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Feeling Stimulated Yet? As of press time, both the House and the Senate have reached agreement on a \$789 billion stimulus plan that purportedly creates 3.5 million jobs, provides for a low to middle income tax credit, offers a 60 percent subsidy to assist the unemployed with paying health insurance premiums under the COBRA program and supplies \$87 billion for state aid. New York State is said to be receiving \$10 billion in Medicaid dollars, \$2 billion in state and school aid and an additional \$2 billion in infrastructure initiatives. While the Treasury Department printing presses work overtime, our legislative leaders are already weighing in on how the dollars should be spent. Governor David Paterson noted that “Even with federal funds imminent, the state still needs to make significant cuts to its budget. The federal funds would be temporary and would not address the state's ongoing spending ‘addiction.’ Whatever stimulus money we get is temporary – it's over a two-year period, we should use that money in a way to create a surplus to protect us, ... I think we need the stimulus money for something that American households are doing now: save, save, save, save.” Senate Minority Leader Dean Skelos had a different take however, noting “With the economic stimulus money that's coming to New York State, it's a new world out there.” Should be another interesting battle folks!

Speaking of the Budget ... Senator Eric Schneiderman (D-Manhattan) has been circulating a bill this week that calls for an increased income tax on households making at least \$250,000 a year; an initiative said to be worth \$6 billion. While support for a so called “wealthy tax” or “millionaires tax” has gained traction over the last six months, Senate Majority Leader Malcolm Smith said he does not believe he has the votes to pass such a measure and Governor Paterson has noted on more than several occasions that he opposes increasing income taxes to solve the \$13 \$14 billion (it grew overnight!) projected deficit for the 2009-10 year. Assembly Speaker Sheldon Silver spoke about such an initiative earlier in the week noting that “It's conceivable that in the end result we adopt something that may include people who earn less than a million dollars.” He did not posit how low the Assembly might go, saying he has not yet discussed raising taxes on anyone other than millionaires with his Democratic members.