by {ga=lostreicher}
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In the $105.5 billion budget that Governor George Pataki has proposed to the state legislature, he seeks to close the $4.15 billion gap projected for the next fiscal year by making deep cuts in health care for the state's poor, by raising tuition for state and city colleges, and, as the New York Times explained, by "giving New York City only a fraction of the education aid a court-appointed panel said it deserved by next year."

But the news already had been bad for New Yorkers with low incomes. In the current fiscal year (which ends on March 31), Pataki had cut some $100 million in state aid to New York City (plus federal matching funds) for programs that serve a cross-section of needy New Yorkers. These cuts were "among the steepest made to social services in about a decade," according to the New York Times, and the people they are affecting include:

- adults on welfare who need preparation for job hunting;
- substance abusers seeking rehabilitation;
- people with mental illness who need treatment to stay out of institutions;
- the elderly;
- veterans;
- children at risk of abuse and neglect, or growing too old for foster care;
- high school dropouts trying to earn diplomas;
- homeless and runaway teenagers;
- students at state and city colleges;
- homeless adults and children;
- prison inmates preparing to re-enter society; and
- people with disabilities trying to go back to work or survive on Supplemental Security Insurance.

These were programs that the governor cut, the state legislature restored, and the governor vetoed.

One item added to the budget by the legislature was not vetoed by the governor: a $200 million lump sum for "member items" and "legislative initiatives". In the past, Pataki has vetoed similar unspecified appropriations, claiming that they were unconstitutional. They are distributed outside of the usual rules for government spending; no formal competition is involved. Individual legislators choose their own priorities, which may not coincide with the legislature as a whole. Still, "It's some of the only money we can count on to keep some of these programs alive," says Ron Deutsch of the Statewide Emergency Network for Social and Economic Security , otherwise known as SENSES.

Federal Spending Cuts Also Ahead

The federal spending bill covering most human services for 2005 is also a disappointment to many. Housing assistance for the elderly and people with disabilities will be reduced, as well as programs serving the poor. There will be less money for job training for youth, and too little energy assistance to meet the increased need caused by sharply higher fuel costs. While AIDS relief worldwide will increase, the nation will spend less on HIV prevention within the United States.

Some programs are benefiting under the federal spending bill. Funding will rise for the nutrition program for Women, Infants and Children, and for grants from the Compassion Capital Fund, which supports services delivered by religious and other charitable organizations.

Budget Reform

Late last year, the governor vetoed a budget reform bill, which was trying to make sure that the state budget would be passed on time for the next fiscal year (which officially begins on April 1); it has been late for each of the last 20 years. This is not an abstract problem for social service providers. The longer it takes to settle the budget, the longer service providers must juggle loans and reserve funds, trying to keep programs alive until their funding future is decided. Reducing uncertainty would make it easier for providers and their clients to plan for the future. A new bill proposed by the State Senate would put a specific contingency budget into effect if a regular budget has not been adopted by the start of the next state fiscal year on April 1. Advocates preferred the previous bill. In any case, this watered-down one is unlikely to gain support in the Assembly.

Minimum Wage Raised Over Pataki's Opposition

For the first time in three decades, the minimum wage in New York State is higher than the federal minimum. At the end of 2004, the State Senate overrode the governor's veto of a minimum wage increase, as the Assembly had done the previous August.

As of January 1, 2005, the hourly wage for most of the state's lowest-paid workers rose from $5.15 to $6. In 2006, they will get a raise to $6.75, and in 2006, to $7.15 an hour. An even lower minimum wage applies to restaurant and bar employees who earn tips. Their hourly wage, which was $3.30 an hour, is now $3.85, and will rise to $4.60 by 2007.

New York City has about 274,000 minimum-wage workers, according to the Fiscal Policy Institute (in pdf format). Most work in stores, restaurants, hotels, and similar businesses. Another 218,000 workers earn only a little more: $7.15 to $8.15 an hour. Economists believe a spillover effect raises the wages of such workers as well when the minimum wage goes up.

The governor vetoed the minimum wage bill in July, citing his preference for a nationwide increase. Currently, New York's neighboring states have a variety of minimums. New Jersey and Pennsylvania remain at the federal level of $5.15. Connecticut's minimum is $7.10 an hour, and Massachusetts and Vermont each have a $6.75 minimum.

A mother working full-time year-round, at the $5.15 minimum wage, can earn only $10,712 a year, which is below the federal poverty line if she supports a child. The $7.15 hourly wage will raise her annual wage to $14,872, almost enough to lift her out of poverty if she has two children.

The federal Bureau of Labor Statistics recently reported that the average hourly wage in each of the city's five boroughs ranged from $16.48 in Staten Island to $47.83 in Manhattan.

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