

Liz Krueger



New York State Senate | 26th District

April 2012

Message from Liz...

On March 30th, the 2012-2013 NY state budget passed, making this year's the second straight on-time budget under Governor Cuomo. Given our state's long history of late budgets, this is a significant accomplishment. In addition, this budget was much less damaging to basic programs than last year's. The state's slowly improving fiscal situation as well as the deep cuts that were made last year both made it easier to maintain spending for many programs this year.

Despite these accomplishments, I believe this budget also represents a battery of missed opportunities. While the axe did not fall the way it did last year, this budget did little to address the damage done by previous cuts. More fundamentally, it failed to lay out a vision for how our state government will respond to the many challenges New Yorkers still face.

I supported most of the budget bills, because on balance, they met a minimum standard of fiscal responsibility while providing support for critical programs. But I was disappointed that Governor Cuomo did not use his significant power in the budget process to achieve more substantial transformations in our state government. The final budget was perfectly adequate, but it was hardly visionary.

So what's missing? Here are a few things that were on the table at various points in the budget process, but did not make the final deal.

- **Creation of a Healthcare Exchange** to provide a market for small businesses and the uninsured to purchase insurance.
- **Full implementation of the Campaign for Fiscal Equity decision**, to provide fair funding to New York City schools.
- **Implementation of microstamping**, a technology to track guns used in crimes.
- **A forward-looking transportation funding strategy**. The budget included significant funding for the MTA, but relies heavily on borrowing, setting straphangers up for more fare increases in the near future to pay for debt service, not transit service.
- **Funding to study the health and seismic impacts of hydrofracking**, necessary if we're to safeguard New Yorkers from the dangers of this new drilling technique.

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- **A full state takeover of local Medicaid costs**, which would significantly reduce pressure on local property taxes.

And why were these and other worthy proposals not included? Some got caught in election-year politics. A healthcare exchange would cost the state nothing and bring in significant additional federal funding, but Senate Republicans opposed it for purely political reasons – healthcare exchanges are a key part of national healthcare reform and the Affordable Care Act. It's true that other proposals did have significant fiscal impacts. But this point leads us to the other big failure of this year's budget: the failure to consider any additional sources of revenue.

I offered two proposals during the budget process that could bring in hundreds of millions of dollars without raising taxes.

First, the state could outlaw “zapper” technology, which allows businesses to create a false set of books starting right at the checkout counter when they collect sales tax from you. These “zappers” help unscrupulous businesses dodge paying their sales taxes. This isn't just about tax collection – businesses committing this type of fraud also have an unfair advantage over honest businesses.

Second, the state could crack down on real estate partnerships, which have been found to underreport capital gains. More stringent auditing could net New York state over \$1 billion in prior-year taxes and an additional \$200 to \$700 million annually, moving forward. Other states who have cracked down have gained large sums of revenue.

Of course, there are many additional ways to raise revenue: how about a full review of the nearly \$29 billion in tax “expenditures” (breaks) included in this year's budget? But even without touching the tax code, simply through addressing underpayment of taxes, it is obvious that the state could have generated significant additional revenue to address the pressing problems we face.

This budget has much in it that is good. It meets most of the basic metrics, it keeps the state running, and it is on time. We are not playing political games with the stability of the government, and that is a good thing. And maybe it is a sign of some progress here in Albany. But, frankly, I think our standards are too low. In the best traditions of President Theodore Roosevelt and President Franklin Delano Roosevelt, both New Yorkers, both innovative trailblazers, we must restore a tradition of leadership to state government. We must tackle the biggest problems with real solutions. Anything less isn't enough.

The people of New York State deserve a responsible, prudent budget – but prudence does not only mean restraint. Sometimes, in the face of economic adversity, prudence demands bold action. We do need to build a ‘new New York’ – and our state government must play its part to bring New York into the 21st century. Perhaps next year we will be able to build on what we did accomplish this year and develop a budget that offers a vision for the future of New York State.

