

UNEQUAL BUDGET:

THE IMPACT OF 2011-12 STATE BUDGET PROPOSALS
ON NEW YORK COMMUNITIES OF COLOR

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INTRODUCTION AND EXECUTIVE SUMMARY

During these difficult economic times many New Yorkers are experiencing increased hardships. Unemployment looms large at 8.3 percent, foreclosure rates continue to rise, and the percentage of New Yorkers living in poverty has reached a 15-year high of 14.2 percent.¹

While the recession has impacted many New Yorkers, it has been especially devastating for communities of color.² Historically, New Yorkers of color have battled above-average unemployment and poverty rates. The recession has exacerbated these disparities.

- The latest statistics show that the median income of African American New Yorkers is 65.4 percent of their white counterparts'. Latinos fare even worse: their median income is just 62.3 percent of white New Yorkers' income.³
- In a survey of low-income New Yorkers, the Community Service Society found that "low-income Latinos were hit the hardest by the recession in the area of employment, with more than one in four losing a job, and more than three in 10 reporting a loss of wages, hours, and /or tips in the past year."⁴
- According to the survey, 26 percent of low-income Latinos reported losing their jobs in the past year, 31 percent had their wages reduced.⁵

Now more than ever New Yorkers need policies to promote economic recovery. To resolve our estimated \$10 billion budget deficit, legislators should generate revenue to protect programs that support education and services for our most vulnerable residents.

¹ Erickhom, E. (2010, September 16) Recession Raises Poverty Rate to a 15-Year High. *The New York Times*. Retrieved from: <http://www.nytimes.com/2010/09/17/us/17poverty.html>

² The term community/communities of color refers to the African American, Latino and Asian communities

³ U.S. Census Bureau. (2009) American FactFinder Subject Tables: New York Median Income in the Past 12 Months (In 2009 Inflation Adjusted Dollars). Retrieved from: http://factfinder.census.gov/servlet/STTable?_bm=y&-qr_name=ACS_2009_5YR_G00_S1903&-geo_id=04000US36&-context=st&-ds_name=ACS_2009_5YR_G00_&-tree_id=5309&-_lang=en&-format=&-CONTEXT=st

⁴ Community Service Society (2010). *The Unheard Third 2010: Hardship and Personal Worries for Low Income New Yorkers*. Retrieved from:

<http://www.cssny.org/userimages/downloads/UnheardThird2010HardshipsandPersonalWorries.pdf>

⁵ Ibid

Unfortunately, the 2011-2012 executive budget does the opposite. It imposes over \$9 billion in spending cuts. This is an unbalanced approach to budget balancing, especially during a time when joblessness and other recession-induced hardships are widespread.⁶

The proposed budget threatens to weaken New York's tenuous recovery by:

- 1) Jeopardizing access to a sound basic and quality education**
- 2) Severing the safety net**
- 3) Placing hurdles in the pathway of higher education and**
- 4) Further intensifying racial health disparities**

⁶ Mauro, F., & Deutsch, R. (2011, February 14) *Balancing the New York State Budget 2011-2012*. [Report] New Yorkers for Fiscal Fairness & Fiscal Policy Institute.

CUTS TO K-12 EDUCATION: Shattering Dreams of a Better Tomorrow

The executive budget's proposed cuts to primary and secondary school education betrays the state's obligation to provide all of New York's children a sound and basic education.

If enacted the budget will:

- **Cut education aid by a record \$1.5 billion⁷**

This proposal represents the largest reduction in school funding in New York's history. The \$1.5 billion in cuts will hit majority Black and Latino school districts *twice as hard* as low need districts with 3 percent or less Black and Latino student populations.⁸

- **Freeze universal Pre-K at \$393 million**

As with the foundation funding, the budget delays the previously mandated increase in critical universal pre-kindergarten for another year, with full phase-in pushed back until 2016/17.⁹

- **Eliminate board of cooperative education services (BOCES) and teacher center funding**

Elimination of BOCES aid for administrative shared services will negatively impact small, rural and poor school districts that gain from the economies of scale that BOCES are able to provide. The budget also eliminates \$35 million in funding for the highly successful teacher centers, which offer professional development to teachers.¹⁰

- **Reduce funding for special education and to schools for the blind and deaf**

Reduction of the state's reimbursement to school districts for summer school special education costs by \$86 million will shift the costs to local school districts. Additionally the budget shifts \$167 million in costs for the education and room and board for deaf, blind and physically disabled children to local school districts. This is at a time when districts are already under unprecedented financial stress.¹¹

- **Abandon Campaign for Fiscal Equity commitments**

\$1.2 billion of the total budget cut, or 79 percent, constitutes cuts to funding promised to New York children in the 2007 Campaign for Fiscal Equity (CFE) lawsuit agreement.

