

March 25, 2009

NEWYORKPOST

8,900 ARE TARGETED AFTER UNIONS NIX MAJOR GIVEBACKS

By BRENDAN SCOTT Post Correspondent

ALBANY Gov. Paterson yesterday announced dramatic plans to lay off 8,900 state workers after public-employee unions rejected his call for contract concessions to help close the budget gap he now projects will reach \$16 billion.

The bombshell move to sack about 4 percent of New York's government work force comes a week before the state's April 1 budget deadline and puts new pressure on union leaders to accept a wide range of givebacks Paterson had proposed as part of his \$121 billion spending plan.

The Democratic governor had asked public employees, among other givebacks, to forgo scheduled pay raises this year and defer one week's pay to when they quit or retired or the state's economy improved.

Such actions would have saved the state \$660 million over the next two years. Instead, Paterson hopes to save about \$500 million by trimming the work force by 8,900 the largest proposed state job cut more than a decade.

"Unfortunately, the labor organizations representing state employees have rejected all of the savings options put forward by the Paterson administration," Operations Director Dennis Whalen wrote in a memo to agency heads last night.

"As a result, the state is left with no other option to achieve needed savings than implementing a workforce-reduction plan," he added.

Paterson's initial budget proposal in December called for only 521 layoffs, which were limited largely to prisons and group homes.

A spokesman for Paterson said it was still unclear where layoffs would be made and that agencies would be given targets for payroll cuts in coming weeks. Any layoffs could take effect as soon as July 1.

In total, the state employs nearly 200,000 and has an annual payroll of \$18 billion.

Union leaders complained they were blindsided by the announcement and vowed to resist contract changes.

"We've been trying to give him the benefit of the doubt but if Gov. Paterson really believes putting nearly 9,000 New Yorkers out of work is a good idea, he really is out of touch with life on Main Street," said [Civil Service](#) Employees Association President Danny Donohue.

The decision to cut jobs comes a day after a Siena College poll put Paterson's voter-approval rating at 19 percent the lowest level in modern state history.

"These are difficult times and no segment of the state is immune to the harsh reality of the fiscal crisis," said Senate Majority Leader Malcolm Smith (D-Queens).

"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 principal of shared sacrifice," he added.

The layoff talk came just hours after Paterson said the deteriorating economy had pushed the budget deficit to a record \$16.2 billion.

Republicans, who have been largely shut out of budget talks since losing control of the Senate in the last elections, quickly dismissed the unusual last-minute revision.

The Post reported Monday that the secret pact will include a measure to raise \$8 billion over two years by hiking taxes on all households earning more than \$500,000 a year.

"Yesterday they're floating a massive personal income tax increase and the day after all of a sudden the deficit climbs even more," said Senate Minority Leader Dean Skelos (R-LI).

"This is a set-up for a massive personal income-tax increase."