

Los Angeles mayor releases plan for massive budget cutting and city worker furloughs

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As of Thursday, the official COVID-19 case count in Los Angeles stood at 16,449 with 732 deaths. The Los Angeles County Department of Health Services released a new projection this week estimating that the virus would infect 11 percent of the population instead of an earlier projected 30 percent. This figure relies entirely on the continuance of strict social distancing measures; however, city and state officials are beginning plans to force workers back to work, meaning the death count could increase substantially. Late implementation of social distancing measures and virtually nonexistent testing and contact tracing will still result in upwards of 4,500 deaths according to the department's new estimate.

The economic impact of the pandemic has also been felt particularly hard in Los Angeles. A significant percentage of the city's workforce is employed in the entertainment, tourism and hospitality industries, which have been entirely shut down.

According to an April study conducted by the University of Southern California, less than half of Los Angeles County residents reported having a job in April. Only 45 percent of Angelinos reported having a job that month. This represents a 16 percent slide from mid-March, when 61 percent reporting having a job. The figure, representing 1.6 million jobs lost in a total population of 10.3 million, is even larger than the national average fall of 10 percent during the same period.

The massive job losses have led to a 10 percent decrease in the amount of city residents able to pay rent in April, a number that is sure to increase as the job losses continue to mount and hours are cut. Quite alarmingly, the percentage of Los Angeles residents reporting psychological distress increased by 12 percent to 48 percent during the same time period.

Los Angeles County has barred evictions throughout the length of the shutdown. However, back-due rent will have to be repaid once the shutdown ends. The city council is proposing a rental subsidy of \$1,000 per household per month for those unable to pay, but the measure depends on a combination of federal government subsidies and private "philanthropy." In other words, it is highly unlikely that even this inadequate measure will secure passage.

The city council has also temporarily suspended rent increases during the lockdown period. Once these measures end, it is expected that landlords and their mortgage holders will move swiftly to make up for lost time. Evictions are expected to increase sharply with an attendant rise in rent to make up for lost tenants. "We anticipate a tsunami of evictions once the Judicial Council evictions summons ends," said Elena Popp, executive director of the California Eviction Defense Network.

This has given rise to a substantial rent strike movement in the city demanding that city and state take drastic measures to prevent rental evictions and to impose moratoriums on rent collections. It is highly likely that this and similar movements will continue to grow in the coming months.

Throughout LA county, residents estimated on average that they had a 33 percent chance of running out of money within the next three months. Those who are still currently employed estimated a 22 percent chance of losing their jobs within the next few months as well.

These factors, along a slew of small business shutdowns, have resulted in a drastic decline in city revenue. City controller Ron Galperin released a revised estimate for city revenues this week which includes a \$328 million shortfall for the current fiscal

year and an estimated \$598 million shortfall beginning in July.

This prompted city Mayor Eric Garcetti to announce a fiscal emergency on Monday as part of his proposed budget for the coming fiscal year. The budget includes mandatory unpaid furloughs for city workers with the exception of police and fire. The budget proposal also entails deep cuts to city services. Each city employee will be forced to take 26 unpaid days off, the equivalent of a 10 percent pay cut. In addition, the borrowing of \$70 million from city special funds and its reserve fund will lead to additional cuts to many city departments.

Thus far, the city has spent \$58 million in emergency funds to address COVID-19, while the latest budget indicates that further spending on the pandemic will be slashed.

Of the other city programs to be cut, infrastructure maintenance, especially road repairs and road construction projects, will be trimmed to the bone. This also includes initiatives to modernize those city streets and intersections with higher than average accident fatalities.

Urban forestry programs will also be eliminated in spite of the danger posed by older trees to power lines and other infrastructure. The city's Department of Cultural Affairs will also see an 8.1 percent drop in funding, including a \$168,000 cut to its grants program that provides support to local non-profit arts organizations. A \$1 million cut to the city's public art program is also included in the budget.

\$14 million will also be cut from salaries for the workers who maintain the city's 450 public parks and who also coordinate various sports and summer camp programs. Outside revenues for parks and recreation department are also expected to fall by an estimated \$14 million this year.

While sworn LA Police Department and LA Fire Department employees are exempt from the current wave of furloughs, civilian employees for both departments are not. This will mean longer wait times for emergency and non-emergency calls alike, many of which will involve COVID-19 and other health-related emergencies.

The latest economic crisis has not forced the reluctant Los Angeles mayor to make cuts which he sorely regrets. On the contrary, the pandemic is being seized upon as a pretext to implement cuts that were long-

since planned.

Garcetti, a Democrat, modeled his campaign on the platform of Barack Obama and in particular the latter's championing of attacks on workers through business and union partnerships. This was evident in the aftermath of the 2019 Los Angeles teachers strike in which Garcetti held four days of closed-door meetings with Los Angeles School District head Austin Beutner and United Teachers of Los Angeles head Alex Caputo-Pearl. The trio emerged to implement an agreement that provided no improvements whatsoever for Los Angeles teachers and schools.

The mayor had earlier lamented the fact that the city had not successfully applied for the Obama administration's Race to the Top program which provided moderate funding increases in exchange for cuts and teacher "accountability" measures.

It is notable that municipal cuts as a result of the COVID-19 measures are being spearheaded by this Democratic mayor. The actions have provided a green light for cities and states throughout the country to begin implementing massive cuts of their own.



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