

Mass layoffs threaten New York state and city employees

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Following closely on the adoption of the new state budget last week, New York's Democratic Governor David Paterson is moving forward with a plan to lay off nearly 9,000 state workers. Initiation of the layoff process was announced in a letter to all state workers on Tuesday in which the governor ordered agency heads to come up with layoff plans.

While expressing regret regarding the need to take this action, the governor repeated his claim that he has no alternative because of the refusal by state employee unions to accept cuts in their existing contracts, including elimination of scheduled raises, withholding at least a week's pay until retirement or departure, and various reductions in benefits for new hires.

The job cuts will reportedly represent 6.6 percent of each agency's unionized workforce. The majority of the cuts will take place in agencies that affect health, education, welfare, recreation or other necessary services.

Among the hardest hit agencies would be the departments of Mental Retardation and Mental Health, which would lose 1,434 workers and 1,054 respectively. The Department of Health would see 366 layoffs, while Children and Family Services, Environmental Conservation, Labor and Education would all lose 200 or more employees.

Notably, no cuts will be made to the governor's executive staff, which was significantly augmented since Paterson took over from Eliot Spitzer a year ago. Many of these individuals received substantial pay increases compared to their previous positions.

Paterson has withheld pending 3 percent raises for all employees not under union contract, despite the fact that he had earlier promised that all state employees would get this raise. His order includes not only

managerial-level personnel but categories of lower-level employees who are unorganized or in "confidential" positions. Paterson stated that enough money would be saved to reduce the total number of planned layoffs by 200 (i.e., down to 8700 from the originally announced 8900).

In a letter hand delivered to these employees on Wednesday, Paterson appeared to indicate that they would be exempted from the planned layoffs. However, the language is ambiguous, conditioning the supposed exemption from layoff on "legality." The last time the state engaged in mass layoffs, in the 1990s, some non-union employees who are paid from sources other than the budget were "bumped" out of their jobs in order to make room for civil service personnel, with the latter usually taking a pay cut.

Paterson's maneuver seeks to play off one section of the work force against another, telling the unionized civil service workers that if only they would accept the elimination of their scheduled raise along with a number of other cuts they can avoid the threatened layoffs, just as the non-union employees have (of course the latter had no choice). At the same time, the unorganized workers are told that if only the union members weren't so greedy and intransigent they, the non-union workers, wouldn't be in danger of being "bumped."

The union bureaucrats have facilitated Paterson's maneuver by targeting a large number of unorganized workers as "consultants." They lump them together with high-paid private consultants, despite the fact that many such workers perform the same tasks as those with civil service status, but are paid from separate funds. One of the main slogans of the union bureaucrats has been to reduce the state budget deficit by "getting rid of the consultants."

Bumping can also occur among the unionized workers, based on seniority. Depending on the structure of their particular agency, workers might be required to move to another part of the state in order to take the position into which they have been bumped or lose their jobs entirely.

So far, aside from bluster, the leaders of the Civil Service Employees Association (CSEA) and the Public Employees Federation (PEF), the two main public employee unions, have presented no meaningful strategy to block the planned layoffs. The *Albany Times Union* reported Thursday that the leaders of the two unions plan to contact legislators to pressure Paterson to reverse his layoff plan.

The planned layoffs are likely to have a particularly devastating effect on the Albany Capital Region, where 27 percent of the workers subject to layoff reside. There are already news reports about the fears among retailers and others who depend on consumer spending that the local economy may take a serious hit.

Meanwhile, New York City's Mayor Michael Bloomberg threatened Wednesday to lay off 7,000 city workers. The layoffs would come on top of 1,300 already proposed and another 8,000 jobs to be eliminated through attrition.

The billionaire Bloomberg said that workers could only avoid the job cuts if they agree to work with the city to amend state pension laws to provide lower benefits and to accept co-pays on their health insurance premiums. The mayor is also seeking the state legislature's approval for raising the city's sales tax.

"This is not a negotiating strategy," said Bloomberg. "Pension costs and health costs...are going to bankrupt this city."

What is bankrupting the city, as well as the state, is the collapse of revenues from Wall Street, where Bloomberg made his fortune. Now workers are being told to pay for the financial crisis that he and his associates created. The financial sector accounted for nearly 20 percent of the state's tax revenues and 12 percent of the city's.

The Municipal Labor Committee, the umbrella group for city unions, claims it has already offered \$200 million annual health-care givebacks, and union leaders indicated that they are willing to offer more concessions.

"We understand the severity of the economic crisis

facing the city," United Federation of Teachers President Randi Weingarten told the New York *Daily News*, calling on the head of the city's public schools to "work with us." A proposed \$100 million cut in the city's education budget could translate into as many as 1,400 teacher layoffs.



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