



**AFSCME New York Testimony
New York State Senate Committee on Budget and Tax Reform
Chair, Liz Krueger
Thursday, March 12, 2009
Legislative Office Building, Albany, NY**

Testimony by Brian McDonnell, Legislative and Political Director

AFSCME New York appreciates the opportunity to submit testimony to the Senate Committee on Budget and Tax Reform. The American Federation of State, County and Municipal Employees (AFSCME) is New York's largest public service union with over 420,000 members from six affiliates including CSEA/AFSCME Local 1000, District Council 37, District Council 1707, District Council 66, AFSCME Council 82 and AFSCME Council 35. AFSCME represents workers in every city, county, town, village and school district in New York State. AFSCME represents thousands of public and non-profit employees throughout the state as well as workers who care for the sick and elderly in public hospitals and nursing homes. Our members care for the mentally ill, the disabled and the infirm. Our law enforcement members maintain public safety and security. The AFSCME membership keeps our state running every day. **New York works because our members do.**

New York faces serious problems. With a projected \$14 billion (and possibly growing) budget deficit, New York needs to make some serious choices. AFSCME members provide essential services to the state – services which have become even more essential in this economic downturn. Our members are also tax-paying citizens of the state. On behalf of those members, we urge the State to address this gap in the most responsible fashion and in a manner that does as little harm as possible to the state's economy and citizens.

One proposed solution to the crisis has been to swing a heavy axe. Instead of calling for shared sacrifice amongst the citizens of the state or finding better revenue solutions, some have floated the idea of cuts to essential programs, increased fees and regressive consumption taxes that would hurt union members and working New Yorkers. These include proposals to cut school aid and Medicaid, to slash state aid to local governments, and to increase health insurance premiums for retired state workers. State workers and employees of human services nonprofits have been approached to forego already negotiated wage increases. Layoffs of more than 5,000 State employees have been discussed.

Those proposals are precisely the wrong solutions to our current problems and will only make our State's fiscal health worse.

Now that the bottom has fallen out of the New York State economy, AFSCME and its affiliates are calling on the wealthiest New Yorkers to pay their fair share to help us get out of this crisis. Over the last twenty years, leaders in New York have made reckless cuts to our State income tax system, leaving us with a revenue problem every year. New York's income tax system has ceased to be progressive: those making \$40,000 per year are taxed at the same rate (6.875%) as those making a billion dollars a year. New York State now has the widest gap between rich and poor and between the rich and middle 20% than any other state in the country.

A majority of economists agree that the best way to get out of this mess is to limit cuts on services and layoffs, to preserve as many jobs as possible and to maximize the Federal stimulus package. The only fair way to ensure that New York gets out of this mess is to ensure that *every* New Yorker pays their fair share. It is regressive to keep asking the working and middle class to continue to bail out those who can afford to pay more; to continue to tax and fee middle class workers who have watched their wages fall or remain the same.

We cannot continue to balance the budget on the backs of middle class workers. It is time for the Legislature to stand up and join the majority of New Yorkers who support a progressive income tax. On behalf of the 420,000 members that AFSCME represents in New York State, we are asking for our elected officials in Albany to restore a fair, balanced and progressive income tax system in New York that

will balance the budget, maintain essential programs and get our State economy moving in the right direction again.

Thank you for your time and consideration.