

US state, city budget crises deepen

Rhode Island to shut down for 12 days

Tom Eley
27 August 2009

The state of Rhode Island will suspend government operations for 12 days this year in a bid to lessen its current budget deficit by \$68 million.

The shutdown, ordered by Republican Governor Don Carcieri, targets more than 80 percent of the state's workers, who will receive no pay for the mandatory furlough days. One shutdown day is scheduled per month, the first coming on September 4. State services excluded from the suspension include law enforcement and the state prison system, as well as public transportation and certain medical and daycare services.

Rhode Island's tax revenues have fallen in part due to the unemployment crisis. At 12.7 percent, the small New England state has the second-highest unemployment rate in the country after Michigan.

Carcieri explained that the budget deficit must be shouldered by the state's working class. "There are going to be inconveniences for the public, and there are going to be sacrifices, as I said, for state employees," he said. "These steps right now are unavoidable if the state is to live within its budget, live within its means."

The \$68 million Rhode Island hopes to save through shutdowns that will impoverish state workers and subject citizens to the loss of essential services is a relatively small amount of money. The figure is less than numerous Wall Street salaries. One energy trader, Andrew Hall, is expected to garner a \$100 million bonus this year.

Rhode Island is not alone. State governments face a combined deficit for the current fiscal year of more than \$142 billion, and politicians of both parties are intent on using shortfalls to attack the jobs of state workers and essential social services.

According to a recent survey by the National Conference of State Legislatures (NCSL), at least 20

states intend to save money by shutting down government services or furloughing workers, or both, over the course of the coming fiscal year, and 12 states will furlough workers for at least 10 days.

The most savage attack on state workers and services has been carried out by the lawmakers of California, the nation's most populous state. There workers will be forced into non-paid furloughs three days per month until July of 2010.

In New York, Democratic Governor David Paterson has threatened to fire nearly 9,000 employees if unions cannot force five unpaid furlough days on workers this year.

Even in the best-case economic scenarios, state budget deficits are expected to linger. "Many states are looking at a minimum of four to five consecutive years of deep fiscal problems, and maybe more," the NCSL concluded in a section of its report entitled "The Foreboding Future."

Government shutdowns have also been carried out by counties and cities. Most notable among these is Chicago, the nation's third largest city and President Barack Obama's hometown. Chicago has forced three unpaid furlough days on city workers and suspended all city services outside of law enforcement and fire protection. The first shutdown came on August 17.

In this way, Chicago hopes to save \$8.3 million. According to the 2008 Forbes 400, residing in the Windy City are 12 billionaires with a combined net worth of nearly \$32 billion, about 3,855 times the total that the city's Democratic mayor, Richard Daley, hopes to save at the expense of city workers and necessary social services through the rolling shutdowns.

States are massively reducing their aid to local governments across the country. A new article by

Stateline.org singles out Minnesota, where Governor Tim Pawlenty has cut \$192.5 million in local aid to cities and counties. The resulting deficits will be settled through layoffs and cuts to services.

The crisis confronting state and local governments has become a contributing factor to the overall social crisis, augmenting joblessness while cutting state services just when they are most needed.

A new study by the Nelson A. Rockefeller Institute of Government shows that a number of states have cut jobs over the past year, demonstrating that Obama's stimulus package has done little to reverse the tide of job loss even at the level of state government.

Rhode Island leads the way in government jobs elimination, having cut 3.5 percent of its workforce in the past year. Other states cutting jobs include Nevada, Arizona, South Carolina, New York, Michigan, Indiana, Ohio, Kentucky, Georgia, Alabama, West Virginia, Maine, Massachusetts, California, and Florida. The study expects layoffs to increase in coming years.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact