

Trump budget proposal signals new attacks, with devastating impact on New York City

Philip Guelpa
2 June 2017

The Trump administration's budget proposal, even if only partly enacted as part of a bipartisan deal in Congress, would have a devastating impact on the working class in New York City.

Both City Comptroller Scott Stringer and New York State Controller Thomas Di Napoli have issued statements and reports dealing with the projected impact on the city of the White House budget proposal for the 2018 fiscal year. These Democratic politicians are concerned that the cuts will provoke a social explosion, and are posturing as opponents of Trump while the stage is being set for a "compromise" that will represent yet another blow to living conditions.

According to Stringer's calculations, the city could lose \$850 million in funding for social services, housing and education. Among the cuts would be \$108 million in grants to city schools for teachers and principals, and \$21 million for afterschool programs for low-income students. A program to support the construction of low-income housing would be completely eliminated. The low-income heating assistance program, which covers 770,000 residents in the city, would also be ended. Additional targeted programs include rental assistance, summer jobs for teenagers and adult literacy programs, among others.

The New York City Housing Authority (NYCHA), already notorious for a \$17 billion backlog in maintenance, creating often hellish conditions for its poor and working class residents, would lose \$165 million (20 percent) of its federal assistance for operating expenses, along with two-thirds (\$200 million) in capital funds, in the proposed 2018 federal budget.

State Controller Thomas Di Napoli added his warning on the impact of proposed federal funding cuts. Di Napoli spelled out some of the cuts facing New York

City, which receives \$33 billion annually from the federal government, nearly 40 percent of Mayor Bill de Blasio's proposed \$84.7 billion 2018 fiscal year budget.

Among the cuts is a projected reduction of \$305 million annually that would result from the elimination of Obamacare funds by 2020. Additional damage would be caused by reductions in federal funds going to NYCHA and the Metropolitan Transportation Authority, which runs the city transit system as well as suburban commuter lines, and the Health and Hospitals Corporation, which runs the city's public hospitals.

DiNapoli's analysis projects city budget deficits in the billions of dollars from 2019 through at least 2021.

This would be compounded by the declining rate of city revenues. The city's tax collections rose by only 3.2 percent in 2016, less than half the rate of growth during the preceding five years. Lower rates are projected to continue for at least the next two years, reflecting an overall economic decline after years of a soaring stock market.

New York City is already one of the most unequal in the world, with widespread poverty and homelessness. Three of the city's five boroughs—the Bronx, Brooklyn and Queens—have the highest poverty rate of all counties in the state of New York (each borough is also a county). Across the city, more than 1 million people are listed as living in poverty, based on an official standard that is absurdly low.

A more realistic study found that nearly two-thirds of the city's population suffer severe economic hardship. Approximately 60,000 people, including over 23,000 children, sleep in the city's homeless shelters every night, an increase of roughly 8,000 since Democrat Bill de Blasio took office nearly four years ago. Many thousands more live on the streets. The homeless

population is now 76 percent higher than it was 10 years ago.

Between 1999 and 2013, real incomes in New York City decreased by 6.3 percent, while during the same period, the median rent rose by 19 percent. The city is suffering from an acute lack of affordable housing, which has continued to worsen under both Democratic and Republican administrations in Washington.

Between 1994 and 2012, 150,000 apartments were removed from the rent stabilization program, contributing to the relentlessly rising prices that have made New York one of the most expensive housing markets in the world. At the same time, over the year ending September 2016, official unemployment, itself a gross underrepresentation of the true situation increased from 4.9 to 5.8 percent.

A large segment of the city's population relies on food donations to avoid hunger and malnutrition, but the demand far outstrips the supply. New York is already facing an annual shortfall of 241 million meals, according to the Food Bank of New York City. The proposed cut in food assistance from the federal Supplemental Nutrition Assistance Program (SNAP, also known as food stamps) will sharply increase hunger among the poor and vulnerable sections of the working class. SNAP had already been cut by \$5 billion in 2013, under the Obama administration. The Food Bank reports that 79 percent of pantries and soup kitchens have not yet made up for the shortfall caused by the 2013 cuts.

As far as housing, a recent study showed that the number of retirees in the city who are "rent-burdened," relying on government services and living below 150% of the poverty line, is growing exponentially, and will probably reach 1.4 million in less than 30 years.

If these are the conditions that already exist, the proposed cuts will cause suffering on a truly staggering scale.

In a foretaste of things to come, Mayor Bill de Blasio's initial budget proposal for the coming fiscal year called for cutting the city's emergency food assistance program by \$4.9 million. That cut has since been withdrawn following intense criticism.

While media commentary on the proposed budget has focused on predictions that Trump's extreme cuts will never be enacted, this has the effect of minimizing the dangers that flow from the essential unity of both

Democrats and Republicans in the decades-long onslaught on social and public services. The fine words of the city and state officials are designed to cover up this fact.

De Blasio, it must be recalled, ran for mayor four years ago as a crusading "progressive" who would do something about the inequality that had made New York, according to his campaign slogan, a "tale of two cities." The mayor, who is running for a second term this fall, has a record that is spelled out in the above figures on homelessness, hunger and poverty. This is the real face of the Democratic Party and its Wall Street backers.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact