A2356 / S 2307) This system, used by almost all of the other industrial countries, eliminates the huge waste and paperwork of the private health insurance system.

While the Governor's Task Force has taken important steps to provide transparency to the study process, concerns remain that both health officials within the Paterson administration and the Urban Institute are biased against single payer, preferring an incremental approach based on increasing enrollment in existing programs and adopting a Massachusetts style mandate for individuals to purchase health insurance if they do not receive it from work or the government.

Whatever universal health care system that is adopted by New York should lower rather than increase costs; administrative overhead should be reduced to less than 10% and a single form for doctor reimbursement should be instituted. Patients' care, not profits, should be the focus of our health care system. The health care system should be paid for in an equitable way: those with higher incomes should pay a higher proportion of their incomes than those with less. We define universal health care coverage to mean that 100% of residents are covered; requiring even modest premiums and co-pays will prevent many moderate income families from accessing health care.

The 2009-2010 Session

We hope that Governor Paterson will continue the effort to make the delivery of health care to patients the primary focus of state spending. We support placing a greater priority – and funding – into primary care. This includes expanding second year funding for the Doctors Across New York initiative to attract more doctors and other health care providers to underserved areas. DANY should also be expanding to include non-physicians providers as well as dental and mental health.

ES2 endorses the positions of Medicaid Matters NY

We support making it easier for consumers to access the Medicaid program, including:

- eliminating the asset test and finger imaging;
- electronic submission of applications and renewals
- simplifying enrollment in the Medically Needy program;
- expanding eligibility for adults to up to 250% of poverty.

MMNY also supports expanding eligibility to EPIC for those with disabilities and putting a cap on dual eligibles' Medicare Part D Co-Pays. For long term care, DOH should continue funding for housing programs to support deinstitutionalization; emphasize need for personal care assistance and consumer-directed services; increase chronic care coordination, including adequate transition planning; and elimination of county-to-county disparities.

Extend COBRA coverage to 36 months

In this economic downturn those people paying for COBRA health coverage will lose it at 18 months. This may be well before they have located employment with medical coverage or completed the two year waiting period for Medicare required of Social Security Disability beneficiaries. New York should extend COBRA to 36 months as California has done.

Make Private Health Insurance Affordable and Comprehensive. High premiums and shrinking enrollment have created a vicious feedback loop in the private individual and small group markets. New York should merge the individual direct pay and small group insurance markets as a necessary stop gap measure to keep the market functioning while the state reforms the entire insurance system. New York should require prior approval of insurance premium increases and hold public hearings when premium increases exceeding 5% in a year are proposed to keep rate increases under control. New York should adopt a "minimum medical loss ratio" requiring health care plans to devote at least 90% of our premiums to health care.

Ban Gifts to Physicians by Drug Companies. Gifts by the pharmaceutical industry are distorting medical decision making and raising costs by giving preference to medicines that may be quite expensive. State legislation in Minnesota has prohibited such gifts over the value of \$50.

Expand Bulk Purchasing of Prescription drugs. We support the further expansion of the bulk purchasing of prescription drugs to reduce costs.

Mental Health Parity. The provisions of Timothy's Law for coverage to mental health illnesses should be expanded to the state's FHP and CHP programs.

Establish Insurance Consumer Advocate/Ombudsprogram

New York should establish an independent insurance ombudsprogram to provide information, advice, and advocacy on all types of health insurance to consumers statewide and an office of the Consumer Advocate to act as an advocate for consumers in regulatory matters like rate examination.

Children Environmental Health Centers. \$2.05 Million in funding is needed for the Centers. To stem the tide of the chronic disease epidemic in our children, New York should establish a statewide, regionalized children's environmental health system of four to six centers of excellence. While childhood diseases of environmental origin cost Americans \$54.9 billion annually, the startup cost for the centers is less than .01% of the environmentally attributable costs. Chronic diseases among children include asthma, lead poisoning, obesity, cancer, birth defects, injury, mental disability, autism and ADHD, behavioral, learning and psychiatric disorders. At least 28% of developmental disabilities in children are due at least in part to environmental causes. The Centers would help health care providers reduce children's exposures to environmental hazards through education of parents, identification of hazardous exposures, diagnosis and treatment of children, and advocating for prevention.

