

New York City Mayor Zohran Mamdani will cut school and homeless programs to balance budget

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The administration of New York City Mayor Zohran Mamdani, a member of the Democratic Socialists of America (DSA), was elected in November amid mass anger over unaffordable housing, collapsing social conditions, and staggering inequality in the nation's largest city. Less than a year later, it is moving to implement austerity—preparing cuts to education, housing and homeless programs to meet the legal requirements of a budget “balanced” on behalf of the bond markets and the financial aristocracy.

In a hearing on Wednesday before the City Council, Sherif Soliman, Mamdani's director of the Office of Management and Budget (OMB)—a veteran of the Bloomberg, de Blasio and Adams mayoral administrations—noted that the city's recently appointed Chief Savings Officers had identified \$1.7 billion in cuts to various city departments. These include vacating underused office space in the Sanitation Department, lowering telecommunications pricing in the Fire Department, and modernizing technology and downsizing leases.

The presence of another career austerity technician at the head of OMB underscores the class continuity of the Mamdani administration: behind the DSA brand stands the same apparatus that has enforced decades of cuts.

Health and Hospitals, the city-run public hospital system, will cut overtime and ramp up collections to save \$14.1 million this year and \$25.7 million next year. These cuts, however, were already accounted for when Mamdani announced the deficit of \$5.4 billion last month.

Of the \$1.7 billion, only \$275 million has been identified, at least publicly. Soliman told the hearing that the remaining \$1.45 billion has not yet been approved, since the OMB is taking a “scalpel” to cuts and reviewing them closely. In a press briefing after the hearing, Soliman said, “We've taken it as far as we can go to find those savings without cutting critical services.”

More significantly, according to city sources who spoke to the *New York Times*, cuts would also come from funds to implement the legally mandated plan to decrease class size in New York City public schools. The journal *Chalkbeat* estimated that \$58 million has been cut from the Department of

Education so far, but that cuts could range as high as \$800 million, although city officials would not confirm that.

The cuts also include a plan to abandon an increase in assistance to CityFHEPS, a key program that helps people in city homeless shelters and those evicted from housing to find new homes.

The expansion of the program was voted into law by the City Council in 2023 and opposed by Mamdani's predecessor, Eric Adams, and then mandated by an appeals court in July. On Tuesday, the Mamdani administration filed a notice with the New York State Court of Appeals (a higher court in the New York state legal system) seeking to halt enforcement of the program's expansion.

The Mamdani administration is in deep crisis precisely because the DSA has no answer to the budget diktats of Wall Street except capitulation. Its role is not to mobilize working people against the financial oligarchy, but to impose austerity while smothering opposition with “progressive” rhetoric.

On March 11, the credit rating agency Moody's shifted the city's outlook (the likely direction of the rating over the next six to 24 months) from Stable to Negative.

On March 20, Fitch/Kroll, another major credit rating agency, announced that its outlook for the city's finances was also negative, noting that it “expects the city's fiscal profile to weaken as it navigates a period of elevated expenditure pressure.” This is the bureaucratic language of austerity, and the billionaires whom the ratings agencies represent are clearly concerned that Mamdani's proposed solutions to the budget crisis are unworkable and insufficient.

Mamdani has floated two of those solutions in recent months. The first is to encourage Governor Kathy Hochul, a right-wing Democrat, to approve a 2.5 percent tax increase on all incomes over \$1 million and a just-under-2 percent tax increase on corporations.

Only the state legislature can implement these taxes. While a joint session of the Democrat-dominated Assembly and Senate has “approved” the tax increases, it has not voted on them. Even if it does so, as part of the 2027 budget, it is highly unlikely that Hochul will sign them into law. Even if she did,

the taxes would still have to be approved by the New York City Council. The new speaker of the Council, Democrat Julie Menin, has indicated that she would oppose this.

Mamdani has left it up to the New York City DSA to make a show of pressuring Hochul, whom he endorsed in the upcoming Democratic state primary. Mamdani has not attended the DSA rallies or lobbying efforts calling on her to pass the millionaires' tax. These protests are nothing more than politically dishonest exercises in distraction, as the DSA leadership knows.

