

New York City budget calls for mass layoffs

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Michael Bloomberg announced his proposed \$63 billion budget for New York City at a news conference on May 6, detailing the devastating cutbacks he says are needed to close a \$5 billion budget deficit in time for the legal deadline of July 1.

Although newspaper editorialists praised the billionaire Mayor's proposals as moderate and responsible, and said they would have been far worse if the city hadn't made earlier cuts, this only means that workers in New York are already suffering and will be facing far greater attacks in the immediate future. The most dramatic of the planned cuts affects the school system. The budget would reduce the number of public school teachers by 6,700, the first such layoffs since the city's near-bankruptcy of the mid-1970s.

Other cutbacks include the elimination of 400 firefighter jobs and the closing of 50 senior centers and 17 day care centers. Five thousand city workers' jobs would be wiped out, in addition to those of the teachers, though the Bloomberg claims these will be cut via attrition. Among the few areas to be spared is the police department, with Bloomberg pointing to the latest failed car bomb plot in Times Square as the reason.

Under the Mayor's plan, 4,419 teachers would be laid off, with more than 2,000 other teaching jobs eliminated by attrition. According to schools chancellor Joel Klein, the result would be three additional students in the city's average elementary school class. "The impact is awful," Klein added. "We need more teachers, not fewer."

To make the education cuts even more deep-going, the Bloomberg administration is calling for doing away with seniority rules in implementing the layoffs. This would supposedly allow the city to retain good young teachers, but would in reality allow the layoff of higher-paid and more experienced educators. Chancellor Klein said the layoffs should begin with the 2,000 teachers

who received unsatisfactory ratings from their principals.

The attempt to pit younger teachers against classroom veterans is an obvious effort to divert attention from the real source of the crisis facing the school system. Seniority protection against favoritism and victimization of teachers and other city workers is one of the favorite targets of the big business "reformers" who champion privately run charter schools as a means of circumventing such rules.

The mayor also wants the city's teachers to accept annual raises of only 2 percent in their contract, which becomes due this year, although other city workers were awarded 4 percent increases. Even that figure does not meet the rising cost of living in New York, one of the most expensive cities in the country.

A war of words between Bloomberg and New York State's Democratic Governor David Paterson erupted over responsibility for the latest budget cuts. When the mayor was asked to comment on a statement by the state's budget director that the Bloomberg administration was "[using] the state as a scapegoat to skirt responsibility for their own budget choices," he called it "the most outrageous thing he could say."

"We face a terrible price because of Albany's irresponsibility," said Bloomberg, referring to the ongoing stalemate in the state capital, with the state budget already almost six weeks late and with no progress reported in the standoff between Paterson, who announced several months ago that he would not run for reelection, and his fellow Democrats who control both chambers of the state legislature.

The responsibility for the overall crisis lies with Wall Street and its political representatives. The collapse of the real estate and stock market bubbles in 2008 has triggered the deepest recession since the 1930s. The big business politicians are, even as they point the finger at one another, unanimous in insisting that workers pay

for the crisis in the form of layoffs and devastating cuts in public services. Paterson has proposed a one-day-a-week furlough of most state workers beginning on May 17, which amounts an indefinite 20 percent pay cut.

The *New York Times* conducted a revealing interview on May 9 with Richard Ravitch, the multimillionaire and veteran of state politics who Paterson appointed lieutenant governor last year. Ravitch spoke frankly about the depth of the crisis facing New York and other states around the US. Referring to the dysfunctional legislature in Albany, he explained, “They have never had to deal with a problem of this enormity before. There were always escape valves— securitizing tobacco revenues, privatizing Blue Cross. I could give you a list of \$20 billion worth of one-shots used to balance budgets in the last 10 years.

“They’re confronted by the fact they have to cut nine and a half billion dollars, and that is an absolutely mind-blowing experience for people who have only been spending money all these years.

“It’s going to get much, much tougher, and next year it’s going to be much worse,” Ravitch added. The latest bust will not be followed by a boom as in the past, he stated. “We’re not going to go back to where we were. The economic paradigm has fundamentally changed in New York and the United States. Our economy, in my opinion, has been receding for some time—it was kept alive by the credit bubble, and when that exploded, it exposed the fact that the competition, particularly in Asia for manufacturing, has devastated our economy.”

In other words, it is the crisis of American and global capitalism that is driving the onslaught on workers’ living standards and social conditions. This crisis has not led to any sacrifices for the ruling elite, however. The latest *Forbes* list of billionaires shows none other than the mayor himself at the top of the list in New York, with a net worth of \$18 billion, which alone could wipe out the city’s deficit more than three times over.

Bloomberg is closely followed by such people as Rupert Murdoch, the billionaire owner of Fox News and the *New York Post*, David Koch, the oil and gas billionaire who has plastered his name on the New York State Theater at Lincoln Center in exchange for a \$100 million handout, and hedge fund billionaire Steven Schwartzman, who similarly bought the naming

rights to the central branch of the New York Public Library a few years ago.

In addition to the above well known corporate chiefs and financial parasites, there are dozens of other billionaires in New York, not to mention the considerably larger number with personal fortunes in the “mere” hundreds of millions.

In all of the talk of crisis measures to confront the city’s and state’s deficit crisis, not a single prominent leader in either major party has seriously suggested that these vast pools of privately appropriated wealth should be subjected to more onerous taxation in order to spare millions of working people the loss of jobs, education and vital social services.



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