DEVELOPING A STRONGER NEW YORK THROUGH OPEN ACCESS TO EDUCATION AND TRAINING

Empire State Economic Security Campaign

The Challenge

New York currently faces a substantial skills gap. In our state's changing economy, we have lost many traditionally high-wage jobs that were available to New Yorkers without higher levels of education and training, such as those in manufacturing. Today, the New York State Department of Labor (NYS DOL) identifies managers, teachers, nurses and electronic data processors among the top 25 occupations for job openings through 2014.¹² NYSDOL statistics make it clear that the number of jobs requiring at least an Associate's degree is expected to grow 31% while the number of low skilled, low wage jobs will decline. Furthermore, the federal Department of Labor estimated that as of the year 2000 the majority of new jobs required post-secondary education; in NYC, they estimate that 75% of the major employers require at least two years of college for entry level positions. To remain competitive, New York must ensure its residents have a solid education to provide the skills and credentials needed.

Access to education and training allows individuals to participate in shaping the future for themselves, their family, and their community. Yet, a recent study finds that New York ranks 43rd in the nation in the number of adults with high school who attained college. Less than 4% of NYS adults with high school diplomas are in college. In the ten years between 1995 and 2005 enrollment dropped by 20%.¹³ Workforce development is critical in keeping New York competitive in the marketplace and that includes education along the continuum for children and teenagers to adults. Countless studies have demonstrated that "quality of the workforce" is a leading factor for employers when determining where to locate their businesses. Employers are looking for workers that have the education and skills training to make their businesses efficient and productive.¹⁴

Yet, higher education is becoming unattainable for many families. Soaring tuition costs and constant threats to financial aid put college out of reach for many, despite the fact that with college degrees individuals earn nearly twice as much as high school graduates over the course of their lifetime. Unfortunately tuition is rising; for example, SUNY tuition rose 28% for in-state students during the 2003-04 year alone.

People receiving welfare in New York face particularly harsh barriers to the education and training that would help them prepare for a good job. According to the NYS Education Department, an estimated 40 percent read at less than an eighth grade level. According to the Office of Temporary and Disability Assistance (OTDA), nearly 70% of adults receiving welfare do not have a high school diploma or General Educational Development (GED) degree. Yet enrollment in adult literacy, English for Speakers of Other Languages (ESOL), high school equivalency classes, college, and vocational training has been drastically reduced due to welfare policies that limit access to education and training. For example, since 1995, the City University of New York (CUNY) has lost over 20,000 students who were receiving public assistance.

Ninety percent (90%) of adults receiving welfare were and still are women with children. Research showed that eighty-eight percent (88%) of women who attain a bachelor's degree move to jobs with a living wage and permanently out of poverty. A new report from the Institute for Women's Policy Research (IWPR) confirms, more than a dozen years later, that despite the challenging circumstances for low-income students to undertake a college education, higher education "provides the best opportunity--especially for women--to acquire good jobs, with good wages and good benefits." The most striking finding is the ripple effect that higher education creates "beyond the individual sitting in the classroom..." The report goes on to argue that children of college-educated parents show improved grades and study habits, and 80 percent of degree holders indicate increased involvement in their communities.¹⁵

When employers have an educated workforce, new employees are hired, retained, trained and promoted. In fact, production and investments increase; through workers' salaries and taxes, government revenues increase across the state.

¹² NYS Department of Labor, <http://www.labor.state.ny.us/workforceindustrydata/apps.asp?reg=nys&app=projections>

¹³ "Working to Learn, Learning to Work," the Schuyler Center for Analysis and Advocacy and the Center for an Urban Future 2007

¹⁴ http://www.scaany.org/initiatives/documents/working_to_learn_000.pdf

¹⁵ <http://www.iwpr.org/pdf/D466.pdf>

What the Public Thinks

Public opinion supports access to education and training as a way to greater economic security. When asked what government benefit would most help poor families get ahead, a majority (89 percent) of moderate and high income New Yorkers and low income New Yorkers (68 percent) identified skills acquisition (training and higher education) as a first or second response. Basic education, including pursuit of a GED and English for Speakers of Other Languages also received significant support from both moderate and high income New Yorkers and low-income New Yorkers.⁵

Moreover, 84 percent of adult Americans say that the federal government should play a significant role in higher education. 66 percent of those surveyed are willing to pay more taxes to increase financial support for college students and to colleges and universities (61 percent) and to increase tax credits for families sending their children to college (72 percent.)⁶

ES2 Policy

- All New Yorkers should have ongoing access to a wide range of education and training programs so that they are prepared to compete in the job market. An educated workforce is good for New York and its residents. Therefore ES2 believes New York State should provide free public college tuition to all New Yorkers.

