
Slash-and-Burn or Big-and-Bold? State and Federal Fights For a Just Recovery

May 20, 2020



Speakers

State budget background

- Amanda Dunker, Community Service Society of New York
- Mike Kink, Strong Economy for All

Federal COVID-19 relief legislation

- Mark Hannay, Metro NY Health Care For All
- Margarida Jorge, Health Care for America Now

Actions New Yorkers can take

- State: Bob Cohen, Citizen Action of New York
- Federal: Mary Clark, Citizen Action of New York

FY21 New York budget recap

- Over \$2 billion in Medicaid cuts
 - These cuts were proposed before the pandemic as a result of a self-imposed spending cap that does not allow programs to grow with need
 - Nearly a third of the cuts were to community-based long-term care services
 - Gov. Cuomo threatened to reject supplemental federal Medicaid funding because of maintenance of effort language prohibiting Medicaid cuts, but instead delayed the cuts until the extra funding ends
- As a result of the pandemic, Gov. Cuomo has special powers to cut the budget throughout the year
 - Legislators have 10 days to respond to any proposals

The COVID crisis comes after years of self-imposed austerity

- Arbitrary state spending caps have stopped programs from growing according to need
- New York already had the worst economic inequality in the country before the pandemic started; now 1.6 million New Yorkers are out of work, the vast majority of whom made under \$70,000 a year ([link](#))
- The pandemic is drastically reducing revenue:
 - On Friday, Comptroller Tom DiNapoli said the state collected \$8 billion less than expected
 - Gov. Cuomo has said that without sufficient federal help he will have to impose 20% across the board cuts
 - Yesterday Budget Director Robert Mujica said the state is delaying \$1 billion in spending and that without federal aid he will impose \$10 billion of actual budget cuts

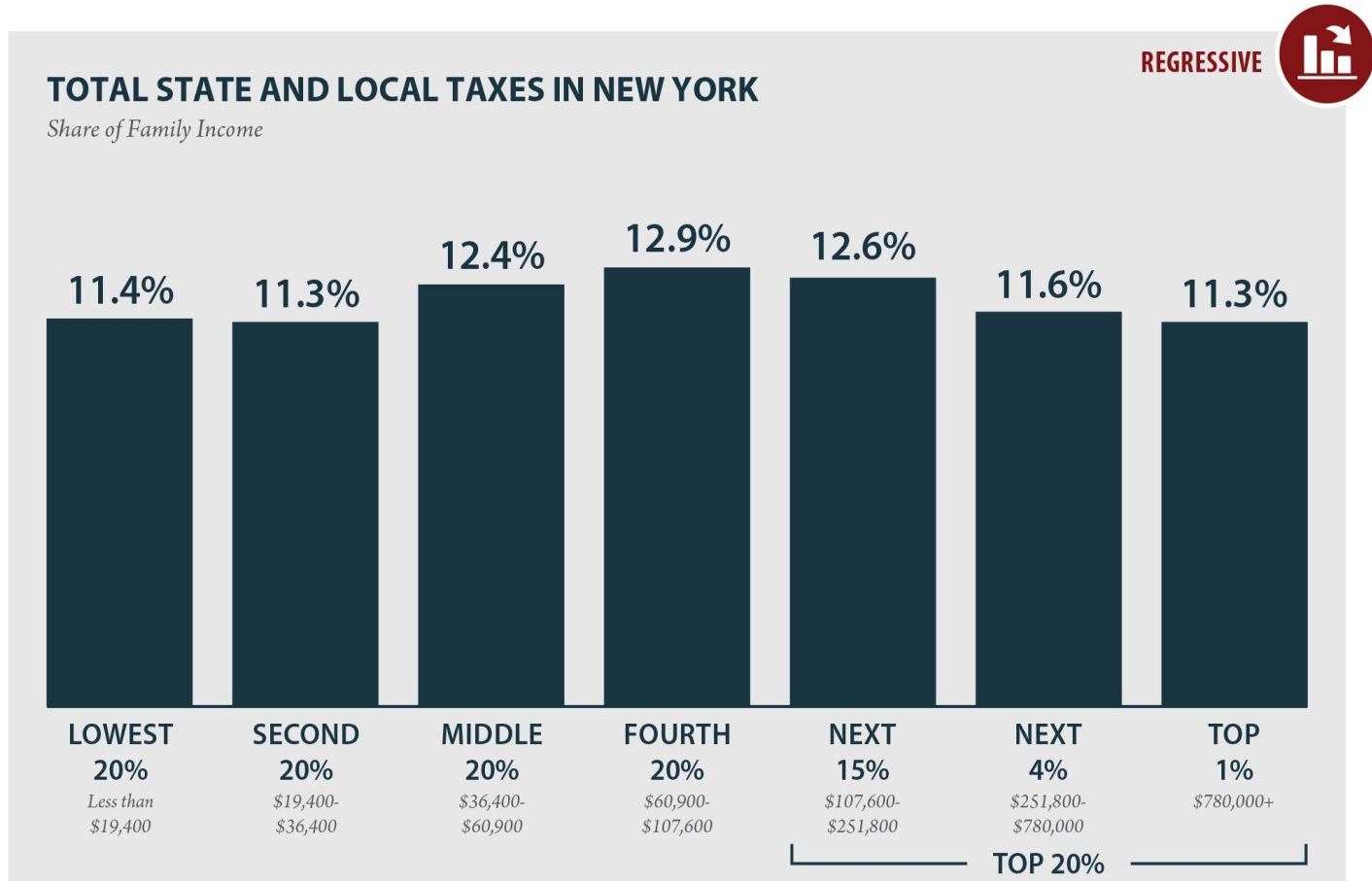
What can New York do without federal legislation?

