

For Immediate Release:
January 28, 2009



For More Information:
Kathleen Campbell
Phone: 518-465-4600 x115
Cell: (518) 221-8583
Bob Cohen
Cell: (518) 265-6183

Organizations Call for a “Stimulus for the Rest of Us”

Governor Should Spend Federal Funds on Education, Health Care, Other Services House of Representatives Vote Expected Today

Albany – A host of New York State organizations led by Citizen Action of New York today called on New York Senators Charles Schumer and Kirsten Gillibrand to join with President Obama to fight for a “stimulus for the rest of us:” a bill that provides priority funding to working families, and to states and localities for urgent needs like education and health care. The group also urged Governor Paterson to use the new federal dollars to protect state services – not as an excuse to avoid fair share tax reform to increase state revenues.

“We need our Senators to join with President Obama to fight for a stimulus for the rest of us: average working families,” said Bob Cohen, Citizen Action of New York Policy Director. “The nation is facing the worst economic crisis since the Great Depression. **The economic recovery bill should be targeted to help families in New York and throughout the nation that are facing job losses, foreclosures, excessive credit card debt, bankruptcies and loss of their health insurance.** What’s worse, New York State faces a serious budget deficit this year that will result in serious cuts in programs like education and health care unless we get a significant amount of new federal aid.”

“The funding in the economic stimulus package for increased food stamp benefits and other federal nutrition programs, SSI benefits, EITC and unemployment insurance will help alleviate the growing hunger crisis in our communities while providing a much needed stimulus to the economy,” said Mark Dunlea, Executive Director, Hunger Action Network of New York State. **“The best way for the government to increase consumer demand is to put money directly in the hands of low-income Americans because they will spend it all quickly to help pay for basic necessities.”**

The House of Representatives is expected to vote on the over \$800 billion American Recovery and Reinvestment Plan today. This recovery package, President’s Obama’s highest priority, is projected to create or save 3 to 4 million jobs and jumpstart the nation’s economy. The bill includes investments in science and technology, roads, bridges, transit and waterways, and education, and clean energy. The package will take a first step towards universal health care through a \$20 billion investment in health information technology, and help workers hurt by the downturn through an extension of unemployment benefits and temporary health care coverage. Finally, in a measure opposed by Iowa Senator Charles E. Grassley, the ranking Republican on the Senate Finance Committee, the bill would provide \$87 billion to New York and other states for a temporary increase in the Medicaid matching rate, through the “FMAP” program. (A summary of the bill appears at <http://fightthecuts.org/american-recovery-and-reinvestment-plan>).

“The Medicaid provisions are particularly critical to New York, because they will help pay for health care for the poor during a time when the state faces a shocking \$13.7 billion deficit,” said Al Ormsby, Citizen Action of New York board member and Health Care for America Committee Chair. “The over \$5 billion New York is expected to receive next year will help ensure that health care, education and other vital state services are protected. We are counting on our Senators and the New York House members to resist Republican efforts to strip this critical provision from the bill.”

--more--

Citizen Action said that a “stimulus for the rest of us” was the best way to put local people back to work, to stimulate the state economy, and to avoid cuts in vital state programs that New Yorkers rely on.

“We also need our Senators and President Obama to resist efforts to load up the package with tax cuts for the corporations that get us into the nation’s economic mess in the first place,” said Frank Mauro, Executive Director, Fiscal Policy Institute. “Economists agree that the best way to stimulate the economy is to put money in the hands of average working families and the states, so that the money is spent right here in our communities.”

The advocates also expressed concern about recent statements by Governor Paterson that he would reconsider certain tax increases and other revenue measures he proposed if New York receives significant aid under the economic stimulus package.

"These cuts will not only be harmful, but they're unnecessary," said Alan Lubin, New York State United Teachers Executive Vice-President. "The federal stimulus funding we're anticipating will be retroactive, so it makes no sense to cut when help is on the way."

“The passage of the federal economic stimulus package shouldn't let Governor Paterson and the Legislature off the hook for fixing New York’s broken tax system. Our state leaders must raise income taxes on the wealthiest New Yorkers to ensure that they are paying their fair share. Governor Paterson should be working in tandem with President Obama for change – not pulling the rug out from the President’s efforts to stimulate the economy,” said Ron Deutsch, Executive Director, New Yorkers for Fiscal Fairness.

“Citizen Action of New York and the Alliance for Quality Education were two of the main organizations that fought and won the fight for equitable funding of schools in New York State,” said Ivette Alfonso, Citizen Action of New York board member and AQE committee chair. “The Governor is backing away from that victory by cutting school funding. The new federal money should target the school districts where the need is greatest.”

Citizen Action of New York is a statewide membership organization that organizes for social, racial, economic, and environmental justice. Citizen Action is a leader of two coalitions that are fighting to ensure that the most vulnerable in our state are protected against cuts and that the wealthy and corporations make a fair contribution to resolve the budget deficit: One New York, Fighting for Fairness, and the Better Choice Budget Coalition. Citizen Action also maintains a web page to provide the public with information to be more effective in fighting for a fair budget:

www.fightthecuts.org.