⁷ New York State Division of Budget. (2011-12)Executive Budget: Agency Presentations. Retrieved from: <http://publications.budget.state.ny.us/eBudget1112/agencyPresentations/>

⁸ Alliance for Quality Education & Public Policy & Education Fund of New York. (2011) *Widening the Funding Gap: Race, Poverty, and Governor Cuomo's Education Cuts*. Retrieved from: <http://www.aqeny.org/ny/wp-content/uploads/2011/03/Widening-the-Equity-Funding-Gap.pdf>

⁹ New York State Executive Budget (2011-2012)Briefing Book, Education and Arts Section

¹⁰Ibid

¹¹ Pallotta, Anthony. New York State United Teachers. (2011). Testimony to the Senate Finance Committee and Assembly Ways and Means Committee. Retrieved from: <http://www.nysut.org/cps/rde/xchg/nysut/hs.xsl/legislation.htm>

The governor and the legislature committed to increase basic classroom operating aid (foundation aid) by \$5.5 billion over four years, the majority of which would go to high need schools and districts. As it did last year, the 2011/12 budget delays the full phase-in of CFE foundation aid by yet another year, until 2016/17.¹²

Impact on Communities of Color

“In our country, education is a civil right. The president has said it. Governor Cuomo has said it. As proposed the Governor’s budget cuts would widen the gap in educational opportunity based on poverty, race and zip code.”

- Dr. John H. Jackson, President and CEO of The Schott Foundation for Public Education.¹³

The proposed executive budget will decimate funding for high-needs, high minority school districts.

Thirty high-need districts - whose student populations average 71 percent Black and Latino - face cuts of \$773 per pupil. This compares to average cuts of \$333 per pupil in thirty low-need districts that have an average Black and Latino student enrollment of 3 percent. Buffalo, New York City, Syracuse and Yonkers, which together account for 71.4 percent and 72.1 percent of the state’s Black and Latino populations respectively¹⁴ face cuts per pupil that far exceed the cuts in the low minority districts analyzed.¹⁵

This widens the funding gap between the neediest and wealthiest schools.¹⁶

The Executive Budget’s proposed education cuts would widen the funding gap by 14 percent between the state’s lowest performing schools (Schools in Need of Improvement, or *SINI*) and the state’s highest income districts, to *\$1,960 per student*.¹⁷ In the *SINI* schools, 69 percent of students are African American and Latino, compared with 9.73percent in the higher income school districts.¹⁸

¹² Alliance for Quality Education & Public Policy & Education Fund of New York. (2011) *Widening the Funding Gap: Race, Poverty, and Governor Cuomo’s Education Cuts*. Retrieved from: <http://www.aqeny.org/ny/wp-content/uploads/2011/03/Widening-the-Equity-Funding-Gap.pdf>

¹³ Alliance for Quality Education. (2011). *Governor Cuomo’s Budget Increases School Funding Disparities Based on Race and Poverty* [Press Release]. Retrieved from: <http://www.aqeny.org/ny/wp-content/uploads/2011/03/3.2.2011-Widening-the-Gap-Press-Release.pdf>

¹⁴ New York State Education Department. Information and Reporting Services. (2009-10). *Distribution of Black and Hispanic Public High School Students New York State* [Data File]. Retrieved from: <http://www.p12.nysed.gov/irs/statistics/public/2011/TABLE5.pdf>

¹⁵ Alliance for Quality Education & Public Policy & Education Fund of New York. (2011) *Widening the Funding Gap: Race, Poverty, and Governor Cuomo’s Education Cuts*. Retrieved from: <http://www.aqeny.org/ny/wp-content/uploads/2011/03/Widening-the-Equity-Funding-Gap.pdf>

¹⁶ Ibid

¹⁷ Ibid

¹⁸ Ibid

The proposed budget limits progress.

In 2007 New York State passed historic legislation to enact need-based school funding, transforming an unfair system in which districts with large numbers of low-income students and children of color were shortchanged.¹⁹ This legislation was passed after the Court of Appeals, New York's highest court, found that the state was not meeting its *constitutional obligation to provide all children with a "sound, basic education."*²⁰

As a result, in their 2011 *Quality Counts* report, *Education Week*, the nation's premier education periodical, rated New York number one in closing the achievement gap between students in rich and poor school districts and number two in overall performance.²¹

¹⁹ Public Policy and Education Fund of New York. (n.d.) *Quality Education for all New York's Kids* [Fact Sheet]. Retrieved from: <http://ppefny.org/about/active-projects/education#ixzz1GEtOjEdR>

²⁰ Public Policy and Education Fund of New York. (2009) *Race matters: Impact of the 2009-10 Executive Budget Proposal*. Retrieved from: <http://ppefny.org>.

