



United Way
of New York State

October 8, 2009

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Honorable David M. Paterson
Governor
State Capitol
Executive Chamber
Albany, New York 12247

Dear Governor Paterson:

We realize that you face difficult decisions as you work to close the current year budget deficit, concurrent with developing your budget proposal for 2010-11. We have had concerns about past deficit reduction actions, especially the utilization of “across the board” cuts. Therefore, we are recommending the following principles for your consideration:

Deficit Reduction Principles

Avoid significant cuts to benefits and services to our most vulnerable New Yorkers: poor individuals and families, pregnant women and young children, low income elderly, individuals with disabilities, and veterans.

Protect funding for prevention services that save more expensive interventions later on.

Consider the state’s existing investment in successful programs which represents spending that is wasted if funding is reduced or eliminated.

When considering spending cuts, treat legislative additions to the budget the same as Executive programs. Once the budget is approved, every appropriation becomes law and none should have second class status.

Apply the same scrutiny to tax incentive programs, which represent foregone revenue that is applied to human services spending. If human services programs are to be cut, a comparable scale back in tax incentives should be expected as well.

Limit cuts to spending for the remainder of the fiscal year. Do not make retroactive cuts to programs approved in the budget, the money for which may have already been spent, or committed to programs and services locally.

Consider what can be done in budget language to simplify the actions that need to be taken in response to deficit reduction, so that a flood of new paperwork does not cause further contracting delays between the state and not for profit agencies.

State Budget Principles

In addition to the ideas for deficit reduction, we also recommend the following as you develop a budget proposal that reflects your programmatic objectives and values:

Reject proposals to eliminate programs or cut spending based on the assumption that the Legislature will restore funding. This sends the wrong signal to other funders, such as cities, counties and school districts of the Executive's lack of support, making local planning for services impossible.

Utilize completed evaluations or audits to determine where to make cuts in spending or tax incentives. Consider ways in which the state can more efficiently and effectively deliver services, such as by reducing the vast array of state 800 numbers, particularly those that are contracted with out of state providers, and supporting those services with 2-1-1 funding.

Consistent with your commitment to an on-time budget, provide budget language to ensure that local governments receive timely spending authority so that there is a predictable and stable cycle of services provision.

Avoid cutting spending from programs that jeopardize matching investments from the federal and local governments, private companies, United Ways and foundations.

Before proposing new programs, or increased funding for existing programs in the budget, assess the relative value of that new spending against the state's existing commitment to programs that are already performing well and meeting their goals.

Require that different state agencies which oversee programs for the same (or similar) programs, conduct their work jointly so as to maximize the effectiveness of the program in meeting needs. Two examples are anti-hunger programs, (OTDA and DOH) and afterschool programs, by SED and OCFS.

We believe these ideas will result in a proposal that reflects a consistent approach to maintaining a balanced budget as well as a commitment to the continued partnership of state, local, and not for profit services for New York's individuals and families.

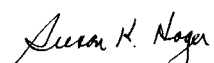
Sincerely,



Deborah Stendardi, Chair
Public Policy Committee



B.J. Costello, Chair
Board of Directors



Susan K. Hager
President and CEO

c: Robert Megna, Director, Division of the Budget
Hon. Richard Ravitch, Lt. Governor
Valerie Grey, Director of State Operations
Kristin Proud, Deputy Secretary for Human Services, Operations and Technology