COMMUNITY SPOTLIGHT

State Senator Liz Krueger

-and-

The Center for the Study of Women in Society at CUNY

Invite You to an Evening of

Basic Training

Learn What You Can Do to Stop

The War Against Women

Featuring

Jessica Valenti, *Feministing* | Jamia Wilson, *Women's Media Center*
Joe Rollins, *CUNY Graduate Center* | Amy Richards, *SoapBox.com*

Tuesday April 24th, 2012

6:30 – 8:30 pm

The Graduate Center at CUNY

Elabash Auditorium

365 Fifth Avenue @ 34th Street

For further information, email Susannah Pasquantonio
spasquantonio@gmail.com | (212) 490-9535

Update on the East 91st Street Marine Transfer Station:

My office has been in contact with a representative of the Friends of LaGuardia Airport, an organization pursuing multiple legal actions challenging the construction of the North Shore Marine Transfer Station (MTS) in Queens on the grounds that it poses a threat to air safety. Led and represented by former Federal Aviation Administration (FAA) staff, the Friends of LaGuardia Airport is challenging the 91st Street MTS on similar grounds. In February, Friends of LaGuardia sent a letter to the FAA, the Port Authority, and New York City, demanding that they address the aviation safety issues raised by the proposed MTS at East 91st Street. These issues include the fact that the Queens and Manhattan transfer stations would create a flight path for birds that goes directly over LaGuardia Airport. There is likely to be a ruling in the first court challenge within the next month or two. I am hopeful that this new legal front may prove fruitful in the effort to force the City government to reconsider its ill-conceived plans for the East 91st Street MTS.

Update on 583 Park Avenue

For years, I worked with neighborhood residents, Community Board 8, and my fellow East Side elected officials to oppose the transformation of the landmarked church building at 583 Park Avenue into a commercial catering hall. The community argued that the proposal to convert the Third Church of Christ, Scientist into a large catering facility would significantly harm the neighborhood's quality of life, increase traffic, and undermine the integrity of New York City's zoning laws.

In 2009, the community won an important victory when the State Liquor Authority (SLA) rejected the liquor license application based upon a state law which prohibits the issuance of full liquor licenses to businesses operating within 200 feet of a school or religious institution. The SLA's decision was challenged in the courts for more than two years.

In January 2012, an appellate court determined that the agency did not exceed its authority when it denied the license. In late March, the Court of Appeals, New York's highest court, decided not to hear an appeal of the Appellate Court's decision.

Equal Pay Day Forum on April 16th:

The Equal Pay Coalition is hosting a forum addressing issues of pay equity on April 16th. Equal Pay Day marks how far into 2012 women must work for their earnings since the beginning of 2011 to equal what men earned inside the 2011 calendar year. The forum will include an address by Senator Kirsten Gillibrand and a panel moderated by NPR host Maria Hinojosa.

The event takes place from 10:45 am to 12:30 pm at NYU Law School, and will be held in the Tishman Auditorium of Vanderbilt Hall, at 40 Washington Square South.

Special Education Information Session:

The NYC Department of Education Division of Students with Disabilities and English Language Learners is offering informational sessions on New York City's Special Education Reform and the Individualized Education Program (IEP). An IEP is the guiding document for a student's educational program and describes the special education and related services specifically designed to meet the unique educational needs of a student with a disability. It includes all of the goals, objectives, present levels of performance and related services that are recommended for the student. The State developed a new form to help IEP teams focus on services that are most important for children.

The session will take place on Tuesday April 17th from 6:00 to 8:00pm at the District 75 offices at 400 First Avenue, between East 23rd and East 24th Streets. If you need translation or interpretation (including for individuals who are deaf/hard of hearing), please contact Heather Hermansen at: hhermansen@schools.nyc.gov or (212) 374-2490 at least five days before the event you plan to attend.

Hearing on Co-Locations in NYC Public Schools

The City Council's Education Committee, chaired by Councilmember Robert Jackson, will hold an oversight hearing on co-locations in New York City Public Schools.

