

---

# SENATE DEMOCRATS:

## TREATING REGIONS UNFAIRLY

*Exacerbating the Upstate/Downstate Divide*



### **SENATE DEMOCRATS – NEW YORK CITY FIRST**

With the entire State Legislature controlled by New York City Democrats, it is no surprise that Upstate New York and Long Island are being shortchanged in all areas of State funding, from public college funding to economic development, to funding for transportation.

The Governor and Senate Democrats have disrupted the traditional balance between Upstate and Downstate in regard to fiscal policies and other public policies.

### **Closing Prisons in Republican Senate Districts**

In a purely political move, Senate Democrats approved a 2009-2010 State Budget that closed State prisons solely in Senate Republican districts Upstate, while leaving prisons in Democrat districts open.

In addition, while State law requires an impact report to be completed before any prisons are closed, Senate Democrats ignored the law and closed the prisons anyway.

### **Counting Inmates in Upstate Prisons as New York City Residents**

[Another Grab to Give More Power to the City and Dilute Upstate's Influence](#)

**The Senate Democrats tucked this measure into the 2010 Budget like they did in 2009 when they hid measures to allow inmates to get out of prison early and offenders to avoid being arrested for parole violations and other crimes.**

On Thursday, January 28, 2010, Senator Eric Schneiderman, with Rev. Al Sharpton at his side, held a press conference in Manhattan to announce a plan that would change the long-standing practice of how inmates are counted for Census purposes (S.6725-A, Schneiderman, Adams, Breslin, Dilan, Duane, Espada, Hassell-Thompson, Huntley, Klein, Krueger, Montgomery, Onorato, Oppenheimer, Parker, Peralta, Perkins, Savino, Serrano, Squadron, Stavisky, Stewart-Cousins, Thompson).

The current method of counting inmates where they live has remained unchanged in this country since 1790. The data collected by the census help determine the number of seats a state has in the U.S. House of Representatives as well as the boundaries of state legislative districts.

The move by New York City Senate Democrats to count inmates living in Upstate New York as New York City residents is clearly to be able to diminish the political representation of Upstate and divert more resources to New York City. This move will cost millions of dollars for prison officials to attempt to verify the census block where each inmate originated.

Senator Schneiderman maintains that incarcerated persons should not be counted as residents of the communities where the prisons are located, but rather of their “pre-prison” residences.

According to Schneiderman, *“The present rule takes people who come from and return to poor or black and Latino communities and transfers their value for reapportionment purposes to rural upstate districts that really have nothing to do with them.”*

Although many State and local officials talk about the positive economic impact prisons have on their communities, the relationship is a two-way street. While jobs may be created to serve the prison population and local vendors enjoy some increased business, inmates utilize local government resources more than most people know including:

- ❖ Health care costs associated with inmates;
- ❖ Prisons’ use of natural resources;
- ❖ Increased local criminal justice budgets; and
- ❖ Costs imposed by the families of inmates (e.g. social services, schools)

### **MTA Bailout/Upstate Capital Plan**

In 2009, Senate Democrats voted in favor of a massive \$2.2 billion bailout plan for Downstate mass transit. The plan included a payroll tax that is hurting businesses, non-profit organizations and economic activity within the MTA region.

In addition, Senate Democrats approved a 5-year capital plan worth \$ 23.8 billion for Downstate mass transit, but only approved a 2-year plan for Upstate roads and bridges without funding the plan.

Historically, the Legislature has approved simultaneous plans for both Downstate and Upstate transportation, and has provided equitable funding for both regions of the State. Senate Democrats ignored that parity for their own Downstate interests.

The motor vehicle fee hikes approved by Senate Democrats in the MTA bailout plan, have also been particularly devastating for Upstate New Yorkers and suburban commuters who don’t have access to mass transit, and depend on their cars to get to work, to school, to the store, or just to get around.

The fee increases are costing the average Upstate family more than \$100 each year, while families Downstate and in the suburbs are paying more than \$180.

## **Home Heating Fuel – Increased Costs for Upstate, Cost Breaks for New York City**

In June, 2010, Senate Democrats approved legislation that would cause a dangerous shortage in the supply of home heating oil this winter, resulting in a huge increase in home heating costs for Upstate residents. At the same time, the Senate Democrats exempted the heating oil used in most New York City apartments, so residents there will not be subjected to the same cost increases.