The 2009 Session

- Change NYS law to reflect the new federal regulations counting four year college and advance degrees at the start of the new legislative session in Albany. (A11297 / S8416 of 1998)
- NYS should let people engage in education and training to the full extent that the federal law allows. Right now, New York can count 30% (out of 50%) of the welfare caseload meeting work requirements, when they are engaged in education and training activities. New York should commit to meeting this full 30 percent.
- Under federal TANF regulations, New York will need to have 50 percent of the welfare caseload engaged in meeting the federal work requirement. To the extent that NYS exceeds the requirement, the “other 50 percent” should be allowed to satisfy their entire requirement with the wide range of education activities listed above.
- We support the proposal to energy retrofit one million homes in NYS, creating 30,000 living wage green jobs while reducing energy costs.
- New York State should make the Work-Study, Internship and Externship Law permanent. This law counts the hours students spend in work-study, internship and externship programs towards the welfare work requirements.
- New York State should increase funding for education and training programs, CUNY, SUNY and the Tuition Assistance Program (TAP) for full-time and part-time students.
- Create a state-funded higher education scholarship program for foster youth attending college at CUNY and SUNY
- Enact the Welfare to Career Bill which would ensure comprehensive assessments and development of career plans for participants, and sets forth a definition of sustainable living wage. (A7990 of 1998)
- New York State should conduct statewide and regional job vacancy surveys to more accurately project job growth and labor market trends in New York. A job vacancy survey will help better identify where jobs are available and what skills are needed to perform those jobs.
- State policy directives on education and training options should be displayed at local social services offices so people receiving welfare can know the regulations.
- NYS should implement the current minimum work hours allowed under state and federal regulations, where parents with children less than 6 years old receiving welfare and doing 20 hours of activities fully meet participation rates.
- NYS should halt plans to deregulate tuition: CUNY and SUNY trustees seek to overturn the current system, which requires the state legislature to approve tuition increases.
- Instruct districts and HRA caseworkers that the provisions of the Work Study and Internship Law in tandem with the new unsupervised homework must be made accessible and available to all participants at call-in.
- NYS must pursue education and welfare policies that do not place caps on the level or degree of education that individuals as such policies would be deemed illegal and contrary to the goal of economic security.

⁵ Telephone poll conducted by Lake, Snell, Perry, and Associates for Community Service Society of New York, July 20-28 and August 11-14, 2005.

⁶ Quality, Affordability, and Access: Americans speak on Higher Education, survey conducted for Educational Testing Service, June 2003.

GOOD JOBS FOR ALL WHO NEED THEM **Empire State Economic Security Campaign**

The Challenge

Increasing Unemployment and Lack of Good Jobs

New York State's unemployment rate, increased from 6.0 percent in November 2008 to 7.0 percent in January 2009 -- its highest level since June 1994. The number of unemployed in the state (671,500) in December 2008 was at its highest level since October 1993. More than 125,000 New Yorkers have lost their jobs between August 2008 and January 2009.

In New York State, there are half a million people collecting unemployment benefits, 2.7 million people living at or below the poverty level, and a quarter of a million (226,539) adults on welfare. Jobs are hard to find and good stable jobs paying family-sustaining wages and benefits are sparse.

Loss of Jobs Paying Family-Sustaining Wages and Benefits

Even before the recession started in December 2007, New York only had tenuous job growth recovery from the 2001 economic difficulties. In New York, economic output per worker increased by 11.4 percent from 2000 to 2006, while average wages increased by only 1.1 percent and real wages for workers in the bottom half of the wage distribution are in fact no higher than in 2001. Across the state, the net loss of thousands of good paying jobs has meant that the "hollowing out" of the middle of the income distribution continued at a rapid pace. Those fortunate enough to find work after being laid off often find themselves earning less and receiving fewer benefits like health insurance and retirement plans in their new jobs. Industries in which the share of total jobs has declined, on average, provided health insurance to 68 percent of their worker force, compared to the 55 percent of workers insured in industries in which the share of jobs increased in 2004.¹⁶