While co-locations and charter school siting have not been a major issue in District 2 in the past, they have become an issue of major concern in many other communities in the City. Objections have centered on lack of adequate consultation with affected school

communities, as well potential overcrowding and other difficulties inherent in sharing facilities. The most contentious co-locations have involved charter schools sharing space in district school buildings. In some cases, critics contend that the charters have enhanced facilities, smaller classes and other resources that the host school does not have, leading to conflicts among schools.

Now, applications have been submitted to site three new charter schools in District 2 for Fall 2013, two of which would be co-located in existing schools. Given the problems experienced in other parts of the City, and the significant overcrowding which already exists throughout Community School District 2, I share many parents' concerns that our existing schools' resources not be overtaxed. I encourage residents to attend the hearing and share their experiences and concerns with the City Council.

The City Council's Education Committee has invited members of the public to testify at the upcoming hearing. Testimony will be limited to 2-3 minutes per person to allow as many as possible to testify. Although the hearing starts at 1:00 pm, the Administration (Department of Education), as well as other witnesses (such as elected officials) have been invited to testify and answer questions from Council Members at the outset. Please make sure you fill out a witness slip on the desk of the Sergeant-at-arms if you wish to testify. If you plan to bring written testimony, please bring at least 20 copies. If you are unable to attend the hearing and wish to submit written testimony, please email your testimony to jatwell@council.nyc.gov.

The hearing will be held Thursday, April 19, 2012, at 1:00 pm (*public testimony expected to begin after 2:30pm), at 250 Broadway, 16th Floor. Please note - hearing dates and times can be subject to change. For information about hearings and other events, check the Council's website at <http://council.nyc.gov/html/home/home.shtml>.

Free Tax Preparation Assistance:

I encourage you to take advantage of these services, which can save you money and ensure you avoid getting caught in "Refund Anticipation Loan" scams that many for-profit tax preparers engage in. Here are some sites in the 26th Senatorial District where you can get free assistance with your taxes:

- 58th Street Library, 127 East 58th Street
 - Telephone: 212-759-7358
 - Site Hours: Tuesday and Saturday, 10:30am-2:30pm
 - Income Limits: No income restrictions.
 - Sponsored by AARP
 - Assistance available: This site prepares current-year tax returns and does electronic filing of returns only.
- 96th Street Library, 112 East 96th Street
 - Telephone: 212-289-0908
 - Site Hours: Monday, 10:30am-2:30pm
 - Income Limits: No income restrictions.
 - Sponsored by AARP
 - Assistance available: This site prepares current-year tax returns and does electronic filing of returns only.
- Epiphany Branch Library, 228 East 23rd Street
 - Telephone: 212-679-2645
 - Site Hours: Thursday, 10:00am-2:00pm

- Income Limits: No income restrictions.
- Sponsored by AARP
- Assistance available: This site prepares current-year tax returns and does electronic filing of returns only.
- Lenox Hill Neighborhood House, 331 East 70th Street
 - Telephone: 212-744-5022 ext. 1399
 - Site Hours: Wednesday, 10:00am-2:00pm
 - Income Limits: No income restrictions.
 - Sponsored by AARP
 - Assistance available: This site prepares current-year tax and does electronic filing of returns only.
- Stanley Isaacs Neighborhood Center, 415 East 93rd Street
 - Telephone: 212-360-7620 ext. 38
 - Site Hours: Friday, 10:30am-3:00pm
 - Income Limits: No income restrictions.
 - Sponsored by AARP
 - Assistance available: This site prepares current-year tax returns and does electronic filing of returns only.
- Hunter College, 695 Park Avenue (corner of Lexington Avenue)
 - Hunter West College Lobby
 - Telephone: (212) 772-4219
 - Site Hours: Sunday, 3:30pm-6:30pm; Monday, Wednesday, and Thursday, 4:30pm-9:30pm through April 5th
 - Income Limits: To qualify, individuals must earn less than \$18,000; families with children must earn less than \$50,000.
- Baruch College - Newman Library, 151 East 25th Street
 - Site Hours: Tuesday-Thursday, 12pm-7pm; Friday, 12pm-6pm; Saturday, 10am-3pm
 - Income Limits: To qualify, individuals must earn less than \$18,000; families with children must earn less than \$50,000.

