

## **The Unloved 2009 State Budget: Good for Children and Families**

Since passage of the 2009 budget on April 4<sup>th</sup>, editorial boards around the state have harshly panned it, as have good government advocates and Republican officeholders. Critics argue that the new budget spends too much, cuts too little, and emerges out of secretive negotiations that shut out the public.

Yet the state's children have reason to be grateful to the Governor and the Legislature. The much-reviled "Three Men in a Room" averted catastrophic cuts to programs that millions of children and parents rely on, utilizing the least harmful financing options available. They deserve, if not three cheers, at least two.

In November 2008, as the Legislature prepared for a special budget-cutting session that ultimately deteriorated into a finger-pointing exercise, SCAA put forth its own guide to budget reduction. Rather than balance the state budget through across-the-board cuts, which would require slashing spending at every state agency by one-quarter, we argued that the state should set some priorities. That would mean protecting vulnerable New Yorkers, such as low-income children and their families; nurturing "seed corn" investments, such as preventive programs that keep children on the right track; and focusing on programs that can document successful outcomes, e.g., home visiting initiatives that show decisive improvements in family parenting skills.

The final budget came closer to SCAA's proposals than we could have expected. Where the December Executive Budget had proposed devastating cuts to many programs serving low-income children and their families, the final budget restored almost all of them:

- Home visiting, Advantage After-School programs and various youth programs were all targeted for 25% budget cuts. These cuts were fully restored in the final budget.
- Community Optional Preventive Services (COPS), a successful initiative funding various local programs, including Nurse-Family Partnership and mental health services for children, would have been abolished. In the final budget, its funding was cut modestly, from \$34 million to \$29 million.
- The Tuition Assistance Program (TAP), which provides grant aid to needy college students, was targeted for more than \$50 million in cuts. Almost all of these cuts were restored in the final budget.

Governor Paterson also used the Executive Budget to bravely propose a long-overdue 30% increase in the state public assistance grant – and the final budget not only enacted the increase but moved up the start date by six months. More good news for children in a bad-news budget year.

State leaders succeeded in restoring funding for children's programs in a dire budget environment. How? Partly through the federal stimulus package, which pumped \$7 billion into the state budget and economy. A decisive factor, however, was the establishment of a progressive income tax. In 2008, all New Yorkers with income above \$40,000 paid the same flat rate. From 2009 to 2011, single residents with income above \$200,000 and married couples above \$300,000 will pay more, raising over \$4 billion annually during the next three years.

The income tax hike has received heated criticism, but the alternative would have been sweeping cuts to many vital programs. Allowing children to suffer so that wealthy New Yorkers can continue to pay taxes at middle-class levels would have been the wrong course.

Reporters have zeroed in on several problematic areas of the budget, and many of those criticisms are fair. The *Daily News* could hardly be blamed for dubbing the budget process a "rotten sausage." Still, given a \$17 billion budget deficit and State Senate control balanced on a one-vote majority, the Governor and Legislature did pretty well by the state's children.