²¹ Alliance for Quality Education & Public Policy & Education Fund of New York. (2011) *Widening the Funding Gap: Race, Poverty, and Governor Cuomo's Education Cuts*. Retrieved from: <http://www.aqeny.org/ny/wp-content/uploads/2011/03/Widening-the-Equity-Funding-Gap.pdf>

CUTS TO HUMAN SERVICES: Severing the Safety Net:

Without ongoing State support for safety net programs, families and individuals who need assistance maintaining the basic necessities of life--housing, health care, food, -- will be left with scant resources. The proposed cuts to safety net programs balance the budget on the backs of those who had nothing to do with creating the deficit and can least afford to bear its brunt.

If enacted the budget will:

- **Eliminate funding for summer youth employment programs**

The executive budget eliminates ALL funding for summer youth employment programs (SYEP). Summer youth programs provide low-income youth an invaluable opportunity to gain work experience and provide needed income for their households. Studies have shown intensive employment during teen years increases the likelihood of receiving apprenticeship training and formal training from employers in your early to mid 20s; these training investments raise wages and earnings.²²

- **Eliminate \$36 million in discretionary Title XX social service funding²³**

Title XX funds provide money for mandatory Adult Protective/Domestic Violence services as well as local discretionary funding that is used to support senior citizen centers, healthy food programs for seniors and day care programs for low-income families. The loss of this discretionary funding for localities will result in the closure of more than 100 senior centers, leaving thousands of senior citizens without care.

- **Enact full family sanctions on public assistance households²⁴**

Families of a public assistance recipient alleged to be out of compliance with work requirements will lose all public assistance benefits. This means that the minor children of a parent deemed non-compliant will lose resources for toiletries, rental assistance, and other necessities. Child advocates have denounced full family sanctions as an insidious practice that is harmful to children.

- **Slash funding for after school care programs for children from low-income families**

Advantage After School Programs (AASP) provide quality youth development opportunities to school-age children and youth for three hours directly after school. The

²² Sum, Andrew. (2009) *The Collapse of the Nation's Labor Market for Teens and Young Adults (20-24)*. Center for Labor and Market Studies. Northeastern University. Retrieved from: www.clms.neu.edu/publication/

²³ The sources for all bulleted proposed executive budget cuts listed are from the New York State Division of Budget. (2011-12) Executive Budget: Agency Presentations. Retrieved from:

<http://publications.budget.state.ny.us/eBudget1112/agencyPresentations/>

²⁴ Ibid

executive budget will cut funding for AASP by nearly 25 percent leaving struggling parents with limited childcare options.²⁵

- **Cut \$53.7 million from homeless service programs²⁶**

The executive budget proposes to eliminate more than \$50 million in appropriations for homeless services, including reducing the state's contribution to the cost of homeless shelters in New York City and decimating funding to eviction prevention services.

- **Eliminate transitional jobs funding**

The executive budget eviscerates funding for transitional jobs programs. The transitional jobs program brought nearly 5000 people off the public assistance rolls and into employment.

- **Jeopardize adult literacy education programs**

Adult Literacy Education (ALE) funding is still being funded in the Governor's 2012 budget at \$4.29 million but this amount includes a sustained cut of \$2.6 million made in FY 2011. A full restoration to \$6.9 million is critical, especially given the likely federal cuts to Community Service Block Grants, which will decimate many New York State adult literacy programs that have relied on that funding for years.

Impact on Communities of Color:

“Nearly half of low-income blacks and one-third of low-income Latinos report having no money in savings. More than 3 in 5 low-income blacks and over half of Latinos report having less than \$500 they can fall back on.”

–Community Service Society. *The Unheard Third*²⁷

The proposed cuts to safety net programs will disproportionately affect African Americans and Latinos who suffer higher unemployment and poverty rates.

Safety net programs were created to provide emergency assistance for individuals and families during periods of un- and under employment. In New York's communities of color, the unemployment rates are far higher the state's average of 8.3 percent²⁸. Latest statistics show that African Americans face a shocking unemployment rate of 14.5

²⁵ Ibid

²⁶ New York State Division of Budget. (2011-12)Executive Budget: Agency Presentations. Retrieved from: <http://publications.budget.state.ny.us/eBudget1112/agencyPresentations/>

²⁷ Community Service Society. (2010, December) *The Unheard Third: Hardship and Personal Worries for low income New Yorkers*. Retrieved from:

<http://www.cssny.org/userimages/downloads/UnheardThird2010HardshipsandPersonalWorries.pdf>

²⁸ New York State Department of Labor (2011)

percent.²⁹ African American men experience unemployment at a rate of 17.3 percent³⁰, or nearly 1 in 5, while African American women have an unemployment rate of 12 percent.³¹ Unemployment for Latino men and women were also above average, at 11.7 percent³² and 12 percent,³³ respectively. Slashing services to the un- and underemployed will disproportionately destabilize low-income communities of color. These actions can also jeopardize New York's tenuous recovery by reducing overall economic activity.³⁴

The decimation of safety net programs jeopardizes the strides many families in communities of color have made towards escaping poverty.

