

Detroit budget proposal contains drastic cuts

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Detroit mayor Dave Bing's fiscal 2012-13 budget proposal presented to the city council April 12 cuts some \$160 million in spending, and includes the layoff of 1,300 of the city's 11,000 employees. The cuts are the most draconian in the city's history and will shred what remains of public services in Detroit, the poorest big city in the United States.

The budget is the first presented under the terms of the consent agreement between the city of Detroit and the state of Michigan. That agreement requires that the budget cover three years and include steep cuts. These include pay cuts, layoffs, the gutting of work rules, privatization of city services and the elimination of entire departments.

The consent agreement, ratified by a 5-4 vote of the city council earlier this month, calls for the creation of an unelected Financial Advisory Board to oversee budgets and spending. It also creates the posts of chief financial officer and projects manager who will enforce the spending cuts.

Bing's proposed budget calls for a 10 percent pay cut for police and firefighters, as well as a \$10 million reduction in funding for public transportation. City departments will take an average 25 percent cut and entire departments will be eliminated, including: Workforce Development, Health and Wellness Promotion, Human Rights, Human Services and the municipal airport. Other departments may be outsourced.

Among the proposed job cuts are 162 of 1,419 fire department personnel, and 300 of 1,216 transit department employees. The fire department is already underfunded and undermanned and has instituted rolling "brownouts" of fire companies. Such "brownouts" played a critical role in the death of an elderly brother and sister in January.

The proposed cuts to the Detroit Department of Transportation (DDOT) take place against the

background of a near breakdown of bus service in the city. Recent cuts have eliminated 24-hour bus service and sharply curtailed weekend service. Waits between buses have been extended for as long as an hour, while whole routes have been eliminated. City buses are the only means of transportation for many workers in the city, who rely on DDOT to get to work and to doctor appointments. Recent hearings on cuts to bus service exploded in angry opposition.

The budget contains a 12 percent cut in funding to cultural institutions with the exception of the Detroit Institute of Art, which will lose its entire \$375,000 in funding. The Detroit Zoo, the Charles H. Wright Museum of African American History, the Detroit Historical Museum and the Dossin Great Lakes Museum will all take 12 percent cuts. Corporate donations to cultural institutions have plummeted since the financial crash of 2008.

A finalized version of the budget will be presented April 20 with the deadline for ratification set for June 30.

Under the terms of the anti-democratic consent agreement, the city is obligated to impose further concessions on city workers on top of upwards of \$360 million in cuts already agreed to by the unions. Work rules will be eliminated and new hires will no longer receive a defined benefit pension. Plans are being floated for an assault on the health benefits and pensions of current retirees as well. If city workers vote down the concessions, the city can impose them.

The adoption of the consent agreement followed months of discussions between city officials and the administration of Republican Governor Rick Snyder over the most effective means of imposing the disaster on the city's population. To a large extent, the public "struggle" between Detroit officials and Snyder was a charade, whose outcome was predetermined. Both sides were agreed on essentials: the destruction of city

services and jobs, on the one hand, and the defense of the wealth of the corporate elite, on the other.

Last month a 10-member review panel appointed by the Snyder administration declared that a financial emergency existed in Detroit. The finding opened the way for the state government to appoint an Emergency Manager armed with dictatorial powers to void union contracts, as well as to carry out drastic spending cuts and the privatization of services.

Instead, for tactical reasons, Snyder proposed the city enter into a consent agreement with the state that would grant city officials many of the same powers that an Emergency Manager would have. Under terms of the agreement, the city must keep spending in line with projected revenues or face state sanctions, up to and including the imposition of an Emergency Manager.

In the face of this unprecedented assault, union officials have done nothing except file futile court appeals and petitions. The courts have nullified all legal challenges, while a decision is still pending on the status of petitions turned in by the unions seeking to overturn Michigan's Emergency Manager law. In reality, union officials, part of the political establishment, fully agree that the population should "tighten its belt" to solve the crisis. After all, the UAW, one of the leading union organizations in the area, recently accepted the halving of wages for new hires.

The cutbacks in Detroit will be used as a precedent for further attacks on working people. The Obama administration frequently cites Detroit as its model for the revival of the American economy. Detroit is being used as a testing ground for various right-wing policies of the administration such as the privatization of education through the spread of charter schools and the slashing of auto workers' wages to poverty levels.

The fight against the cuts requires the broadest possible mobilization of the working class. New organizations of struggle, independent of the unions and the Democratic Party, are needed to unite the working class against the onslaught of the banks.



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