- Borrow from the Federal Reserve
- Create new revenue sources

Existing legislation could raise significant revenue

- **Billionaires Tax - \$5.5B**
 - S. 8277/A. 10414 (Ramos/De La Rosa) ([link](#))
 - Would raise income taxes by outlawing unjust tax shelters and only apply to the 112 New York billionaires now holding \$525 billion in wealth
- **Ultramillionaires Tax - \$4.5B/\$2.7B/\$2.5B**
 - S. 7378/A. 10363 (Jackson/Rosenthal)([link](#)), S. 8164/A. 10364 (May/Simotas)([link](#)), and S.8329/A.10450 (Mayer/Glick)([link](#))
 - Would increase taxes for those earning above \$5 million, \$10 million and \$100 million per year
- **Pied-à-terre Tax - \$650M:**
 - S. 44/A. 4540 (Hoylman/Glick) ([link](#))
 - Would add a sliding-scale tax on non-primary residences worth over five million dollars

Multimillionaires pay less in New York taxes than low-income New Yorkers



There is public support and precedent for taxing the rich during emergencies

- Nine out of ten New Yorkers say that the ultrarich should pay more to prevent cuts to public schools, hospitals, and front-line government services ([link](#))
- New York has used taxes on the wealthy to respond to previous emergencies
 - Legislative leaders raised taxes on the wealthy by 1.1% in 2003 during the post-9/11 recession over George Pataki's vetoes.
 - David Paterson raised taxes on the wealthy by 1.1% after the financial collapse in 2009 with the first Millionaires Tax.

Federal COVID-19 Response Bills Already Enacted

- March 6: [Coronavirus Preparedness and Response Supplemental Appropriations Act](#) (\$8.3B) – funding for testing, treatment, biomedical research, and basic state and local public health functions
- March 18: **Families First Coronavirus Response Act** (\$190B) – free testing; 6.2% increase in Medicaid funding to states (“FMAP”) with a “maintenance of effort” (MOE) requirement; paid sick and leave and sick days
- March 27: **Coronavirus Aid, Relief, and Economic Security Act (“CARES”)** (\$2.3T) – funding for hospitals and health care providers; grants to state and large cities; maintained FMAP MOE
- April 24: [Paycheck Protection Program and Health Care Enhancement Act](#) (\$483B) – funding for hospitals and health care providers and testing