Without after school care funding, working parents will be forced to choose between gainful employment and providing a safe caring environment for their children. New York State's Office of Children & Family Services promotes advantage after school programs as a program that improves the social, emotional, academic and vocational competencies of school-age children. The executive's bid to slash this program will roll back years of progress for participants of the AASP programs, the majority of whom are low-income families of color.

The lack of employment opportunities for young workers, particularly those living in inner city and rural areas, has significant short-term and long-term consequences.

The elimination of summer youth employment programs (SYEP) is pennywise and pound-foolish. SYEP provides low-income youth, the majority of who are people of color, an invaluable opportunity to gain work experience. Without SYEP many younger workers may be unable to earn money needed for school supplies, clothing, and to help support their families. For low-income youth trying to participate in post-secondary education and training, the impact of cuts will be devastating as they struggle to pay for tuition, books and supplies and other costs associated with their education.³⁵ The long-term impacts are even more troubling. Research has shown that the number one predictor of future success in the workforce is early exposure to work experience.³⁶

²⁹ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. (2010) Employment status of the civilian non-institutional population in states by sex, race, Hispanic or Latino ethnicity, and detailed age (preliminary), 2010 Annual Averages. Retrieved from: <http://www.bls.gov/lau/ptable14full2010.pdf>.

³⁰ Ibid

³¹ Ibid

³² Ibid

³³ Ibid

³⁴ Johnson, N., Oliff, P., & Williams, E. (2011) *An Update on State Budgets*. Center on Budget and Policy Priorities. Retrieved from: <http://www.cbpp.org/cms/index.cfm?fa=view&id=1214>

³⁵ New York Association of Training and Employment Professionals for the New York Department of Labor. (2009) *The 2009 Summer Youth Employment Program in New York State*. Retrieved from:

<http://www.recovery.ny.gov/assets/documents/The2009SummerYouthEmploymentProgram.pdf>

³⁶ Ibid

24.6 percent of young black males in New York City are unemployed.³⁷ Summer youth employment is one of the few programs that help to change this dynamic.

In Oneida County 37.2 percent of summer youth employees were African American,³⁸ in Yonkers 82 percent were African American,³⁹ and in New York City 44.8 percent of summer youth employees were African American.⁴⁰ The termination of summer youth employment programs would only further exacerbate New York's unyielding unemployment rates for Black males.

“Every night 38,000 men, women and children bed down in the municipal shelters—among them, 9,700 families and 15,000 children.”⁴¹

Since January 2010, adult homelessness has increased by 22percent,⁴² yet the executive budget reduces resources to combat this problem. African-American and Latino New Yorkers are disproportionately affected by homelessness.⁴³ In New York City an estimated 53 percent of homeless shelter residents are African-American, 32 percent are Latino and 6 percent are white.⁴⁴ By reducing funding for homeless prevention programs and shelters, the state diminishes resources that were already insufficient, and increases the probability that this vulnerable population will be left without options.

³⁷ Holder, Michelle. (2010) *Unemployment in New York City During the Recession and Early Recovery. Young Black Men Hit the Hardest*. Community Service Society. Retrieved from:

<http://www.cssny.org/userimages/downloads/OnlyOneInFourYoungBlackMenInNYCHaveaJobDec2010.pdf>

³⁸ Nassimos, Joanna. (2010) *Oneida County Summer Youth Employment Program Report*. Retrieved from:

<http://ocgov.net/oneida/sites/default/files/workforcedev/WFDpdf/2010syepreport.pdf>

³⁹ City of Yonkers, Office of Workforce Development. (2010) *2010 Summer Youth Employment Program*. Received from: Miguel Martinez, Executive Assistant at the Office of Workforce Development.

