

The California special election and its ramifications

Vote “No” on all ballot propositions

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Six ballot propositions are to be placed before California voters during a special election on May 19. Either directly or indirectly, all of these measures are aimed at making working people pay for the state’s massive fiscal crisis.

In February, Republican Governor Arnold Schwarzenegger and the Democratically-controlled State Legislature passed an austerity budget that closed California’s \$42 billion shortfall through a combination of cuts to social services and education, and largely regressive tax hikes. The budget, which also contained about \$800 million worth of tax breaks for big business, is having devastating consequences across the state, as workers confront layoffs, furloughs, pay cuts, and the further erosion of the social safety net and the public infrastructure.

Certain of the budget measures passed by Sacramento have to be voted on by the electorate in order for them to take full effect. On Tuesday, voters will head to the ballot box to decide the fate of Propositions 1A through 1F. Currently, Schwarzenegger is attempting to stampede voters into approving the measures, insisting that if they fail, even more draconian cuts in social programs and education will be put into effect.

The Socialist Equality Party calls for a “no” vote on all of these measures. Working people should reject not only this reactionary effort to place the burden of California’s fiscal crisis on the backs of working people, but also the deeply anti-democratic manner in which the fate of the state’s economy is being determined.

The budget pushed through last February was the product of sordid backroom deals between Schwarzenegger, leading Democrats, and a handful of Republican legislators who broke ranks with their own party to pass the legislation. The current ballot propositions are written in a way as to make them almost unintelligible, such that their consequences and full implications cannot be fully understood. In no way do these measures reflect the interests and needs of masses of people in the state, who have been entirely excluded from the process by which the fiscal crisis is being addressed.

The first of the measures, Proposition 1A, would extend

recently-passed regressive tax increases through fiscal year 2012-2013 and increase the size of the state’s “rainy day” fund. This would make it impossible for revenues collected during a surplus year to be used to expand government spending on social programs. The aim is to use the current crisis to create permanent austerity conditions in California.

Furthermore, the new taxes—a one percent increase in sales tax, a hike in the vehicle license fee from 0.65 percent to 1.15 percent of a vehicle’s value, a reduction of the dependent tax credit by \$210, and an increase in personal income tax by 0.25 percent regardless of tax bracket—disproportionately affect working people.

The second proposition, 1B, would use the extra funding in the “rainy-day” fund for educational programs. This money, \$9.3 billion dollars worth, would be used to recover the funds legally owed to the state’s educational programs that were never paid out.

The California Teacher’s Association is a major proponent of this measure, under the argument that it will ultimately lead to the repayment of overdue money to the schools. However, because the money would come from the “rainy-day” fund financed by regressive tax hikes, this increase in educational spending is based on a further squeezing of working people and the imposition of general austerity conditions in the California budget as a whole.

Furthermore, there is no guarantee that if Proposition 1B is passed, the schools will actually see any of the money promised to them, as Sacramento has used a variety of legal loopholes in the past to block legally mandated funding for the schools.

Proposition 1C, also called the Lottery Modernization Act, would authorize the state to sell \$5 billion in lottery bonds with additional authorization to sell unspecified amounts thereafter. Increased lottery rewards and more games will be implemented to attract the most desperate layers of the working class to buy more tickets. Much of this money will be used to pay off the bond debt owed to Wall Street and other large investors. Moreover, educational institutions, which traditionally received a chunk of lottery money, would no longer be guaranteed any funding at all from this source.

Propositions 1D and 1E both divert money from social programs in California to pay for other things. Under proposition 1D, for example, more than \$600 million would be taken away from the state's "First 5" program, which provides educational resources to children up to five years of age and also to expectant parents. The proposition would divert those funds to other already existing programs for young children.

The same sort of process is at work in Proposition 1E, which would divert funding for two years from the Mental Health Services Act. This Act collects money from an income tax surcharge levied against individuals who make more than a million dollars in yearly income to finance mental health services. Proposition 1E would use this money instead to support spending for the Early Periodic Screening, Diagnosis and Treatment Program.

The last proposition, 1F, which is the only measure that has succeeded in recent straw polls, is an effort to create more effective conditions for the implementation of future austerity budgets under the veneer of increasing accountability in Sacramento.

The measure prevents the governor and other state elected officials from receiving pay raises during years when the state is running a budget deficit. While this measure might appear attractive to voters because it seems to be punishing state officials, in reality it simply puts additional pressure on them to force through draconian spending cuts with greater speed.

With the exception of Proposition 1F, it currently appears likely that all the measures will be voted down on May 19. In an effort to prevent this outcome, Schwarzenegger announced late this week that if the measures are not passed, the state will face a further \$21.3 billion budget shortfall with drastic consequences. The governor has threatened to address this deficit by taking \$2 billion from local governments, thereby devastating city and county level social services.

In short, the political establishment is attempting to blackmail the population into backing these reactionary measures by promising the devastation of social services and the public infrastructure if they don't.

However, even if the measures are passed, the governor has announced that California will still layoff an additional 5,000 state employees and take a further \$3 billion away from public education. In addition, eligibility requirements for state healthcare programs will be changed so as to make them inaccessible to 200,000 needy children.

In essence, the state's working class is being given a choice of rope with which to hang itself.

By voting "no" on the ballot measures on May 19, working people should not only reject the propositions, but the entire economic and political process that has given them this false "choice".

The state of California is often considered to be between the fifth and eighth largest economy in the world. There is more than enough social wealth to meet the needs of the population.

However, political and economic power is consolidated in the hands of a minute social layer, whose property and privileges remain inviolate under the present political setup. There is no layer within the political establishment that argues that the riches concentrated in the hands of California's wealthy elites and giant corporations should be tapped to save the social programs, educational system, and jobs that the state's 40 million people rely on.

Furthermore, contrary to what is claimed by the state's other teachers' union—the California Federation of Teachers—which is calling for a "no" vote on the propositions, the austerity budget and these ballot proposals were not forced on state Democrats by the "tyranny of the [Republican] minority" in the State Legislature. The fact that the passage of a budget in California requires a two-thirds majority in the State Legislature undoubtedly gives disproportionate clout to the Republican minority in state government.

However, the Democratic Party would still force through massive cuts in the California budget even if they were not forced to negotiate with their counterparts on the other side of the aisle. Austerity measures have been passed in California for decades with the active and willing support of the Democrats. At the national level, this party is responsible for dismantling the federal welfare system. Currently, in the form of the Obama Administration, the Democratic Party is rescuing the financial aristocracy to the tune of trillions while demanding wage cuts from autoworkers and the gutting of Medicare, Social Security and other vitally needed social programs.

There is no progressive solution to California's fiscal crisis outside of the rejection of a social and economic order that defends private profit at the expense of social needs. Whatever tactical differences exist between the Democratic and Republican parties, they are united in their conviction that the wealth of big business and the elite must be defended in the midst of the state's massive fiscal crisis. In order to defend their interests, working people need a new political party—the Socialist Equality Party—based on a socialist and internationalist program that insists that the vast wealth of society be utilized in the interests of the majority.



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