



NEW YORK STATE SENATOR

Liz Krueger

Senator Krueger Calls for Equity in State Budget Cuts

LIZ KRUEGER January 25, 2010

| ISSUE: **FINANCE, BUDGET**

(Albany, New York)—As the legislature began budget hearings today, State Senator Liz Krueger (Vice-Chair of the Senate Finance Committee) called on the legislature to ensure that the final state budget is balanced fairly and equitably with regards to local governments.

“I understand that we are facing an extremely difficult budget and there will be large cuts to many programs, but we must make sure that the pain is distributed equitably and appropriately,” said Senator Krueger. “In the Governor’s proposed 2010-11 executive budget, New York City shoulders a disproportionate amount of pain.”

Disproportionate cuts to New York City’s budget include:

- Complete elimination of Aid to Municipalities (AIM) funding for New York City. The \$301.7 million cut the city is facing accounts for 94 percent of the \$320.2 million in AIM reductions statewide. All other counties localities are only facing an average 2-5% cut in comparison to the City’s 100%.
- Restructuring the STAR program by limiting the NYC Personal Income Tax STAR Benefit. This will cost New York City residents an estimated \$200 million in new taxes. STAR has

always disproportionately benefitted land-owners outside of New York City, and that fact will only be exacerbated by the limiting of the NYC Personal Income Tax STAR Benefit.

“Just because New York City is the largest locality does not mean that it needs proportionally less support from the state,” said Senator Krueger. “In fact, for many programs New York City needs more funding precisely because it has such a large population with so much of the metropolitan area relying on these services.”

Additional program cuts that could unfairly affect New York City include:

- Elimination of Temporary Assistance for Needy Families (TANF) funded programs, such as Supportive Housing for Families, Summer Youth Employment, Flexible Fund for Family Services, Child Care Subsidies.
- Reduction in various homeless, refugee and employment programs, such as the Homeless Intervention Program, Citizenship Program, NYS Refugee Resettlement Assistance Program and HIV Welfare-to-Work Program.

“We must ensure that cuts are balanced equitably across the state and do not unfairly burden one region more than another,” said Senator Krueger. “I know that the state and every local government faces serious financial hardships at this time, but there is no reason for New York City to bear the brunt of the cuts.”