

New York City's austerity budget—worse is yet to come

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10 July 2023

New York City's Democrat-controlled city council and the city's right-wing Democratic Mayor, Eric Adams, agreed on a \$107 billion fiscal year (FY) 2024 budget this month. The budget avoids—for the time being—the nearly \$1 billion in cuts that Adams had proposed in April.

While there was a slight increase in funding for some city programs and cuts in others, overall, many programs slated to be axed by Adams were restored. The FY 2024 budget only deferred the cuts that Adams had proposed. The programs that were restored used the last remnant of federal pandemic funding, a source that will be almost exhausted by FY 2025. Some observers have forecast budget deficits of \$5.1 billion in 2025, \$6.8 billion in 2026, and \$7.9 billion in 2027.

Adams has blamed the deficits on the federal government for failing to fund the needs of tens of thousands of asylum seekers who have sought refuge in New York, which will cost the city an estimated \$4 billion in the next few years. The causes of austerity, however, a program common to both Democratic and Republican officials across the United States, run much deeper, in the restriction of federal funding to cities as the Biden Administration spends billions of dollars on war against Russia and as New York City drowns in over \$100 billion in debt.

A kink was thrown into the agreement at the last minute when a federal judge imposed a temporary restraining order on Adams's mandate to move retired city workers from a city-funded health care program to the privatized Medicare Advantage, which would save the city an estimated \$600 million this year.

The mayor used the occasion of the budget agreement to lie and dissemble. He told the media, "Our mission is not to simply save money—it is to set priorities, which include fair labor contracts for our unions, funding for education, the arts, and our libraries, and support for New Yorkers in the greatest need."

His real attitude toward the needs of New Yorkers came out when he used a racist slander against an advocate for affordable housing at a town hall on rent guidelines last month.

Support for the poor, for libraries and education were only "priorities" in so far as they were first up on the chopping block a few months ago and will again become "priorities" for elimination in the next budget cycle. As to "fair contracts," the current budget was only possible because of the series of below-inflation pay "raises" that the city gave to its hundreds of thousands of municipal workers with the assistance of union officials. Adams' real "priorities" are seen in the fact that the New York Police

Department will have a funding increase of about \$320 million.

Notably, the budget nixed over \$900 million in cuts to education and enabled the expansion of the city's Pre-K program to three-year-olds, filling approximately 16,000 seats for these children. Nevertheless, Adams has made it clear budget cuts to education funding may occur midyear. "There is no desire to do so, [but] there's no guarantees in life," he told a press conference when announcing the new budget agreement.

Adams's Department of Education (DOE) did exactly that last year when it "exceeded" over 400 early childhood educators and shut down numerous arts and music programs. In addition to this the DOE has failed to pay many Pre-K contractors on time, causing some to close shop. This year, the DOE's budget increased by \$121 million but faces a \$730 million deficit next year.

The final budget also restores \$36 million in cuts to public libraries and \$32 million in funding for the City University of New York after Adams proposed cuts of \$41 million. Areas such as student mental health and childcare subsidies to undocumented immigrant families that the Adams administration had proposed cutting were restored.

Items that were cut include \$397 million in rental and voucher assistance, \$176 million for the Summer Rising youth jobs program, \$222 million for homeless shelters, and \$166 million for cash assistance to the very poorest New Yorkers. A desperately needed program for feeding the elderly was cut from \$12 million to \$7 million. The Department of Health and Mental Hygiene will be defunded by about \$150 million.

Other necessary programs will receive increases, but remain severely strapped, such as a program to provide tenants legal representation in evictions, the number of which has dramatically increased since the pandemic eviction moratorium was lifted in January 2022. The program, which is funded at \$107 million and needs hundreds of millions more to work effectively, will receive an increase of only \$20 million. As the investigative website City Limits noted, "fewer than half of tenants sued for eviction between mid-January 2022 and mid-March 2023 have had legal representation."

Despite the glad-handing from Adams and city council officials, the current budget has not pleased many bourgeois commentators and officials, who favor an immediate imposition of austerity.

The pro-business Citizens Budget Commission also issued its own warnings to the Adams administration: "The budget uses \$2.3

billion in available resources to add billions of dollars of spending without the offsetting savings needed to sustain them. The City should not wait until it slams into a fiscal wall to spend within its means. It should prioritize programs, reduce spending on those with lower impact and restructure operations to increase productivity.”

And in its own staid language, the Office of the State Comptroller (OSC) warned the city to begin planning for much more extensive austerity: “The decisions made now to begin the process of balancing future spending with available revenue, including targeting additional efficiencies, proposing reallocation of funds, or modifying service levels and the schedule for their delivery, will help to ensure the City minimizes service disruptions for its residents and ensure the City’s fiscal health is not a burden to its business climate and long-term economic profile.”

“Modifying service levels” for the sake of the city’s “business climate” means that everything must be done to slash social and cultural programs and education and raise the profits of the tiny number of Wall Street investors and real-estate magnates who dominate the economic life of the city. It is bureaucratic lingo for class war and every Democrat and Republic politician understands that this is exactly what is necessary.

The delay by Adams and the City Council in fully implementing this program is purely tactical. Adams and particularly the Democrats in the City Council are sensitive to the possibility of a social explosion erupting before they are fully prepared to suppress it with violence.

Many New Yorkers roundly condemned the City Council for voting for the FY 2023 budget which had cuts to education and other programs, and the experience has caused a caution bordering on neurosis in lower-level elected officials. It is likely, on the other hand, that agencies and organizations such as the OSC and the CBC are concerned that the cuts will come too suddenly in the next year and strengthen opposition—at the very least—to the political establishment by the already dissatisfied and volatile New York City working class.

Several “progressive” Democrats on the City Council voted against the budget. These included members of the Democratic Socialist of America (DSA). The DSA and its council members were forced to mouth opposition to capitalist austerity while at the same time displaying their subservience to the Democratic Party establishment.

The New York City DSA organization felt obligated, above all, to defend the Democrats on the city council for negotiating an austerity budget. “The mayor’s draconian preliminary and executive budgets forced council members to negotiate for the bare minimum,” it said in a statement, “rather than fight for the investments our city deserves.”

Similarly, in an unctuous comment on twitter, DSA councilmember Shahana Hanif said that she voted no with “deep appreciation for Speaker [Adrienne] Adams [no relation to the mayor] and the entire Budget Negotiation Team, which secured significant restorations for the mayor’s proposed cuts.”

Tiffany Cabán, perhaps the most visible member of the DSA caucus in the city council noted, tellingly, in a speech to the council on June 30: “As I stand here today, I cannot help but recall

the confusion, the litigation, and the backlash the followed last year’s budget vote. In the midst of that whirlwind I joined several colleagues in outlining a way to avoid that result this year.” The DSA in New York City and State has been on the path of integrating itself with the Democratic Party establishment and Cabán’s reference to “backlash” and the need to avoid it outlines the DSA’s real concerns with the budget.

There was not a whisper of warning from the DSA against the ax that was about to fall, and even less on the causes of austerity to begin with. As with all the DSA’s material on the budget cuts, the words “war” and “militarism” are never uttered.

Workers in New York City must have a plan to fight back. The Democratic Party, including the DSA, will seek to impose a massive degradation of the standard of living and the quality of life, just as the trade union bureaucrats have done in implementing de facto wage cuts and other concessions for city workers and as they are currently attempting to do with New York City transit workers.

Educators in the city formed a rank-and-file committee in 2021, a part of the International Workers Alliance of Rank-and-File Committees, that fights to stop the COVID-19 the pandemic, reverse budget cuts and defend educators’ wages and social rights from the conspiracies of the bureaucracy in the United Federation of Teachers and the city and state Democrats. Last week a group of New York City transit workers founded the Transit Workers Rank-and-File Committee to take the struggle against the Metropolitan Transportation Authority out of the hands of the Transport Workers Union bureaucracy.

Workers and youth need to vastly expand these efforts to form their own organizations and set up independent committees opposed to the trade union bureaucrats and the capitalist parties at their schools, job locations and neighborhoods to fight wartime austerity.



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