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**Governor Wiends Ax**  
**Planned reduction of 8,900 jobs this summer**

By Rick Karlin, Capitol bureau

ALBANY — Facing a growing deficit and noting public employee union leaders have resisted his call for give-backs, Gov. David Paterson on Tuesday said he wants to cut 8,900 people from the state work force.

The reduction represents about 6 percent of the 141,000 people who work in state agencies under the governor's control.

The move came hours after Democratic leaders said the state budget deficit had grown to \$16.2 billion, \$2.2 billion more than earlier estimates.

"This is not a decision that has been reached lightly," warned a message sent to agency heads Tuesday from Dennis Whalen, Paterson's director of state operations. The cuts are designed to save \$481 million over two years.

The message said the Division of Budget is finalizing a timetable and targets for various state agencies.

Budget Division spokesman Jeffrey Gordon said the Workforce Reduction Plan will first look for cuts through attrition, or leaving vacant the positions of people who retire or leave state service between now and the summer.

But with such an ambitious target, it appears almost certain that substantial numbers of state workers will be "streeted," or put out of work against their will if the layoffs are carried out.

Most of the layoffs would come during the summer, Gordon added.

According to state labor contracts, layoffs are generally through reverse seniority by job categories within state agencies, but the rules are extraordinarily complex.

There haven't been large-scale state layoffs since the early 1990s.

Gordon said it wasn't yet clear which agencies might take the biggest hits, or where the job losses would be concentrated geographically. But he noted that Albany, as New York's administrative center, is home to a large portion of the state's work force.

Agencies that are beyond the governor's direct control — SUNY and CUNY, the courts, the Comptroller's and Attorney General's offices — are not in the layoff plan.

The governor's office noted that they have been asking for state work force concessions since last fall, including the giveback of a 3 percent raise due April 1. Additionally, Paterson has asked state employees to accept a five-day pay "lag" in which they would forego a week's wages until their retirement. The governor has also called for a less-generous Tier 5 pension plan, although most of those savings would be realized years down the road.

Unions, he noted, have rejected his requests.

"Unfortunately, the labor organizations representing state employees have rejected all of the savings options put forward by the Paterson administration," reads part of the administration's letter. "As a result, the state is left with no other option."

Paterson got immediate backing from Senate Democratic Majority Leader Malcolm Smith: "We urge the union leadership who represent the public sector work force to step up and renegotiate a fair agreement that is consistent with the principle of shared sacrifice," Smith said in a statement.

Assembly Democratic Speaker Sheldon Silver tried to strike a conciliatory tone in his terse statement: "This is an unfortunate turn of events. I would hope that the Governor and the public employee unions can come together and avoid this painful step," it read in its entirety.

Union leaders on Tuesday accused Paterson of both brinkmanship and ham-handedness.

"I think he's trying to scare people," said Public Employees Federation President Ken Brynien. "I think he is trying scare us and other unions to accede to demands that he is making."

"We are not re-opening our contract," Brynien said, reiterating the union's long-standing call to cut down on the use of non-union consultants and outside contractors to do jobs that union members say they can do.

The layoffs were Tuesday's second piece of bad news at the Capitol.

Hours before they were announced, Paterson, Smith and Silver attributed the deficit's growth to plunging tax revenues and the loss of an expected \$370 million payment from Delaware North, the company that had secured the contract to build a video lottery terminal facility at Aqueduct in Queens. Two weeks ago, Delaware North announced that it had failed to secure financing for the project.

The new revenue estimate was announced as leaders scrambled behind closed doors to negotiate a budget by the April 1 deadline.

The Legislature's Republican leaders, Assembly Minority Leader Jim Tedisco and Senate Minority Leader Dean Skelos, held a news conference in the afternoon to lambaste the Democratic leaders' decision to negotiate the budget without minority involvement.

Skelos called the budget process adopted by Democratic state leaders "horrendous, wrong and totally arrogant."

"I need a flashlight to walk the halls, that's how dark it is in regards to democracy," Tedisco said.

Skelos and his members have threatened to withhold quorum for a budget vote if Democratic leaders try to push their budget bills through with messages of necessity — a move that would sidestep the usual process of requiring the bill to age for three days before a vote in the legislature. The state constitution requires that three-fifths of the Senate must be in attendance for passage of a budget bill.

Silver and Smith said they hope to enact a budget by the April 1 deadline, and plan to allow the bill to age for three days.

"We hope to be able to unveil a bill, a budget, in time for people to review it and eventually to have members vote on it," Silver said.