New York City has not been spared this trend of declining annual earnings, hours worked, and hourly wage rates in the face of rising poverty. From the peak of the economic expansion of the 1990s (2000/1999) to the years 2004/2003, annual earnings and hourly wage rates dropped dramatically for workers in the bottom third of the pay scale. From 2000/1999 to 2004/2003, annual earnings fell by 5.2 percent and hourly wages declined by 6.5 percent for workers the lowest earnings tier.¹⁷

Decline in Manufacturing Jobs and Outsourcing of Job

Although there has been a decline in manufacturing jobs nationwide, the decline in upstate New York areas has been much steeper than for the U.S. as a whole. New York has lost 25 percent of its factory jobs since 2000.¹⁸ Outsourcing of U.S. jobs to other countries is a clear contributor to this problem. By 2015, the total number of U.S. jobs expected to be moved out of the U.S. through "outsourcing" is expected to reach more than 3.3 million.¹⁹

Real Wages Outpaced by Rising Cost of Living.

Real wages — your paycheck minus inflation — are falling for most workers. From 2002 – 2006, real median hourly wages in New York fell from \$16.00 per hour to \$15.678 per hour.²⁰ Not only has the price of gasoline gone through the roof, but heating oil and gas, too. Health care costs have made a double-digit increase for several years. Property taxes are up significantly in most places, as are rents. As a result, many working families with low or moderate wages can't really afford to live on what their jobs pay.

Welfare Recipients and Low-Wage Work

Thousands of individuals have entered the low-wage, low-skill job market under welfare reform. Most welfare leavers work at or below poverty wages (except those who obtained a college education). Once in a low-wage job, there is little opportunity to climb the company ladder since investment in improving the job skills or education of welfare participants after they find work is rare. Two major labor market challenges facing hard-to-employ welfare recipients warrant special attention:

- ***Low levels of work readiness among hard-to-employ recipients.*** The individuals who remain on welfare have greater barriers to employment, including little or no prior work experience. They need an opportunity to develop employable skills before moving into unsubsidized jobs.

¹⁶ Drum Major Institute for Public Policy

¹⁷ Community Service Society, "NYC Poverty in New York City, 2004" by Mark Levitan

¹⁸ Fiscal Policy Institute, "The State of Working New York 2007: Encouraging Recent Gains but Troubling Long Term Trends"

¹⁹ Drum Major Institute for Public Policy

²⁰ Fiscal Policy Institute, "The State of Working New York 2007: Encouraging Recent Gains but Troubling Long Term Trends"

- ***Inner cities and rural areas with high rates of joblessness.*** Even in regions that are experiencing strong economic growth, inner cities and remote rural areas often have an inadequate supply of jobs. Transportation and family relocation strategies may succeed in expanding job options for some individuals but they do not solve the underlying problem of persistent job shortages in depressed areas.

For low-income and working families struggling with debt, unemployment, and high housing costs, true economic growth must create well-paying jobs that can sustain their families.

Lack of Oversight of the State's Multi-Billion Dollars Economic Development Program

State and local governments give away billions of dollars annually to companies in the name of economic development. This huge investment in tax credits, subsidies, exemptions and payments is supposed to create jobs but government oversight has been weak. A report by the Syracuse Post Standard found that half of the companies receiving economic development funds from New York State fell short of their "job goals." Almost a quarter actually cut jobs. But the state often fails to penalize the companies that fail to meet their job requirements, even when many millions of dollars are involved.

What The Public Thinks

Working families are deeply concerned about making ends meet, obtaining affordable health insurance for themselves and their families and avoiding going deeper into debt and bankruptcy. In national polling, when asked "what is the most important financial problem facing your family today," Americans ranked "lack of money/low wages" number 2 – second only to "health care costs."²¹

- 85 percent of Americans believe "the economy and issues of job outsourcing" is a critical problem, ranking among the top ten most important issues in America.
- 73 percent of Americans rank "improving the economy and creating more jobs" their top priority when deciding on who gets their vote for Congress.