NY Advocacy Priorities for Future Federal Actions

- **Medicaid** – increase, expand, and extend FMAP; maintain MOE; fund testing and treatment for all low-income immigrants via Emergency Medicaid; create a permanent automatic FMAP increase trigger for economic downturns
- **Coverage for uninsured** – premium subsidies for COBRA coverage for newly-unemployed and furloughed workers to maintain employer-sponsored coverage; improve ACA access and affordability; open up Medicare (“Health Care Emergency Guarantee Act”); funding for community outreach and consumer assistance and navigator programs
- **COVID-19 testing and treatment** – protect patients from surprise medical bills; prevent any exclusive patents or price-gouging for any new treatments and vaccines
- **Health care services** – create and enforce new OSHA standards, and fund additional PPE for frontline health care workers; more funding for safety net hospitals and community health centers

Next up? Health and Economic Recovery Omnibus Emergency Solutions Act ("HEROES") (HR 6800) (\$3T)

- General support for state, city, and county budgets (\$1T)
- Raise FMAP increase to 14%
- Exempt NY from FMAP MOE (p. 1815, Sec. 200015, lines 4-14)
- Testing, tracing, treatment (\$75B), including via Emergency Medicaid
- Requires new OSHA standards for frontline workplaces
- Hazard pay for frontline workers (\$200B)
- COBRA subsidies – 100% for up to 9-months

More Help for State and Local Governments

McConnell Says States Should Consider Bankruptcy, Rebuffing Calls for Aid

The majority leader's comments drew a strong rebuke from Gov. Andrew M. Cuomo.



McConnell sees no urgency for Senate action

TOP NEWS

No urgency for new coronavirus aid package, McConnell says

By Associated Press · May 13, 2020



Trump has already declared the HEROES package DOA

'DOA': That's what Trump says about House Democrats' coronavirus relief package

The proposed \$3 trillion package includes a second round of direct cash payments to Americans.



State Actions: Protect Medicaid

- **Sign up** to participate in the **#NoMoreCuts Rapid Response Twitterstorm and Social Media Campaign** against Cuomo's likely billions of dollars in additional cuts to Medicaid and other health and human service programs



<https://www.nyhcampaign.org/twitterstormmay2020>

State Actions: Demand New Revenue

Tell your state Senator and Assemblymember:

“I am asking you to pass \$10 billion in new taxes on billionaires and the super-rich to prevent \$10 billion in budget cuts that will hurt our families and communities”



- Call your Senator at 518-455-2800 and your Assembly Member at 518-455-4100 and
- Post to their Facebook and Twitter

Federal Actions: No NY MOE Exemption

- Click [here](#) to send emails to your **Congressional representatives** to urge the New York-specific Medicaid maintenance of effort (MOE) exemption be removed.



Medicaid
Medicaid Matters New York
Matters



STATE WIDE
New York StateWide Senior Action Council, Inc



CAMPAIGN FOR
NEW YORK HEALTH

SAVE NY
PUBLIC HEALTH
CAMPAIGN

Federal Actions: No NY MOE Exemption

Join New York State Health Care for America Now:

- **Week of May 18th:**
 - **Call and Tweet Your Member of Congress and Senators Schumer and Gillbrand** to remove the MOE provision from the Final COVID (HEROES) Act that now allows Gov. Cuomo to make Medicaid cuts. Visit: <https://p2a.co/KRBUFvX>
- **Week of May 25th:**
 - **Call Senator Schumer** to support the HEROES Act and to remove the MOE provision from the final COVID (HEROES) bill.
 - **Attend a meeting with Schumer's regional staff in your region of NYS** to support the HEROES Act and remove the MOE provision from the final COVID (HEROES) bill. Contact Mary Clark for more info at cabing@citizenactionny.org or 607-232-2084.
 - Binghamton Thurs, May 28th at 11:00 AM - pre meeting 10:30 AM
 - Syracuse – Weds, May 27th at 3:00 PM - pre meeting 2:30 PM
 - Rochester – Thurs, May 28th at 1:00 PM - pre meeting 12:30 PM