

POINT OF VIEW

Do Not Balance the Budget on the Backs of New York's Neediest

The Federation of Protestant Welfare Agencies (FPWA) is deeply disturbed about the impact of continuing budget cuts on vital services for New York's struggling families. Governor Paterson's most recent proposal would cut \$5 billion over two years to a variety of important services, including youth programs, services to seniors and individuals with HIV/AIDS. These cuts would be on top of the 8% across the board cuts to human services programs enacted last year. We realize that multiple rounds of budget cuts are part of New York State and City's efforts to responsibly address a worsening economy and growing budget deficits. However, these government cuts disproportionately impact children and families who are increasingly vulnerable during these difficult economic times.

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Though we understand the fiscal challenges faced by the state, we also recognize the economic challenges faced by New Yorkers who have lost their jobs, exhausted their unemployment benefits, are at the verge of losing their homes, and have to turn to essential services to feed their families, clothe their children, and pay for heat, medicine and other essentials. In August 2009, the number of unemployed workers in New York State and New York City increased to 874,300 and 415,800, respectively, their highest levels on record. New York City's unemployment rate reached 10.3% in September, its highest level since May 1993. Given these inordinately high unemployment rates and the growing needs of jobless New Yorkers, FPWA adamantly opposes any further reductions in funding for human services.

Nonprofit agencies are already underfunded and cannot adequately serve all of the individuals and families currently seeking their assistance. A recent survey conducted by the Human Services Council found that 80% of the nonprofit organizations surveyed had major reductions in private funding in the last year, and nearly two-thirds had seen decreases in their public funding. Further reductions to these essential services could be devastating to both community-based organizations and the clients who depend upon these programs. In addition, the long-term costs of such cuts would be much greater than the short-term savings produced in the fiscal year.

We urge New York State and City to preserve services that are essential to supporting struggling families by holding harmless key human services funding streams from

immediate cuts, or from cuts in the Fiscal Year 2010-11 budgets, including:

- Life saving resources such as HIV/AIDS prevention, education, outreach, treatment and care, housing, case management and supportive services.
- Services that protect and support vulnerable children such as child care, Universal Pre-Kindergarten, foster care and open-ended child welfare services.
- Essential public benefits for individuals and families living in poverty.

- Access to education and training opportunities that are vital to increasing earnings and making advancements on a career path.

- Services that help elderly individuals maintain their independence so that they may remain in their homes and communities, including social adult day services, senior

transportation, and geriatric mental health programs.

- Programs for youth such as afterschool initiatives that provide a broad range of educational, recreational, and culturally appropriate activities essential to a young person's development.

In addition to preserving essential human services programs, FPWA recommends that the state use any public funds available to make strategic investments in programs that will stimulate recovery, job growth, and sustainable economic expansion. The new Green Jobs programs are an excellent example of the type of investment that can produce these outcomes in the long-run by investing today for tomorrow's workforce.

We urge the state to address the annual structural budget deficit by ensuring that we have enough revenue to meet our human and infrastructure needs. We urge the Governor and Legislative Leaders to wait and keep a watchful eye on state finances instead of rushing into slashing billions of dollars from the current state budget during this time of high need. New York should keep as many dollars in our economy as possible. Cutting over \$2 billion now would defeat the purpose of the federal stimulus dollars that were designed to preserve jobs and services at a time when New Yorkers need them most. We also have substantial "rainy day" funds set aside (Tax Stabilization Reserve Fund and Rainy Day Fund with close to \$1.3 billion between them), and New York should use these funds to help close the current budget deficit.



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In addition to rejecting budget cuts to essential services, New York must ensure that the social safety net is accessible to all in need. With 37,000 New Yorkers on the verge of losing their extended unemployment benefits, and with tens of thousands of other jobless individuals not eligible for these benefits, FPWA is concerned that the social safety net is not catching all of those in need. According to the National Employment Law Project, nearly half of workers who lose their jobs or have reduced hours are ineligible for unemployment benefits. Many have no other source of income and diminishing savings, and could therefore qualify for assistance from welfare. But rather than seeing an increase of the welfare rolls in direct proportion to the skyrocketing unemployment rate, it has largely remained flat. From January through August 2009, the number of people on public assistance increased by only 2%, or by 7,483 recipients (including children), despite the pool of approximately 64,150 jobless people who are ineligible for unemployment insurance and potentially eligible for public assistance. In these devastating economic times, New York must ensure that barriers to accessing the public assistance program, such as those identified in FPWA's report The State of NY's Social Safety Net for Today's Hard Times, are removed.

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