⁴⁰ New York City Department of Youth and Community Development. (2010) *SYEP 2010 Annual Summary*. Retrieved from: http://www.nyc.gov/html/dycd/downloads/pdf/SYEP_2010_Annual_Summary.pdf

⁴¹ Nortz, Shelly. (2011) Testimony of Coalition for the Homeless before the Fiscal Committees of the NYS Legislature. Coalition for the Homeless. Retrieved from: http://coalhome.3cdn.net/73b0c793a7091c0c23_wnm6yfl2f.pdf

⁴² Ng, Anthony. (2011) Testimony of United Neighborhood Homes before the Joint Legislative Fiscal Committees of the New York State Legislatures. United Neighborhood Homes. Retrieved from:

<http://www.unhny.org/advocacy/pdf/112percent20Statepercent20Humanpercent20Servicespercent20Budgetpercent20Hearingpercent20Testimonypercent201-16-11.pdf>

⁴³ Coalition for the Homeless. (n.d.) *Basic Facts About Homelessness* [Fact Sheet] Retrieved from:

<http://www.coalitionforthehomeless.org/pages/basic-facts-about-homelessness-new-york-city>

⁴⁴ Ibid

CUTS TO HIGHER EDUCATION: Hurdles to Accessing the American Dream

*In 21st century America a college education is essential. According to U.S. Census data, over a work lifetime, individuals who have a bachelor's degree earn about one-third more than workers with only a high school diploma.*⁴⁵

If enacted the budget will:

- **Impose sweeping cuts in State aid to SUNY/CUNY community colleges**

The executive budget cuts more than \$30 million dollars in state aid from SUNY's 30 community colleges and more than \$17.5 million from CUNY's six community colleges.⁴⁶

- **Implement devastating aid reductions to SUNY/CUNY 4-year colleges**

The executive budget proposes cuts of more than \$100 million to SUNY.⁴⁷ CUNY's senior colleges and the Graduate Center are facing cuts of \$83.2 million (including the \$11.9 million in mid-year cuts puts the actual number of cuts at \$95.1 million).⁴⁸

- **Continue strict eligibility requirements for the Tuition Assistance Program (TAP)**

The Governor's budget does not restore TAP grants to graduate students that were eliminated last year. Part-Time TAP remains seriously underfunded and serious inequities remain. For example, single independent students without dependents—the working poor who would benefit from returning to college—are subject to an eligibility schedule for TAP that has not been adjusted since 1994 and thus, receive very low TAP grants.

⁴⁵ U.S. Census Bureau (2007) *The Big Payoff: Educational Attainment & Synthetic Estimates of Work-Life Earnings*. Retrieved from: <http://www.census.gov/prd/2002pubs/p23-210.pdf>

⁴⁶ Bowen, Barbara. (2011, February 10). Testimony of the Professional Staff Congress/CUNY Joint Hearing of Senate Finance Committee and Assembly Ways and Means Committee. Retrieved from: <http://www.psc-cuny.org/our-campaigns/psc-testimony-governors-executive-budget>

⁴⁷ New York State United Teachers (n.d.) *Preliminary Analysis of the 2011-12 Executive Budget*. Retrieved from: http://www.yctunion.com/News%20Files/2011_state_budget_analysis%5B1%5D.PDF

⁴⁸ Bowen, Barbara. (2011, February 10). Testimony of the Professional Staff Congress/CUNY Joint Hearing of Senate Finance Committee and Assembly Ways and Means Committee. Retrieved from: <http://www.psc-cuny.org/our-campaigns/psc-testimony-governors-executive-budget>

Impact on Communities of Color:

“When bright young minds can’t afford college, America pays the price”. – Arthur Ashe

The proposed cuts to CUNY and SUNY will compound years of disinvestment.

President Obama has called community colleges “unsung heroes of the American education system” and notes that they’ll play a crucial role in training American workers to compete in the globally economy.⁴⁹ For many young people, community colleges are the point of entry to higher education and family sustaining jobs. In times of an economic downturn people look to community colleges for postsecondary training to improve limited employment prospects. The proposed cuts will leave CUNY and SUNY community colleges ill-equipped to provide for burgeoning enrollments.

If the executive budget is enacted, New Yorkers may be unable to look to its community colleges for access to a college degree as well as career and job training and other opportunities.

In 2010, in the face of record enrollments, CUNY -- for the first time in its history -- stopped accepting freshman applications in May to all its colleges and established a waiting list for admission to its six community colleges.⁵⁰ This surge of enrollment is predicted to continue at both CUNY and SUNY. Rather than expand resources to accommodate this surge, the executive budget reduces resources for public higher education.

