



New York State Budget:

Pamper the Millionaires; the Poor Can Eat Cake, Dirt or Whatever

by The Rev. Dan Hahn, Public Policy Consultant. May, 2008

Despite increasing demand at almost all the churches' emergency food programs, the 2008-2009 New York State budget cuts the main source of state funding for these programs by 16%.

That's right. There's a mortgage crisis and a recession, demand on faith based pantries and soup kitchens is growing, desperation is spreading, food prices are soaring, private donations are tenuous, federal funding is down sharply, and Governor Paterson and the Legislature have made it harder yet for charities – who have been picking up the slack for inadequate public support for decades – to respond to human need.

The cut specifically was to the Hunger Prevention and Nutrition Assistance Program (HPNAP). This is the main source of state funding for charitable food assistance programs and food banks throughout the state. Here's the recent history:

The budget enacted by Governor Spitzer and the Legislature last year provided \$28.34 million to HPNAP. However, because of the crisis faced by charitable feeding agencies and organizations a year ago, Governor Spitzer added an additional \$5 million to the HPNAP in November. The total for last year thus became \$33.34 million. Scaling back due to a revenue shortfall, this year's budget funds HPNAP at \$27.85 million. The consequences for the most vulnerable of all New Yorkers are obvious.

New York didn't have to cut HPNAP. It didn't have to ignore the "millionaire's tax" proposal put forth by the Assembly. That modest and temporary tax adjustment on high incomes could easily have covered HPNAP and the difference would have been imperceptible. The tax, which would have raised the top income-tax rate on the 26,000 people who earn more than \$1 million a year from 6.85 percent to 7.7 percent for three years, would have raised an additional \$1.5 billion a year.

Would this have been a burden? It's hard to argue that, although some journalists have tried to argue that combining the millionaire's tax with local taxes would have resulted in the highest state taxes in the nation. For millionaires, that is, although that last piece of information generally goes unreported. It's a specious argument because, for example in New Jersey, the top tax rate is 8.97%. That rate begins at incomes over *one-half* a million dollars, and is a *permanent* rate. Yet New York's government couldn't find it in their hearts to impose upon our supposedly beleaguered millionaires. Homeless people, however, can go to their now more hellish hells.
