

## OAKLAND CUTS 200 JOBS



More jobs are going to be cut in the state of California, as the city of Oakland is handing out pink slips to 200 of its employees in order to make their budget work for the 2012 year. The location of all of the job losses is already known. Since the company has until the 1<sup>st</sup> of February to dissolve its redevelopment agency, or end up with a budget deficit at the end of the year. While these cuts are coming from the department, if it actually closes the job losses will be much more massive. While the city is hoping to get some relief from the state legislature, and that this help will prevent the closure of the redevelopment agency. Some people are already speculating that the closure of the redevelopment agency would do more extensive damage to the finances of Oakland and require more layoffs from other departments. Those layoffs are not expected to be minor. Wondering how the closures could have such a serious impact on the city's finances? Well, here is a little history to help you put this into context. Until last month the state of California was paying cities in the state to help build affordable housing for residents of the state and to help fix blighted areas of the state. The state-subsidized redevelopment program was cut short by a California Supreme Court ruling that was made last month. That ruling basically eliminated the program, cutting down the funding to cities sharply, and forcing them all to reconfigure their budgets. Oakland has been particularly hard hit by this change, because the city has about half of its area designated as redevelopment zones. The funding from those designations was being used to help pay for the salary of a number of staffers who work for the city. Exactly how much money was cut from the city? The estimated amount of funding lost is about \$26 million. That money was used by the city to pay for the salaries of about 160 workers, all of whom were full time. That money includes the salaries of 17 police officers and almost 100 of the employees who work in the city's Community and Economic Development Agency. Since the police officers cannot be eliminated, thanks to a union contract, the 17 jobs will need to be cut elsewhere. Of course, job cuts are not the only thing that city is doing in order to help make ends meet. The administrator for the city, Deanna Santana, made an announcement this week that the city would put a moratorium on all new hires. The city is also requiring all of the departments to cut their budgets about 5 percent in order to make up for the loss of funding. While there has been no official word, many people expect that the City Council will try to renegotiate with its unions, and ask them to reopen their contracts, in order to make ends meet. City Councilmember Jane Brunner told a reporter for Mercury News the following about the budget changes, "There is no place to go to fill this gap. There are whole departments that are just going to be bare bones."

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