If enacted, the budget will result in overcrowding, increasing class sizes, reduced class offerings, fewer full-time faculty and greater reliance on part-time adjunct faculty --increasing student’s graduation times --and insufficient laboratory equipment and reduced library resources.⁵¹

The 2011 executive budget continues New York’s historic disinvestment in higher education. From fiscal year 1990/1991 to fiscal year 2010/11, when adjusted for inflation and full time equivalent student enrollment: direct state aid to CUNY senior colleges declined by 35.4 percent and direct state aid to CUNY community colleges declined by

⁴⁹Runnigen, R. & Johnston, N. (2010, October 5) Obama Calls U.S. Community Colleges ‘Unsung Heroes’. *Bloomberg Business Weekly*. Retrieved from: <http://www.businessweek.com/news/2010-10-05/obama-calls-u-s-community-colleges-unsung-heroes-.html>

⁵⁰Lombardi, Frank. (2010, June 24). CUNY Gets Squeezed by Record Admissions, forced to wait list incoming applicants. *Daily News*. Retrieved from: http://www.nydailynews.com/ny_local/bronx/2010/06/24/2010-06-24_cuny_gets_squeezed_by_record_admissions.html

⁵¹Bowen, Barbara. (2011, February 10). Testimony of the Professional Staff Congress/CUNY Joint Hearing of Senate Finance Committee and Assembly Ways and Means Committee. Retrieved from: <http://www.psc-cuny.org/our-campaigns/psc-testimony-governors-executive-budget>

32.7 percent.⁵² A key feature of New York's recovery should be investment in our intellectual capital.

Anticipating serious reductions in state aid, CUNY's board approved a series of tuition increases in November and began collecting the first increase of 5 percent in the spring 2011 semester -- in essence making up for the state's underinvestment by charging students more.⁵³

As nearly 40 percent of CUNY students come from households with annual incomes of \$20,000 or less and full half come from households earning less than \$30,000, raising tuition – even with TAP and federal Pell grants – harms students.⁵⁴ When tuition goes up, students taken on greater debt or work more hours for pay cutting into their time for study. For too many the net result is delaying their education, stopping out to earn enough to cover their tuition or dropping out altogether.

The City University of New York (CUNY) is representative of New York City's diversity, with 74 percent of current undergraduate students coming from communities of color.

In New York the median household income for whites is \$61,230⁵⁵, for African Americans the median household income is \$40,084,⁵⁶ and for Latinos the median household income is almost half that of whites at \$38,163⁵⁷. New York's public colleges and universities are pathways to the middle class. By disinvesting in CUNY/SUNY we lose a mechanism that can help eradicate these significant income disparities.

⁵² Bowen, Barbara. (2011, February 10). Testimony of the Professional Staff Congress/CUNY Joint Hearing of Senate Finance Committee and Assembly Ways and Means Committee. Retrieved from: <http://www.psc-cuny.org/our-campaigns/psc-testimony-governors-executive-budget>

⁵³ CUNY Newswire (2010, December 3). Facing Down the Fiscal Challenge. *CUNY Matters*. Retrieved from: <http://www1.cuny.edu/mu/forum/2010/12/03/facing-down-the-fiscal-challenge/>

⁵⁴ Bowen, Barbara. (2011, February 10). Testimony of the Professional Staff Congress/CUNY Joint Hearing of Senate Finance Committee and Assembly Ways and Means Committee. Retrieved from: <http://www.psc-cuny.org/our-campaigns/psc-testimony-governors-executive-budget>

⁵⁵ U.S. Census Bureau. American FactFinder, New York: Median Household Income in the Past 12 Months (Data Set: 2005-2009; American Community Survey, 5-year estimates) U.S. Census Bureau

⁵⁶ Ibid

⁵⁷ Ibid

CUTS TO HEALTHCARE: A Matter of Life and Death

Although some gains have been made, racial and ethnic minorities continue to experience a disproportionate burden of disease. People of color continue to have dramatically higher rates of HIV infection, Hispanics have higher incidence of diabetes deaths, and African Americans have higher rates of death from cancer.

– Dr. Richard Daines, Former NYS Commissioner of Health

If enacted the executive budget will:

- **Slash Medicaid by nearly \$3 billion**

Established in 1965, New York's Medicaid program is the largest payer of healthcare and long-term care services in the state. The nearly \$3 billion in cuts to Medicaid services in the Executive State Budget 2011-12 could severely impact patient safety in facilities throughout New York state.⁵⁸

- **Eliminate dedicated funding for racial & ethnic minority public health programs⁵⁹**

By eliminating dedicated funding for the Office of Minority Health (OMH), Racial Disparities Study, Minority Male Wellness Program, Latino Outreach Program, Maternal Mortality Review & Safe Motherhood Initiative, New York runs afoul of prescribed strategies for eliminating health disparities. A 2009 report commissioned by the NYS Department of Health recommended an **increase** in OMH resources so that the Office could “carry out its legislative charge and coordinate the department's health disparities efforts.”⁶⁰