The Senate Democrat legislation mandates the reduction of sulfur content in #2 heating oil but does not give refineries an adequate amount of time to meet the new requirement. It is estimated that this new mandate will result in an increase in the price of home heating fuel by 20 to 30 cents per gallon, costing Upstate consumers \$1 billion. Consumers could be forced to pay 60 cents more during a particularly cold winter, costing the average Upstate family up to an additional \$600 to heat their homes.

At the same time that Senate Democrats imposed this huge increase in home heating costs for Upstate, they exempted #6 heating oil from this mandated, which is primarily used in high rise apartment buildings in New York City.

Amendments offered by Senate Republicans would have pushed the compliance date back by two years to provide adequate time for refineries to adopt the new standards and prevent a dangerous shortage in supply that would drastically increase costs for Upstate consumers – but the amendments were rejected by Senate Democrats.

## **Decimation of the Empire Zone Program**

In the 2010-2011 State Budget, Senate Democrats supported replacing the \$550 million Empire Zone Program, which has been an effective economic development tool especially for Upstate businesses, with a \$50 million Excelsior program. Their actions effectively reduced the amount of property, sales and business tax relief that will be available to Upstate businesses by 90 percent.

**The Empire Zone program offered relief to businesses large and small with an estimated 9,000 businesses statewide enjoying the benefits of the program.**

The program provided approximately \$100 million in tax reductions for businesses in New York City and over \$400 million for the rest of the state.

The new Excelsior program only offers \$50 million in total benefit per year, less than half the property tax relief, no sales tax relief and would only be given to businesses that create at least 10 new jobs.

**Less than 100 companies are estimated to enter the Excelsior program each year.** The jobs creation target is industry specific with the minimum job requirement of 10 new jobs only authorized for agriculture and research based businesses. All other businesses are required to create between 25 and 150 new jobs to be eligible.

## New York City Film Credit

While they were eliminating economic development funds for Upstate, Senate Democrats approved a \$420 million Film Production Credit that will have cumulative benefits of \$2.1 billion over five years, and predominately benefit New York City.

It is estimated that 93% of the Film Production Credit will be earned in New York City. This new credit pool will raise the amount of credits very near the \$550 million estimated cost of the entire Empire Zone program just prior to 2009.

**Table 6**

**UPSTATE/DOWNSTATE: Dems: New York City First**

<b>Item</b>	<b>Republicans</b>	<b>Democrats</b>
The Democrats raised taxes & fees by \$12.5 billion – increasing annual State taxes for an Upstate family of four by an average of \$2,400.	Voted against the tax increase	New York City Senate Democrats pushed through the tax increase.
STAR Rebate Checks which helped taxpayers Upstate and on Long Island	Established the rebate check program	Abolished the program
Hunting and finishing licenses	Voted against any increases	Increased the licenses fees by up to 63%
Vehicle registration fees	Voted against fee hikes	Raised the fees
Federal stimulus funds	Wanted the money dispersed Statewide	Sent most of the money to New York City
Dairy farming	Created a \$30 million fund to stabilize dairy pricing	Eliminated the program
SUNY & CUNY Budget cuts	Voted against	Cut SUNY funding more than CUNY funding
SUNY & CUNY capital construction funds	Argued for the release of SUNY funds	Held up funding for SUNY projects but provided CUNY funding immediately

Empire Zones Program	Created to help economically depressed areas including many Upstate	Wiped out funding, hitting Upstate the hardest
Tax Credits	Proposed and enacted billions in business tax credits Statewide	Raised business taxes-except a billion-dollar tax cut for Hollywood businesses in NYC
MTA Bailout/No money for Upstate infrastructure	Called for funding for Upstate roads and bridges	Enacted a \$2 billion bailout for the MTA; Increased MTA Payroll taxes by \$1.5 billion
<u>Home Heating Fuel Reduction in sulfur content #2 heating oil—</u> increasing cost for Upstate consumers	Voted against	Increased cost for Upstate but exempted #6 oil used in NYC high rise apartments (will cost an Upstate family about \$600 more per year)