NYC 9/11 Public Portal Document

THE NEW YORK TIMES, TUESDAY, DECEMBER 4, 2001

Mayor's List of Budget Cuts Sends Agencies Scrambling

By SARAH KERSHAW

Mayor Rudolph W. Giuliani handed his plan for cutting $766 million from the current year's budget to the City Council last night, detailing millions of dollars in reductions to city agencies, schools, libraries and programs for the elderly and children.

The thick document, called a budget modification, was publicly released at 6:15 last night after City Council members, including members of the finance staff, had left for the day. The proposal, part of a plan to close a $1.2 billion budget gap that resulted from the World Trade Center attack and the weakening economy, must be approved by the 51-member Council.

Directors of city-financed programs for children, the elderly and immigrants said the proposed cuts — as high as 15 percent for most city agencies — left them wondering if their services would survive and scrambling to figure out how to pay for programs already under way.

The Council must vote the proposal up or down as a package. Some Council officials were taken aback that the package was submitted without any negotiations, and said a preliminary look at the proposed cuts indicated that the package would eliminate several Council-financed programs, sometimes referred to as pet programs.

"We had hoped they would negotiate," a Council official said.

City budget officials, after distributing budget documents to reporters last night, did not return telephone calls seeking comment.

Earlier in the day, Mr. Giuliani said, "The impact on our budget is a dramatic one, it's a heavy one, but it's one that we can sustain, if we reduce expenditures." He also said that while some of the cuts he was proposing were deep, the city could rebound from its financial woes and wind up restoring some of the funds. "There's plenty of time for the city to straighten this out," he said.

On Monday, Mr. Giuliani outlined his plan for shaving $766 million off the budget.

The document released last night spelled out in more detail how those cuts would be achieved in each agency, from small reductions in heat and electricity use to substantial program cutbacks that would eliminate or sharply reduce services. Included in a proposed $119 million budget cut to the Administration for Children's Services is $71 million that was to be used to expand subsidized child care programs.

Gail Nayowith, executive director of the Citizens Committee for Children, an advocacy group, said the $71 million would have paid for child care for 10,000 of the estimated 30,000 children waiting for a slot in a subsidized program. There is also an $11 million reduction in after-school care contained in the child welfare agency's proposed budget reduction.

The Board of Education, which is facing a cut of about 1 percent in its $11 billion budget, would scale back by $1 million a program that has placed two teachers in crowded classrooms to reduce the student-teacher ratio as well as a host of other programs, including a $2 million reduction in the school safety budget and a $20 million reduction in maintenance for school buildings.

The Department for the Aging would face a $16 million cut, including the elimination of a $3.5 million program to place social workers in centers for the elderly, and cuts in transportation and other services.

The cuts are meant only to help the city end the current fiscal year in the black. This week the mayor projected that his successor, Michael R. Bloomberg, would face a $3.5 billion budget gap in the 2003 fiscal year, which will begin in July, and a $3.9 billion gap the following year.

And they come as some fiscal watchdogs are expressing growing concern about the amount of debt the city has. City Comptroller Alan G. Hevesi this week released a report finding that the city's debt grew to $40 billion in July, up from $26.6 billion in July 1996. The comptroller warned that the city's planned spending on new capital projects could drive its debt up even higher, to the point where in fiscal year 2005 the city would be spending 21 cents of every tax dollar it spends paying debt service.

On Monday, Mayor Giuliani said such projections did not take into account the city's tendency to go back and make cuts in its capital budget. "This is about the fourth year in a row the comptroller has issued this report, and the last three were wrong," he said. "It always turns out that we spend considerably less than he anticipates."

CITY_21MC100_011833687

NYC-WTC_000415481