- **Drastically reduce the Elderly Pharmaceutical Insurance Coverage (EPIC) Program**

The current EPIC program wraps around Medicare Part D coverage and is critical to ensuring that seniors do not leave the pharmacy without their prescriptions.⁶¹ The Executive Budget proposes to limit EPIC coverage for drugs only to individuals who hit the Medicare Part D coverage gap, making low-income seniors pay full premiums ranging from \$14.80 to \$107.40 per month plus any deductible and co-pays.⁶²

⁵⁸ New York State Nurses' Association (2011). *Statement: Executive Budget Relating to Healthcare*. Retrieved from <http://www.balconynewyork.com>

⁵⁹ New York State Division of Budget. (2011-12)Executive Budget: Agency Presentations. Retrieved from: <http://publications.budget.state.ny.us/eBudget1112/agencyPresentations/pdf/AgencyPresentations.pdf>

⁶⁰ Smedly, Brian, Ph.D. (2009). *Moving towards health equity in New York: State strategies to eliminate health disparities*. Retrieved from: http://www.health.ny.gov/community/minority/docs/moving_toward_health_equity.pdf

⁶⁰ Health Care for all New York. (2011) Testimony on the 2011-2012 New York State Executive Budget. Retrieved from: http://hcfany.files.wordpress.com/2011/03/hcfany_2011_12_budget_testimony_final.pdf

⁶² Ibid

- **Shrink the budget for the NYS Office of Mental Health (OMH) by \$3.6 billion⁶³**

This includes a \$32 million reduction from a freeze on all new community residential programs for one year and a two-year elimination of funding to family-based treatment beds. In addition, \$27 million in cuts were proposed to non-residential community support programs like children's Clinic Plus, training and education, and \$20 million in savings from keeping residential trend factors level.⁶⁴

IMPACT ON COMMUNITIES OF COLOR:

The inability to get health care because people lack insurance, kills, less traumatically, and less visibly than terrorism, but the result is the same. –Marian Wright Edelman

The proposed healthcare cuts will intensify racial health disparities.

Historically, communities of color have contended with chronic, severe barriers to accessing healthcare that have serious consequences on their life outcomes.⁶⁵ According to a 2009 report by Healthcare for America Now, *Unequal Lives: Healthcare Discrimination Harms Communities of Color in New York*, “For people of color in New York and nationwide, life is shorter, chronic illness more prevalent and disability more common. These are predictable side-effects of a health care system that provides these communities in New York with narrower opportunities for regular health services, fewer treatment options and lower-quality care.”

The executive budget's elimination of dedicated funding for the Office of Minority Health (OMH) represents a reversal of New York's previous stated commitment to eliminating racial health disparities.

The OMH is the entity charged with focusing the New York State Department of Health's efforts to reduce health care inequality; it cannot meet this critical obligation without funding. For example, The OMH's Minority Male Wellness Program, a partnership with New York City's Minority Health Office, is an innovative, community-based program to address the unique health challenges of men of color. The Minority Male Wellness Program will be eliminated under the current proposed budget.

⁶³ New York State Division of Budget. (2011-12)Executive Budget: Agency Presentations. Retrieved from: <http://publications.budget.state.ny.us/eBudget1112/agencyPresentations/pdf/omh.pdf>

⁶⁴The Coalition of Behavioral Health Agencies (2011, February 4). *Coalition proposes “carve out” model to Medicaid redesign team*. Retrieved from <http://coalitionny.org/>.

⁶⁵Healthcare for America Now! (2009, July). *Unequal lives: Healthcare discrimination harms communities of color in New York*. Retrieved from: http://hcfan.3cdn.net/6ccc2a0b1441ff3cb5_wam6idpg1.pdf

Elimination of funding for the Maternal Mortality Review and Safe Motherhood Initiative is unacceptable, given that New York has one of the highest maternal mortality rates.⁶⁶

Studies show that over half of such deaths are likely preventable,⁶⁷ with social factors like poverty, obesity and lack of insurance playing a large role.⁶⁸ In New York, black women are seven times as likely to die in pregnancy as white women, while Hispanic and Asian women are twice as likely to die as white women.⁶⁹ Moreover, the city found that women without any health insurance were four times as likely to die as women with such coverage. However, women covered by Medicaid, the government insurance program for the poor, fared as well as women with private insurance.⁷⁰

OMH produces the biannual report required by state law on health disparities in New York State.⁷¹

Health inequalities cannot be addressed if they are not identified, and interventions that attempt to reduce disparities must be data-driven.⁷² Elimination of state funding for OMH threatens these efforts. The Federal Office of Minority Health's 2000 review of 8 state minority health entities found that strong support from the state government and a comprehensive state health disparities plan were essential for the success of state minority health entities in carrying out their missions.⁷³ Further, it is unclear whether the 24 community health coalitions across the state that are funded by OMH will continue to receive support.

