

In these tough economic times, New York must continue to invest in public education from pre-school through college to keep students and the state's economy moving forward. Deep and painful cuts proposed in the Executive Budget would short-circuit the state's commitment to closing the achievement gap and further weaken the economy. NYSUT is calling on our legislative leaders, to pursue constructive solutions to the budget crisis that would spare students and needy New Yorkers from harm. We are committed to constructive solutions, but our solutions must also focus on the revenue side of the equation.

#### **ASK THE WEALTHIEST TO PAY THEIR FAIR SHARE - PERSONAL INCOME TAX:**

It is time for New York state to increase the state Personal Income Tax (PIT) on the wealthiest to prevent damaging cuts in services citizens rely on - a solution supported by more than 80 percent of New Yorkers. Tax cuts for the wealthiest New Yorkers, enacted since 1994, have resulted in **\$20 Billion** in lost State revenue.<sup>1</sup>

Raising taxes on the wealthy is a better option than cutting spending. According to Joseph Stiglitz, recipient of the Nobel Memorial Prize in Economics and Peter Orszag, Director of the Congressional Budget Office, "[r]eductions in government spending on goods and services...are likely to be more damaging to the economy in the short run than tax increases focused on higher-income families.

- We support a PIT reform that: 1) creates new tax brackets starting at \$250,000; 2) restores a progressive tax structure; 3) generates a substantial (\$6B) amount of permanent revenue.

#### **SPEND THE FEDERAL STIMULUS AS IT WAS INTENDED – RESTORE CUTS, SAVE JOBS:**

A federal stimulus package of \$825 billion has already passed in the House and is likely to be signed by our new President imminently – perhaps within the next two weeks. This proposal promises to bring in approximately **\$17 BILLION** in non-capital dollars to New York state over the next two years. Some of this funding will go directly to school districts as Title I and IDEA but additional funding will also be available as general budget relief. This state fiscal relief is intended to save jobs, vital services and jumpstart our economy.

- Federal funding should be used to restore the proposed cuts in state aid to our schools and colleges, prevent layoffs and maintain our commitment to our children rather than offset revenues.

#### **K-12 EDUCATION**

Under the Executive's proposal, aid to schools would be cut by **\$2.5 billion**. The proposed \$20.7 billion education package would represent a 12 percent reduction from the amount promised under the state's formula to address inequities highlighted in the CFE court decision. These cuts would result in tens of thousands of layoffs of teachers, aids, and support staff. It would cause massive retrenchment of instructional and support programs to school children while ballooning class sizes and dismantling tutoring, counseling, after school and summer school programs that students need to meet grade level and graduation standards.

We strongly support and are committed to maintaining the foundation formula and to quality education for all children. While we do not endorse the Regents 2009-10 proposal in its entirety, we do support their proposal conceptually and we were pleased with their commitment to continuing the phase in of the foundation formula and maintaining the universal pre-k program. We must not walk away from the progress that we have already begun to make.

Although the Executive proposes to cut school aid on a sliding scale from 3-13% based on certain wealth and local capacity factors. In fact – these cuts reduce aid to the poorest districts **THE MOST**. This is because needy districts are the most dependent on state aid to run their schools.

The Executive's budget also proposes to require school districts to assume 15 percent of the cost of Preschool Special Education. This cost shift would have an immediate impact on school districts and is estimated to increase costs by \$173 million statewide. The cost shift will have the same impact as a cut and it will force the elimination of personnel or programs. Local taxpayers may also be asked to foot the bill, placing significant pressure on local property taxpayers at a time when state leaders are attempting to lessen the burden.

- The foundation formula must be maintained, the phase-in should continue, and districts should be guaranteed the same minimum increase that is promised in current law.
- The proposed "Deficit Reduction Assessment" (DRA) of \$1.1 billion should be rejected. The DRA would mean cuts across the board to most aid categories including BOCES and High Tax Aid. These aid categories should be fully funded.

- Reject the proposed preschool special education cost shift to school districts.

#### **TEACHER CENTERS and the TEACHER MENTOR INTERN PROGRAM:**

The Executive Budget proposal eliminates all funding for Teacher Centers in the 2009-10 year (\$40 million). Teacher Centers provide high quality professional development to approximately 267,000 teachers and 41,000 Teacher Assistants. The Teacher Mentor Intern Program is also proposed to be eliminated for 2009-10. Currently, this \$10 million dollar grant program enables new teachers to receive mentoring as they begin their teaching career.

- Restore \$40 million in funding for Teacher Centers and \$10 million in funding for the Teacher Mentor Intern Program.

### **HIGHER EDUCATION**

NYSUT strongly believes that this economic crisis is precisely the time that the state must invest in our public higher education institutions to ensure that they have the resources they need to accommodate the growing demand for the vital services that they provide to the public.

#### **SUNY/CUNY FOUR YEAR INSTITUTIONS:**

State General Fund support for SUNY and CUNY four-year institutions has been reduced by almost \$215 million in the current 2008-09 state budget. These cuts are deeper than the cuts to any other state agency. Given the magnitude of these reductions – which follow years of inadequate state support – NYSUT strongly urges the Legislature to protect student access and the quality of academic programs at these institutions. The state must ensure that students have the faculty to provide instruction and advisement. Unfortunately, at too many campuses we are seeing faculty searches being halted, class sizes increasing and many others being cancelled for next semester.

- Restore \$265 million in cuts to SUNY and CUNY.
- Restore the \$25 million state subsidy cut to SUNY's hospitals and Medicaid cuts.
- Reject Executive Budget Article VII proposals to: provide increased SUNY flexibility, eliminate state employee's negotiated raises, institute a five-day lag payroll, increase retiree health insurance premiums and Medicare Part B premiums and to establish a Tier V that would require prospective employees to pay 3%

#### **SUNY/ CUNY COMMUNITY COLLEGES:**

The Executive has proposed a mid-year 10% cut in state base aid to these institutions in the Deficit Reduction Plan and annualizes this cut in the 2009-10 Executive Budget which would severely damage community colleges at a time when they are most needed. For SUNY's community colleges, this equates to a mid-year cut of \$11 million for 2008-09 and a \$46 million cut for the 2009-10 academic year. For CUNY, the mid-year cut equates to \$4.2 million and the 2009-10 academic year cut equals \$17 million.

Community colleges are the gateway to achieving a college degree for hundreds of thousands of citizens in this state. This is especially true for economically disadvantaged students and minority students. Over half (51 percent) of all Hispanic and 44 percent of all African American undergraduate students have first enrolled in community colleges.

- Reject the \$15 million cuts in state base aid as proposed in the Deficit Reduction Plan.
- Reject the 2009-10 Executive Budget cuts in state base aid of \$46 million to SUNY and \$17 million to CUNY.
- Reject the tiered system of state base aid cuts which are based on campus enrollment which would unfairly penalize large campuses.

### **TIER V**

If enacted, this new retirement plan will require greater contributions from certain middle class families over a longer period of time in exchange for diminished retirement eligibility and inferior retirement benefits. These changes will not save taxpayers or the state over the near term and will likely only provide marginal savings over the longer term.

- Reject the proposed new Tier V.