A New York citywide survey of 300 voters in September 2003 found that 73 percent of working households were either very worried (37 percent) or somewhat worried (37 percent) about making ends meet and being able to afford everyday things. In addition, half of them are finding it difficult, if not impossible, to save for the future.²²

ES2 Policy

New York should commit to a rigorous job creation program that extends credits *only* to businesses that create family-sustaining jobs around the state and that are targeted for low and moderate income residents, especially those leaving welfare.

New York should directly link job training and job placement for low-income and unemployed people to transportation, housing and other capital construction programs. This could include a set percentage goal of hours worked on the construction project going to local residents and establishing pre-apprenticeship and union apprenticeship programs connected to the new jobs. This would provide jobs in the building trades industry, along with vocational training, for the unemployed, welfare recipients and other poor New Yorkers. We would revitalize the economy of low-income communities and get decent jobs for more people from those communities, including women and people of color.

²¹ Drum Major Institute for Public Policy

²² Drum Major Institute for Public Policy

The 2009-2010 Session

- New York State should expand publicly funded transitional jobs programs, primarily for individuals transitioning from welfare to work.
- New York State should invest in public jobs creation, including constructing affordable housing and other capital projects. The state should enact policies that target government subsidized job openings to low-income households. For example, “corporate subsidies” and public contracts should be tied to the hiring of public assistance participants and other low-income New Yorkers to fill entry-level positions.
- New York State should create a **Build NY Task Force on Construction Jobs** of community-based and labor stakeholders to create strategies and set policy goals to ensure that unemployed and low-income people are prepared for and can gain access to good, permanent jobs in the construction industry: especially via an improved employment and training infrastructure of outreach, pre-apprenticeship programs, accountable apprenticeship monitoring and hiring compliance protocols, and on-the-job troubleshooting to improve new worker retention.
- New York State should ensure that the recently enacted Recovery Act funds for infrastructure and other projects include substantial increases in funding for outreach and pre-apprenticeship programs, and a minimum of 15% of labor hours for apprentices and new workers with the new construction projects. A similar approach should be taken with local and state-funded projects.
- The Governor’s office and the NYS Departments of Transportation (NYSDOT) and Labor should increase statewide county-by-county Equal Employment Opportunity hiring targets as a starting point.
- New York State should ensure that corporate subsidies and tax credits result in the creation of jobs in New York State, promote the hiring of New York State residents and ensure that the jobs created are distributed throughout the state.

DECENT, AFFORDABLE HOUSING FOR ALL NEW YORKERS

Empire State Economic Security Campaign

The Problem: While every level of government is grappling with the current economic crisis it is imperative that we remember that housing is at the center of the issue and vital to the state's wellbeing. A lack of stable secure and affordable housing needs to be addressed or those families and individuals already struggling with unemployment, raising healthcare costs, and other issues will find themselves unable to weather the economic storm. In New York State, already ranked one of the least affordable states for housing in the nation – a distinction it has held since the middle 1990s – the situation is dire. From Buffalo to New York City the poor and middle class find themselves struggling to preserve their housing at a time when the stability of a home is even more important.

Both homeowners and renters are under pressure as foreclosures rise and rental units become unaffordable or unavailable. The Buffalo News reports almost 3,000 foreclosure filings in 2007 and the Daily Gazette of Schenectady reports that 4% of Amsterdam and Montgomery counties held sub-prime owner occupied loans. Crains New York reports the number of New York City foreclosures rose 66% in the first quarter of 2008. During the same time, there were more than 14,000 foreclosures states wide. In 2005 there were 134,000 high cost loans written in New York. Based on national predictions of anticipated foreclosure rates, we estimate that 20,000-30,000 of these loans are likely to end up in default and at risk of foreclosure. It is not unreasonable to anticipate that 90,000 to 100,000 New Yorkers will default on their mortgages in the coming years. Foreclosures are not just a problem for individual homeowners, however, as many renters occupy apartments in multi-family homes and become homeless once the owner loses their property. Entire neighborhoods are also hard hit as property values decline for those who can afford to stay in their homes because of the high number of lots left vacant due to foreclosures.

New York State's housing problems, however, will not end when the foreclosure crisis abates. According to City Limits Magazine, over 500,000 renters are paying half or more of their income in rent. And many low-income New Yorkers face the loss of their long time homes due to the conversion of subsidized units, in Section 8 and Mitchell Lama buildings and the emergence of predatory equity deals where large investment firms buy over priced rent regulated buildings; the implicit understanding being that the only way for the deal to be profitable is to replace long-term low-income tenants with market rate renters through evictions. Even Public Housing, a corner stone of affordability for low-income New Yorkers, faces unprecedented budget shortfalls which threaten the maintenance, affordability, and stability of the units.