Racial disparities in life expectancy and infant mortality rate are devastating.

For white New Yorkers the death rate for newborns is 4.6 per 1,000 live births, compared with 11.8 for African American New Yorkers.⁷⁴ Life expectancy for African Americans in New York is 6 to 10 years shorter than that of whites. About 24 percent of Latinos and 20 percent of African Americans in New York are uninsured, compared with 11 percent of whites.⁷⁵

⁶⁶Hartocollis, A. (2010, June 18). High death rates of pregnant women in New York State. *The New York Times*. Retrieved from: http://www.nytimes.com/2010/06/19/nyregion/19obese.html?_r=1

⁶⁷ Centers for Disease Control and Prevention (2010). *Maternal and infant health research: Pregnancy complications*. Retrieved from: <http://www.cdc.gov/reproductivehealth/MaternalInfantHealth/PregComplications.htm>

⁶⁸Hartocollis, A. (2010, June 18). High death rates of pregnant women in New York State. *The New York Times*. Retrieved from: http://www.nytimes.com/2010/06/19/nyregion/19obese.html?_r=1

⁶⁹ Ibid

⁷⁰ Ibid

⁷¹ New York State Department of Health, Office of Minority Health (2007, September). *New York State Minority Health Surveillance Report*. Retrieved from:

http://www.health.ny.gov/statistics/community/minority/docs/surveillance_report_2007.pdf

⁷² Ibid

⁷³ Smedly, Brian, Ph.D. (2009). *Moving towards health equity in New York: State strategies to eliminate health disparities*. Retrieved from: http://www.health.ny.gov/community/minority/docs/moving_toward_health_equity.pdf

⁷⁴ Healthcare for America Now! (2009, July). *Unequal lives: Healthcare discrimination harms communities of color in New York*. Retrieved from: http://hcfan.3cdn.net/6ccc2a0b1441ff3cb5_wam6idpg1.pdf

⁷⁵ Ibid

There is strong evidence that state funding for community healthcare significantly reduces health disparities between populations and improves health outcomes for all people.⁷⁶

For example, upon reaching age sixty-five, virtually all Americans—white and minority—are eligible for Medicare, and minorities constitute a disproportionate share of those who qualify for Medicare on the basis of long-term disabilities, accounting for 32 percent of disabled beneficiaries under age 65 (compared with 18 percent of aged beneficiaries).⁷⁷

Additionally, state Medicaid spending has a net positive economic impact because it triggers a large infusion of federal dollars. A cut of \$2.8 billion would result in a loss of over \$5.8 billion in economic activity and a loss of 45,000 jobs.⁷⁸

Reducing funding for the Elderly Pharmaceutical Insurance Coverage (EPIC) program guarantees that more seniors will go without needed medication.

The high costs of prescription drugs leads many Latinos and African Americans to delay filling a prescription or skip doses, according to a 2007 AARP national study.⁷⁹ Latinos had the most difficulty paying for prescription drugs with more than four in ten saying they had problems paying for a prescription in the past year; while 38 percent of African Americans experienced difficulty paying for drugs. When asked about their ability to pay for prescription drugs over the next two years, 61 percent of Latinos and 68 percent of African American expressed concern.⁸⁰

⁷⁶ Eichner, J. & Vladeck, B. (2005) Medicare As A Catalyst For Reducing Health Disparities. [Electronic Version] *Health Affairs*, 24(2). Retrieved from: <http://content.healthaffairs.org/cgi/content/full/24/2/365>

⁷⁷ Ibid

⁷⁸ Fiscal Policy Institute. (2011, February) New York State's Fiscal and Economic Outlook for 2011-2012. Retrieved from: www.fpi.org.

⁷⁹ Hispanics and African Americans Among Those at Risk Due to High Cost of Prescription Drugs Says AARP National Study. (2007, May 24) *Prn-Newswire/Us-Newswire*. Retrieved from: http://www.redorbit.com/news/health/945731/hispanics_and_african_americans_among_those_at_risk_due_to/index.html.

⁸⁰ Ibid

Conclusion

This report reviews several areas of the Executive Budget and finds that many of the proposed cuts will disproportionately impact communities of color.

As it stands, the state budget forces poor communities of color to bear the burden of the shortfall, rather than requiring those with ample means to do their part. As outlined in this report, this course of action's consequence in the areas of healthcare, education, and community stability are dire. It perpetuates unacceptable racial disparities and fails all New Yorkers in the process.