

The latest New York state budget—an attack on the working class

Philip Guelpa and Erik Schreiber
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Last week, more than a month behind schedule, the New York state legislature approved the final set of bills that collectively constitute the state’s 2024 fiscal year budget, with a price tag totaling \$229 billion. The budget includes many non-monetary items.

The delay has been publicly attributed to debates over a retrenchment on reforms to the state’s bail regulations that were passed in 2019 to lessen the impact of requiring cash bail on the poor. The 2019 reform eliminated bail for most misdemeanors and nonviolent felonies. As part of a right-wing “tough on crime” campaign, which had the support of Governor Kathy Hochul, a Democrat, provisions are included in the budget that give judges more leeway to impose cash bail on those awaiting trial, with the effect of keeping poorer defendants in jail prior to trial, under notoriously overcrowded and dangerous conditions.

However, many more features of the budget demonstrate its fundamentally right-wing, anti-working class character. Among other regressive elements in the new budget is an increase in the number of charter schools permitted across the state and a derisory increase in the state’s minimum wage, which will leave workers even worse off than they already are.

The long, drawn out process that led to the final document illustrates the rapid rightward shift of the Democratic Party, which holds supermajorities in both houses of the legislature as well as the governorship. Kathy Hochul, known as a “centrist” Democrat, won election to a full term as governor in 2022, after having replaced former governor Andrew Cuomo, also a Democrat, who was forced out in a sex scandal. Hochul was Cuomo’s lieutenant governor. Senate majority leader, Andrea Stewart-Cousins, and the Assembly speaker, Carl E. Heastie, both Democrats, are portrayed as “to the left” of the governor.

Chief among the right-wing features that characterize the budget is the lack of any significant attempt to address rapidly increasing economic inequality among New Yorkers, a long-term trend which has accelerated even further during the COVID-19 pandemic.

A recent survey by Change Research found that 73 percent of New York adults had greater difficulty in affording groceries than had been the case last year. Thirty-eight percent said that they suffered food insecurity to the extent that they did not eat

at all on some days. The poll also found 29 percent of parents are worried their household will not have enough food to feed their families. Food insecurity impacted to some degree 35 percent of families with incomes between \$50,000 and \$100,000 a year.

Among the most egregious manifestations of inequality is the critical lack of affordable housing for the working class. In New York City, a recent report by the Fund for the City of New York found that half of the city’s households did not have the funds needed to pay for rent, food, health care and transportation. The situation is no better in the rest of the state.

A report issued by the Hochul administration states that “Outside of New York City, rents have risen 40 to 60 percent since 2015 while home prices have risen 50 to 80 percent.” Initially, Governor Hochul pledged to include provisions in the budget which would result in the construction of 800,000 new homes over a decade. This was so much window dressing, which was totally discarded in the final document, supposedly to be taken up again next year.

Another piece of cynical posturing, which did make it into the budget, is the mockery of an increase in the state’s minimum wage, currently \$15 an hour—absurd given that New York has among the highest costs of living in the country—80.4 percent higher than the national average.

The plan is to raise the minimum to \$17 by 2026, but only in the New York City, Long Island and Westchester County metropolitan area. The rest of the state would catch up a year later. With inflation continuing to rage at its current rate, the so-called increase will leave the lowest paid workers in even worse shape than what already prevails. Future increases would then be pegged to the rate of inflation, doing nothing to address the penury into which workers had been driven. Furthermore, the plan includes exceptions if the state is losing jobs or if unemployment rates are high.

A proposal to extend free school meals at all schools, originally implemented early in the pandemic, was watered down to cover only schools in the lowest income districts.

Meanwhile, the attack on public education continues with the re-approval of 14 licenses previously granted to failed charter schools in New York City, known as “zombies,” which closed, and an additional eight licenses elsewhere across the state. This

represents a reduction from Hochul's original proposal to lift the cap on the number of charter school licenses, which would have opened the way for approximately 100 new charters in New York City alone. Such schools are privately run but publicly funded, siphoning away already inadequate funding from public schools, and benefiting the affluent upper-middle class. Advocates are pushing identity politics to justify re-issuing licenses for new schools that "are representative of the communities they serve," said a statement by Black, Latinx, Asian Charter Collaborative CEO Miriam Raccach.

While unable to address the critical shortage of affordable housing or other manifestations of income inequality in New York state, the new budget includes approval for the New York Racing Association to use a \$455 million loan to renovate and upgrade Belmont Park, a thoroughbred race track in Queens, New York. This action was included in Hochul's initial budget proposal. It represents another boondoggle for the wealthy following last year's giveaway of \$600 million to build a new stadium for the professional football team in Buffalo. Hochul's husband is an executive in a company that holds the concessions contract for the existing stadium.

While measures to address the needs of the working class were either eliminated or watered down, supposedly due to lack of money, proposals to increase income taxes on wealthy New Yorkers, promoted again this year by "progressives," and widely supported in public opinion polls, but not by Hochul, were discarded. This is despite a projected \$5 billion budget gap next year.

The reactionary character of the budget further exposes the fiction promoted by pseudo-left groups such as the Democratic Socialists of America (DSA), that the Democrats can be pushed to the left.

This did not deter Liza Featherstone writing in the DSA-affiliated magazine, *Jacobin*, from finding a silver lining of faith in capitalist politics in "otherwise an awful austerity budget" by proclaiming the great success of the DSA-sponsored Build Public Renewables Act (BPRA), which she called "the beginning of a Green New Deal in New York. ... This bill uses a New Deal model of public ownership to advance renewable energy and ensure that it remains a public good."

This is not simply utopian fantasizing that the action to stop climate change can be implemented by the capitalist state, but a deliberate political deception to keep the working class chained to the Democratic Party. The bill requires the state to produce a renewable energy grid statewide by 2030 that produces 70 percent of the state's energy needs by 2030.

The bill is largely aimed at expanding the role that the New York Power Authority (NYPA), a public entity that produces hydropower from Niagara and Saint Lawrence Rivers, founded by Governor Franklin D. Roosevelt in 1931, plays in the state's energy supply. NYPA generates about 20 percent of the energy in the state. The BPRA mandates NYPA to build and operate

its own renewable energy projects, but, as with the rest of the state's economy, global capitalist conglomerates call the shots in the state's energy infrastructure.

One can be certain that if state legislators and the Governor—who said the bill's passage meant, "New York is committed to building a clean economy and protecting our environment for future generations"—are warm to the BPRA, then the bill does not threaten the business interests that they represent.

In fact, NYPA President Justin Driscoll has made a point of reassuring energy developers that the utility would not compete with them. "Given the challenge we're facing here, we need all the tools in the toolbox," he told the State Senate Energy and Telecommunications Committee, according to RTO Insider. "Nobody is suggesting that government be the only tool. But just given the enormity of what we're looking to achieve here, we think that NYPA and government can play an *ancillary role* in the energy transition [emphasis added]." Thus, the BPRA is not likely to threaten corporate profits, which are extracted with little concern for the environment.

In other words, the significance of what is claimed as a bright spot in the austerity budget, according to the DSA, is not a step toward halting human-made climate change, which is only possible with the abolition of capitalism as a world system and the establishment of a scientifically planned socialist economy, but the further, even more miserable, integration of the DSA into the upper ranks of New York state's Democratic Party establishment.

In New York state, the home of Wall Street and the richest city in the world, the ruling class imposes its will on the working class with ever greater brazenness. The fact that there is no voice for the vast majority of the population within the existing political system is clearly illustrated in the latest state budget.



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