

Mayor Plowing Ahead With 4,200 Layoffs to Cut Budget

By DAVID SIMS | Posted: Monday, May 9, 2011 5:00 pm

Mayor Bloomberg's executive budget proposal will lay off 4,278 Teachers and eliminate another 2,000 positions through attrition, he announced May 6, saying cuts from the state and Federal governments, as well as rising public-employee pension costs, had forced his hand.

Union leaders called on the Mayor to tap the \$2 billion in the city's Retiree Health Benefits Trust Fund to avert the Teacher layoffs and 20 fire-company closings.

'Same Smoke and Mirrors'

United Federation of Teachers President Michael Mulgrew called the layoff numbers the "same smoke, same mirrors, same attempt to blame others for his decision to lay off thousands of Teachers, despite increased state aid, hundreds of millions in new revenues and a surplus that has grown to more than \$3.2 billion."

The Mayor said that Teachers were hit hardest because much of the state and Federal cuts had been to education aid. "We are in better shape than most cities," the Mayor said, "But we are not an island. We are not immune to the realities in Albany and Washington. And the reality is, both places are keeping more of our tax dollars to close their own budget deficits."

When asked whether he was prepared to carry out the Teacher layoffs, which he had proposed and later backed away from in previous years, he said, "If somebody comes up with the money where we don't have to do it, we won't have to do it. I'm not trying to lay off Teachers...but the reality is, we have to pay for it."

He added, "I didn't make the decision to cut back \$850 million of Federal money for education. I didn't make the decision to cut back \$812 million in state money for education. Those were things that were forced on us."

Council: Try to Prevent Layoffs

The budget will now be negotiated with the City Council, with the deadline for its passage at the end of June. Speaker Christine Quinn said in a statement, "Make no mistake, we will do everything in our power to prevent Teacher layoffs. Clearly, the deep cuts the city has endured from Albany and from Washington make our job this year even more challenging."

The Fiscal Year 2012 budget, which begins July 1, would likely require layoffs of Teachers at the end of this school year, barring an infusion of funds from other sources, the Mayor said.

When he originally proposed some 4,650 Teacher layoffs in February for his preliminary budget plan, Mr. Bloomberg called on Albany to repeal “last-in, first-out” seniority layoff rules for educators, leading many to charge he was using the layoff numbers to spur action by the State Legislature.

With such action increasingly unlikely, the Mayor made fewer references to LIFO in his remarks to reporters, although he emphasized it was an “irrational” policy and said Albany would “mitigate the impact” of layoffs by repealing it. “That really should be their number-one priority,” he said.

\$2-Billion Infusion Not Enough

The city is diverting some \$2 billion to offset education cuts from the state and Federal governments, but the layoffs are necessary even after those funds are provided, the Mayor said.

Municipal Labor Committee Chairman Harry Nespoli disputed the claim. “There’s services you just can’t touch. How do you teach children without Teachers? And how do you protect the lives of the public without firehouses?” he asked in a phone interview. “Maybe he should look to tap that reserve.”

But the Mayor said that wasn’t possible because of a predicted \$5 billion deficit next year. “We have to go into next year with some reserves,” he said.

He also disputed the charge by unions that the city has \$3 billion in surplus funds it is not using to avert layoffs. “This year, we used up the last \$3.2 billion,” he said flatly. “There is no surplus.”

He repeated his claim that quickly-rising pension costs were one of the biggest bugbears for city finances, pointing to a projected \$1.5 billion rise in pension costs between 2011 and 2012, and a total rise of nearly \$7 billion over the last decade. He also said the stock market’s decline could not take all of the blame for those increases.

Blames Albany Generosity

“We went from \$1.3 billion to \$4.7 billion when the stock market was skyrocketing,” he said, referring to the years 2002 to 2007. “It’s the increases in benefits that Albany keeps voting in, and we have to pay for it.”

One of the more-severe cuts of Mr. Bloomberg’s February proposal, the loss of 16,000 day-care slots, has been scaled back somewhat. Now, 15,000 children will receive child-care, but only 4,500 through Administration for Children’s Services programs; the rest will be covered by the Department of Youth and Community Development’s out-of-school-time program, which has been criticized in the past as an inadequate substitute.

Social services, cut by \$400 million in the state budget, will receive only \$121 million in restoration funds from the Mayor's budget. "Generally speaking, this budget is good news for ACS," the agency's Commissioner John Mattingly said in an interview. "We are guaranteeing access to child-care for the families who are receiving it up to now...there's no new layoffs of ACS workers, but as part of the original plan from last November, there's [180] clerical layoffs."

District Council 1707 Executive Director Raglan George Jr., who had been at the forefront of protests about the day-care cuts, declined to comment until he had the full details on the restorations.

Defends Outside Contracts

Schools Chancellor Dennis Walcott said that "all schools will feel this, one way or another," but said DOE's contracting-out budget, which unions and elected officials have pressed to be reduced, was important. "All agencies have contracts, and those contracts are important to make sure the agencies run. The Mayor indicated that some contracts are very specific, and you don't want to hire personnel to do very specific tasks," he said.

The Mayor called contracts an "easy target" but said they were necessary when the city doesn't have expertise in-house or is hiring for a short-term project.

City Comptroller John C. Liu focused on outside contracts in his response, however, saying in a statement, "The continued lack of oversight of subcontractors working on city projects has resulted in the city being bilked out of millions of dollars—dollars that could have been better utilized elsewhere...now is the time to fully rethink the proposed spending plan on IT projects, especially within the DOE."