

But None of It's Official

Reports Bear Bad News For Public Employees

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By MARK TOOR |

Amid warnings that the state's budget deficit was climbing toward \$11 billion, newspaper reports last week indicated that Governor Cuomo was considering whether to cut as many as 15,000 state employees.

In more bad news for public workers, an aide to Mr. Cuomo said the Governor was looking at developing a new pension plan and a possible suspension of the Triborough Amendment to the Taylor Law, which requires that provisions of an expired contract with public workers such as longevity raises remain in effect while the next contract is negotiated.

9-Percent Reduction

Mr. Cuomo is studying whether to jettison 15,000 of the 132,000 state workers under gubernatorial control, the New York Times reported, citing "two people briefed on the plan." The layoffs would reduce the workforce—the part that remains after years of cost-cutting, an early-retirement initiative and the dismissal of nearly 900 workers in December—by 9 percent.

The Wall Street Journal said Mr. Cuomo was looking to cut 10,000 to 12,000 jobs, quoting "individuals familiar with budget discussions." He told the State Senate's Republican majority that mass layoffs were in the offing, although he did not give any numbers, according to the Journal. Aides later told the Senators that the layoffs could go as high as 12,000, the newspaper said.

Mr. Cuomo is due to present his budget Feb. 1, and aides last week said the numbers were still in flux. The last time a Governor ordered so many layoffs was in 1990, when his father, Mario Cuomo, moved to reduce the state work force by 10 percent through layoffs, attrition and early retirements. The number ultimately laid off was substantially fewer than 10,000.

Mr. Cuomo told reporters in Poughkeepsie Jan. 20 that New Yorkers should expect some pain, although he gave no details. "We've been spending too much money for years, but it has to stop now," he said. "And there is going to be, no doubt, a period of short-term pain as we make these adjustments. I believe it's for a period of long-term gain, but that's what we're going to go through."

'A Difficult Situation'

But he indicated some sympathy for state workers, adding, "You have to remember that every time you talk about a layoff, you're talking about a family, you're talking about a person's job, you're talking about a person's life. So this is a very difficult situation all around."

The Public Employees Federation reacted cautiously to news about the possible size of the cuts, with its president, Kenneth Brynien, saying the union had received "no formal notification" of planned layoffs.

'Would Undermine Recovery'

"We all understand the state's fiscal crisis and the need to find solutions, but any suggestion of reducing the state workforce by 10,000 to 15,000 would not only cripple the delivery of essential services, it would have a chilling effect on the state's economy and undermine the state's fragile recovery," he said in a statement. "We should all be working together to create jobs, not more layoffs."

He added that PEF will present Mr. Cuomo with suggestions "on how to achieve savings without damaging state services and harming the dedicated public employees who provide them...[T]his is not just a spending problem, it is a revenue problem."

The Civil Service Employees Association declined to comment. "At this stage everything is speculation," spokesman Steven Madarasz said. "We're waiting for a specific proposal."

On the deficit, Comptroller Thomas P. DiNapoli said the projected budget shortfall for the current fiscal year, which ends March 31, will be

higher than the Division of Budget's \$315-million estimate. It could rise as high as \$1.5 billion, he said Jan. 19 at a Chamber of Commerce breakfast in Poughkeepsie.

No Details on Pensions

He estimated the fiscal 2011-2012 budget deficit at \$9.5 billion, and said that if combined with the deficit for the current year it would equal \$11 billion. Basically, the deficit is the difference between the money the state is committed to spending and the amount coming in from taxes, Federal aid and other sources.

Meanwhile, Larry Schwartz, Senior Adviser to Mr. Cuomo, told the Albany Times Union that Mr. Cuomo is working on a new Tier 6 pension plan and "I believe he will be presenting something in the near future." He offered no details. Mr. Schwartz was speaking Jan. 19 after a meeting of Mr. Cuomo's Mandate Relief Redesign Team, which is looking at reducing state requirements to localities to limit government spending.

The holdover from the Paterson administration also said a proposal to freeze or suspend the Triborough Amendment is likely, only because the Legislature is unlikely to pass a repeal. Some opponents of the provision feel that continuing contract protections stacks the deck in labor's favor; the unions reply that since they are not allowed to strike, the amendment is the only thing pushing governments to negotiate.

"It levels the playing field in labor-management relations," Mr. Madarasz said. "It creates the impetus for labor and management to work out their differences."

