Why de Blasio wins the pre-K faceoff

Upstate shouldn't object to letting NYC pay the bill for its own kids

BY JEFF SACHS / NEW YORK DAILY NEWS
SUNDAY, FEBRUARY 9, 2014, 4:25 AM

The great pre-K debate is approaching the moment of truth in Albany. A core American value — equality of opportunity — confronts the political challenge of raising taxes on top earners. While the anti-tax rich have tended to prevail in such battles in the past, this time I’m putting my bet on the people who crave a better start for their kids.

The stakes couldn’t be clearer. Everybody — starting with Mayor de Blasio and including Gov. Cuomo, President Obama, Nobel Laureate James Heckman and civic and education leaders across New York City — concurs. All kids need a good education, and quality pre-K is absolutely vital to that. So too is after-school for kids who otherwise would be home alone or on the streets.

You would think we’d actually get somewhere given that there is such universal agreement on the need to provide universal pre-K.

But there is, of course, a catch. Prekindergarten requires money — roughly $10,000 per child per year. The city has told the public how it would pay for the program throughout the five boroughs. Polls show that the people are behind the vision.

The plan calls for New York City residents with incomes above $500,000 per year to pay an extra 0.5% of their income above that mark. It works out to an utterly affordable $900 per year on average for the high-income households that would pay the tax.

This need not be a hard sell. After all, incomes at the top have boomed. New York City hosts the world’s...
highest concentration of the wealthy, and the proposed tax increase is very small — with a top rate of 4.41%, below the 4.45% rate that prevailed from 2003-2005.

The oddity, of course, is that Albany must approve the city's right to tax itself. And there is where the challenge apparently lies. But my guess is that Albany will in the end be pleased to support the mayor's proposal.

Here's why.

The state budget cannot meet both the city's needs and the pre-K needs in the rest of the state. The state's executive budget allocates around $1.5 billion over five years for the entire state, and just $100 million this year. New York City alone needs $340 million per year for pre-K, and the rest of the state will need hundreds of millions of dollars more.

By supporting the city's own tax collection, Albany would thereby be spared the need to fund the New York City costs, and could keep the state revenues to fund pre-K in the rest of the state.

It's an obvious call. Upstate legislators will best serve their own constituents by encouraging New York City to pay its own way. I suspect that Albany will therefore surprise many observers by backing the city's offer to pick up its own tab.

And as the city's plan has already made clear, it can use the money as early as this year.

The de Blasio administration has made a final, crucially important point. Not only is the city prepared to pay its own way; the small tax hike would fund the new program without the need for an inevitable annual scramble for revenues. The new taxes would create a dedicated revenue stream to ensure a strong program year after year.

The kneejerk anti-tax stance long popular in Washington and Albany has become very stale. More and more politicians realize it. In the years ahead, politicians will find themselves tested not by their high-minded rhetoric but by the services they deliver. Fittingly, it will be our toddlers that lead our politicians back to budget reality.

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