What the Public Thinks: Most people, regardless of income, think that affordable housing is an important issue. According to the National Low Income Housing Coalition over 50% of respondents support government policies to fund low-income housing and over 75% of those "consistently support" programs to create housing in the face of tax increases and support a housing candidate over a tax cut candidate.

The 2009-2010 Session:

- NYS should not cut the Homelessness Intervention Program by 20% next year. A loss of these funds will mean that hundreds of low income New Yorkers throughout the state will not have assistance while facing eviction or leaving the shelter system.
- Oppose the 25% cut to SRO Supportive Services Program. A reduction this large would force housing providers to close leaving a fragile population homeless and reliant on more costly emergency shelter services.
- NYS public employee investment funds should not invest in private equity, highly leveraged investments or currently subsidized regulated units without the assurance that the buildings will be kept affordable.
- The legislator and Governor should support bill A7811 / S5284 which would put all Mitchell Lama and Section 8 developments, regardless of when they were built, into rent regulation to maintain their affordability.
- NYS legislature should work with advocates to come up with workable solutions to the foreclosure crisis ensuring that certain loan practices are prohibited and giving the state increased enforcement power.
- NYS should support the ten bill package passed in the Assembly which extends greater tenants protections to rent regulated units. For example, the bills repeal the Urstadt Law, protects tenants against harassment, and limits landlords' ability to increase rents. Support bills: A2005, A1686, A860, A1687, A1685, A1688, A857, A1928, A2002, A465.
- New York State should commit to supporting public housing and restore \$70 million in funding for operating state supported public housing developments preserving the affordability of 20,000 units.

NEW YORK MUST DO MORE TO SUPPORT FAMILIES AND INDIVIDUALS HOMES!!

ACCESSIBLE AND AFFORDABLE CHILD CARE FOR WORKING NEW YORKERS

Empire State Economic Security Campaign

ES2 supports the Winning Beginning NY Legislative Agenda.

In this fiscal climate, New York State must spend existing resources wisely while continuing to support our most vulnerable citizens, who are disproportionately impacted by the economy. This does not mean cutting or reducing investments to support our youngest children; it means maintaining current funding levels and investing money in programs that work—programs that will positively impact New York's State's families in the short-term, during this crisis, while setting them up to succeed in the long-term, when the crisis has passed.

Children are helped most and the economy is made strongest when scarce resources are allocated on the basis of the best evidence of what will lead to positive child outcomes. Economists have clearly documented the high return on investment in early education. With an estimated return on investment of \$4-\$17 per dollar spent, early childhood education is one of the best investments we can make right now.

Every child must have the same opportunity for high-quality, culturally and linguistically competent early care and learning and parents must have access to programs that fit their schedules. In order to keep families in New York and to promote current and future workforce growth, the state must take the following steps.

The Legislature Should:

- Transfer \$356 million in funding from the Flexible Fund for Family Services to the child care block grant to prevent further erosion in child care funding and ensure that low-income working families have access to child care subsidies.
- Restore \$30 million in lost child care funding to increase the number of available subsidy slots to children in low-income working families. 46,000 fewer children had access to child care subsidies in 2007 than in 2003-04¹, with an additional 10,000 fewer anticipated to receive subsidies this year due to a reduction in federal block grant funds and the impact of market rate increases. Restoring subsidies is essential to our economy, allowing parents to work while preparing our future workforce and allowing children to thrive.
- Provide \$600,000 for *Qualitystars NY*, the proposed Quality Rating and Improvement System (QRIS), to draw down funding committed by private sector investors.
- Maintain funding for Pre-K at FY08-09 levels for two years (09-10 and 10-11) as proposed in the Executive Budget, providing early learning to more than 106,000 children.
- Restore cuts to funding for Healthy Families New York, as well as child welfare preventive spending for home visiting programs like Nurse-Family Partnership, thereby preventing child abuse and foster care placements.

Winning Beginning NY also supports improving parent access, infant-toddler initiatives, paid family leave, and after-school initiatives.