

## Cuomo Budget Seeks Delay in Welfare Grant Hike

Governor Cuomo wants state lawmakers to yet again delay the final year of a three-year 10% increase in the welfare basic grant.

The Governor also failed to ask for more funding for emergency food despite the skyrocketing levels of hunger, poverty, homelessness and unemployment. He is proposing a \$1 million increase in funding to group to help people enroll in food stamps and other federal nutrition programs, but this falls far short of his call in the State of the State address to ensure that no child goes to bed hungry.

The Governor did propose \$1.3 billion in state funding as part of a much needed \$15 billion infrastructure investment effort, which will create jobs. The Governor has not yet committed to set job hiring goals for low-income New Yorkers including welfare participants. He has also been widely criticized for opposing including a rail line as part of the biggest project, the rebuilding of the Tappan Zee bridge over the Hudson River.

The basic welfare grant - \$291 a month for a family of 3 - had not been increased since 1990 when Governor Paterson proposed a three year plan to raise the grant by 10% a year. In Cuomo's first year, he delayed the increase until this year. Now he wants to do cut it in half, increasing it 5% this year (about 50 cents a day for a family of 3) and 5% next year. This would save a grand total of \$6 million a year out of a \$132 billion budget.

The state's welfare surplus alone is more than \$1 billion. This is the difference between the size of the federal welfare (TANF) grant and the amount of benefits paid to participants. The gap is so large because benefits have remained low while the caseload has been cut more than half since TANF started. Most of the money is given to NYC and local governments, primarily for fiscal relief.

The Governor does want to take \$93 million in federal TANF dollars to help offset a reduction in federal funding for child care.

The Governor however is not seeking to use the federal TANF dollars to support transitional jobs programs for welfare participants. He has ignored the request by Hunger Action to do a cost benefit analysis of the value of such subsidized employment programs versus workfare / WEP for participants. Workfare is expensive and ineffective in moving participants into jobs. NY relies more on workfare than other states and is a major reason why the federal government has consistently rank NY among the less effective states in finding jobs for welfare participants.

The Governor also wants to eliminate \$160 million in cost-of-living-adjustments to human services contractors and suspend \$15 million in NYC shelter supplement payments pending "determination of the program's efficacy".

Once again the Governor is seeking the elimination of the Neighborhood Preservation Program and the Rural Preservation Program funded at \$12 million. These programs are usually restored by the legislature. The programs help leverage well over \$ 20 for every State dollar provided, promoting significant investment in low-income neighborhoods where private dollars normally don't go; they help stabilize neighborhoods and whole municipalities; and, they prevent thousands of evictions annually, which alone provides savings that dwarfs the State's \$ 12 million contribution.

These cuts in human service programs follows on cuts of over \$800 million in state funding over the last two years. The cuts resulted in the loss of approximately 27,000 jobs as well as the loss and reduction of critical services.

The Governor is seeking to close the \$2 billion revenue gap without closing corporate tax loopholes and enacting progressive revenue measures. (See story on corporate tax loopholes). He does seek a small increase in revenues from cigarette taxes.

"We need the Governor to follow three simple principles when it comes to closing corporate loopholes; enforcement, transparency and fairness. New York could and should collect hundreds of millions in uncollected tax revenue simply by enforcing current tax law, especially when it comes to unreported gains from Real Estate Partnerships. Before we cut one program for needy New Yorkers we should make sure that wealthy real estate moguls are actually paying their taxes. We must also ensure that big multi-national corporations that do business in NYS pay something in corporate taxes," said Ron Deutsch, Executive Director of New Yorkers for Fiscal Fairness.