Affordable Housing Opportunities in Manhattan:

West 39th Street Apartments is now accepting applications for 41 affordable studio, 1- and 2-bedroom apartments under construction on West 39th Street, between Eighth and Ninth Avenues, in the Clinton Section of Manhattan. Rents for these apartments range from \$524 to \$874 depending on income and unit size. To be eligible, applicants must have incomes between \$19,920 and \$41,500, depending on income and family size. Preference will be given to Community Board 4 residents for 21 units, mobility-impaired persons for two units, visual- and/or hearing-impaired units for one unit, and City of New York municipal employees for two units. Preference for all units will go to New York City residents.

To request an application, mail a POSTCARD, including your name and full address, to: West 39th Street Apartments, One Penn Plaza, Box 6121, New York, NY 10119. Or DOWNLOAD an application from www.west39apts.com.

Completed applications must be returned by regular mail only to a post office box that will be listed on the application and must be postmarked by April 14th, 2012. Applicants who submit more than one application will be disqualified.

POLICY SPOTLIGHT

Foreclosure Prevention

Last month the Senate passed my bill permanently banning “yield spread premiums” in New York State (S. 886). This practice created perverse incentives in the mortgage market, fleecing families and creating instability in the nation’s financial system, ultimately contributing to the national mortgage foreclosure crisis.

Yield spread premiums are payments made to mortgage brokers or lenders for steering borrowers into more expensive loans, often increasing the risk of foreclosure. With yield spread premiums, brokers or lenders are given additional compensation based on the difference between the return on investment of a standard loan and the more expensive loan the borrower is steered into. Consumer advocates and researchers have described this practice as a “legal kickback” for pushing borrowers into riskier, more expensive loans.

Yield spread premiums have created perverse incentives, driving irresponsible, dangerous activity in the mortgage market. It’s a predatory practice, and it’s past time we banned it – permanently.

According to the Center for Responsible Lending, almost 75 percent of subprime loans made by mortgage brokers came with a yield spread premium. According to the Wall Street Journal, six out of every ten subprime borrowers in 2006 could have qualified for a less-expensive prime loan.

In the past year, the Federal Reserve Board has moved to institute a regulatory ban of yield spread premiums. S.886 strengthens protections for consumers by banning the practice in New York State law, immediately. The Dodd-Frank Wall Street Reform and Consumer Protection Act passed by Congress contains provisions banning yield spread premiums, but they are not due to be implemented until 2014.

The bill passed the Senate with a bipartisan 59-1 vote on Wednesday, March 21. It now awaits action by the New York State Assembly, where it is sponsored by Assemblymember Inez Barron (D-Brooklyn) as A. 7329.

Wrong for NY: ‘Stand Your Ground’ Laws

Over the past month, the death of Trayvon Martin has attracted enormous national media attention. The tragic shooting of this Florida teenager shined a spotlight on the ugly realities of racial bias in our society – but also on a new kind of law, the so-called ‘stand your ground’ statute that has hampered prosecution of Martin’s killer, George Zimmerman. This Florida law essentially authorizes citizens to use deadly force rather than retreat, even when the threat is only perceived – a recipe for tragedy.

Many might think this kind of law – pushed by the National Rifle Association and the right-wing American Legislative Exchange Council (ALEC) – would never even be considered in a state like New York. But I was appalled to discover that Sen. George Maziarz, a Republican from western New York, has sponsored a bill in the Senate with language that matches the

Florida law. Joined by 22 of my Democratic colleagues, I wrote to Sen. Maziarz on March 26th, asking him to immediately withdraw the bill.

Laws aren't "tough on crime" when they let people get away with murder. The *New York Daily News*' Bill Hammond is right: "Licensing every New Yorker to play cop would spawn an army of George Zimmermans – and a legion of Trayvon Martins."