

The NY No Bad Grand Bargain Network

Throughout the 2012 runup to the national elections, and even earlier, it was clear that powerful forces on the Right were determined to use a budget deficit scare strategy and a choke-hold on federal revenues to undermine the nation's commitment to its precious array of vital social protections. A series of pre-election consultations organized jointly by five New York City-based organizations¹ showed that progressive forces in the NYC-area were determined to defend such key social programs as Social Security, Medicare, Medicaid, and SNAP (food stamps) from the deficit hawks.

¹ AFSCME District Council 37, Hunger Action Network of NY State, Metro NY Health Care for All Campaign, Three Parks Independent Democrats, and Rekindling Reform

But after the elections, President Obama and some congressional Democrats, still hoping to win revenue concessions from Republicans, nevertheless chose to seek compromise by offering what they viewed as "small" cutbacks in social programs.

As a result of the pre-election consultations, participants from more than 50 NY labor, business, advocacy, and community organizations have come together in a NY *No Bad Grand Bargains* Network to help turn back the attacks on the nation's social protection and other vital public programs.

Early in the current congressional session, the Network wrote to politically liberal/progressive members of Congress from the metropolitan NY area to emphasize our opposition to any cuts or other weakening of Social Security, Medicare, Medicaid, SNAP/food stamps, or other social programs that everyday New Yorkers rely on to get by and get ahead. We urged them to discuss this with their colleagues as a priority agenda item and asked that Democrats set the congressional agenda going forward by focusing on putting Americans back to work and stimulating the economy rather cutting spending, which would most likely harm the economy as Europe's austerity policies have shown.

Delegations from our network have already met with Senator Schumer; Representatives Bishop, Clarke, Crowley, Israel, Jeffries, Carolyn Maloney, McCarthy, Meeks, Meng, Nadler, and Rangel. We are working to arrange others.

The concerns below are the main concerns that we have presented in the foregoing meetings.

Social programs

1. Social Security: off the table completely (does not contribute to deficit)—no to the "chained-CPI" formula for calculating COLAs; instead, raise the COLA to enable the disabled and seniors to cope with medical and other costs rising faster than the current COLA formula addresses; raise/remove cap on taxable income subject to FICA payroll tax
2. Medicaid: off the table completely (along with all other programs for low-income people); it has already been pared to the bone in previous rounds of cuts. No "block granting" or "per capita caps" to states; no "additional flexibility" for states to loosen current federal standards. Possible reform to generate savings: aggressively promote deinstitutionalization to community-based care via "Community Choice First" provisions in the Affordable Care Act and as per the Supreme Court's 1999 decision in *Olmstead v. L.C.*

3. Medicare: no raising eligibility age; no new funding cuts; no means testing of benefits; let the Affordable Care Act generate savings while improving quality and care coordination. Possible reforms include: negotiating drug prices directly with manufacturers; creating a "public option" for drug coverage under Part D; using the lower Medicaid rate (instead of the current higher Medicare rate) for drug prices for low-income people who are on both Medicare and Medicaid; lowering Medicare eligibility age to bring healthier population into premium-paying patient pool
4. Food Stamps/SNAP: restore cuts previously made; cuts in agriculture spending should be made on subsidies to agribusiness, not on the vulnerable population dependent on food stamps for basic nutrition

Restore tax fairness

Close corporate tax loopholes, including those that allow over 60 percent of American corporations to pay no federal income tax at all; eliminate incentives for firms to off-shore jobs (also reject "territorial" tax proposals); maintain deductibility of state and local income and property taxes on individual income taxes; institute a federal financial transaction tax with a provision to allow states to enact a state financial transaction tax for which payers would receive credit against their federal financial transaction tax liability

Invest in jobs and economic recovery

Support funding for infrastructure rebuilding, CETA-like training programs, transportation modernization with an emphasis on mass transit, and renewed federal fiscal aid to state and local governments, including to rehire the nearly 740,000 laid-off teachers, firefighters, police, first responders, and other state and local public workers and hire additional ones. The jobs recovery has been hampered severely by this reduction in state and local government workers since the recession, including 50,000 jobs lost in New York alone.

Create savings to direct toward general deficit reduction

Defense budget should be at the core of spending reductions; no legitimate security needs require or justify a U.S. military budget greater than the combined ones of the dozen countries with the next highest defense budgets. A "public option" should be at the core of health insurance coverage under the Affordable Care Act.

We believe these positions should be the positions of politically progressive members of Congress and that they should reject any offers to compromise similar to those made by the President in past negotiations. "Selling out" on social programs will be viewed as a betrayal by the majority of New Yorkers who voted for Obama and the Democrats in 2012, with serious implications for the 2014 mid-term elections.

Our letter asked politically progressive members of Congress from the metropolitan New York area to be champions for us and for everyday New Yorkers. We called on them to urge the President and the House leadership to reject any grand bargain that cuts or weakens social programs. We believe that, to the extent the government needs to find ways to increase revenue, it should look first to actions with the least impact on the poor and middle class, such as raising taxes on the highest income earners, eliminating corporate tax loopholes, and reducing the military budget. Any action that reduces funding or implementation of social programs places the burden of our country's economic struggles on those who are least able to bear them and who are in no way responsible for federal deficits or the economic downturn.