As an alternative to budget cuts in case the millionaires' tax is not passed, Mamdani has proposed a 9.5 percent increase in New York City property taxes. This would directly impact one million predominantly working-class and middle-class homeowners in the city, as well as small businesses, while indirectly impacting tenants in smaller housing units. Even if it brought in \$3.7 billion in revenue for the city, the property tax hike would still leave a \$5.4 billion deficit, since it is "baked in" to the Mamdani administration's proposed budget.

The property tax hike is so unpopular among homeowners that a recent *New York Times* article observed that the proposal is all but dead. The City Council will not support it, and it promises to evoke mass protest. All it appears to have done is to disrupt—if only slightly—Mamdani's alliance with Kathy Hochul and the right wing of the Democratic Party.

The implications of the inability to raise revenue by increasing taxes and the pressure exerted by the credit rating agencies are significant not only because education and social conditions will continue to deteriorate in the most socially unequal big city in the United States—as gas and commodity prices rise because of the war against Iran—but, just as importantly, because it exposes the utter bankruptcy of the Democratic Socialists of America in power.

The DSA was voted into the mayor's office promising minor reforms—such as free bus service, about which virtually nothing has been heard in recent months—and a freeze in rents for the city's million rent-regulated apartments, a pledge that is itself in doubt and about which Mamdani's rhetoric has notably cooled.

Instead, the pseudo-left DSA is now offering austerity and police repression, both conditioned and exemplified by Mamdani's notorious political alliance with Donald Trump, the benefits of which go entirely to the fascist in the White House.

The second meeting between Mamdani and Trump, on February 26, occurred a month after Trump's ICE goons had murdered Renée Good and Alex Pretti in Minneapolis, two days after Trump's State of the Union address, and two days before Trump and the Pentagon began Operation Epic Fury, launching an unprovoked war on Iran.

This is the path followed by the DSA: not only an alliance with the corporate Democratic Party, but collaboration with the most odious representative of the financial oligarchy. While Mamdani has called the attack on Iran an "illegal war of

aggression," he has refrained from naming Trump or members of his cabinet as war criminals and calling for their arrest and prosecution.

This alliance with Trump goes hand in hand with Mamdani's alliance with Hochul, with the city's big business representatives and with their political offspring in the person of Police Commissioner Jessica Tisch.

The support for the New York Police Department (NYPD) is particularly revealing. Mamdani praised the police after the killing of former Fire Department lieutenant Michael Lynch in a hospital in Brooklyn in January and the shooting of Jabez Chakraborty, a 22-year-old Bangladeshi immigrant, the same month in Queens—both during psychotic episodes.

This week, city lawyers argued that the NYPD is not obligated to protect people from violence, in a suit brought by a bystander who was attacked by Zionist thugs during a protest against an appearance by Itamar Ben-Gvir, Israel's fascist national security minister, in Brooklyn in 2025. City attorneys are seeking to dismiss the suit on a variety of other grounds as well.

Mamdani has not disbanded the Strategic Response Group, the notorious NYPD "anti-terrorist" unit that was so active in suppressing student demonstrations against the Gaza genocide, as he promised in his campaign. He and Tisch have cited "operational hurdles" and safety concerns as primary reasons for the delay, although it is clear that even if the unit were disbanded, its responsibilities and officers would simply be reassigned to other units that would function in the same way, that is, suppressing protests.

In a similar vein, Mamdani has not said whether he will sign or veto a bill passed by the City Council on Thursday requiring the NYPD to develop and implement standardized "response plans" for managing protests at educational and religious sites to ensure public access and safety, without mandating a specific fixed-distance buffer zone. Mamdani signed an executive order in January that set a 15-to-60-foot buffer.

The law (and Mamdani's executive order) are widely seen not only as violations of First Amendment rights but as a concession to Zionists who opposed protests near synagogues where Palestinian land on the West Bank was being sold by Israeli and American realtors—illegal under international law. The bill also seeks to regulate protests outside college campuses, but, just as insidiously, it can apply to protests against the presence of ICE outside public schools.



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