

California governor imposes new cuts in social programs

Alfonso Santana, Joe Kishore
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On Tuesday, California governor Arnold Schwarzenegger signed a new budget for the state that includes \$15 billion in cuts. The governor used his veto power to enforce an additional \$489 million in cuts to programs that serve the most vulnerable sections of the state's population.

Among the additional cuts imposed are:

- \$80 million in programs for abused and neglected children
- \$50 million in Healthy Families, an insurance program for children
- \$16 million in domestic violence programs
- \$50 million in services for infants under the age of three with developmental problems
- \$6.3 million from the Department of Aging, which serves elderly residents
- \$6.2 million from state parks
- \$2 million from the student aid commission

These draconian measures are in addition to the bills passed by the Democratic Party-controlled state legislature. Included in the budget signed by the governor are \$8 billion in cuts to public education; \$1.3 billion in Medi-Cal, the health care program for low-income families; \$1.3 billion in state worker pay; and \$2 billion from local governments.

This is only the latest and by no means the last stage in the destruction of the social safety net in California. The budget crisis in the state is being used by the corporate elite, with the backing of both political parties, to implement a long desired policy of rolling back state services for the working class.

Schwarzenegger made clear in signing the budget that more cuts were to come. He was ready, the governor said, "if our revenues drop further, to make the necessary cuts and live within our means."

Schwarzenegger justified the further cuts by pointing to the fact that the legislature rejected two measures agreed in previous discussions between the Democratic Party leadership and the governor, and as a result the budget fell \$156 million short. The governor also insisted that the state maintain an additional reserve fund.

Leading Democrats sought to denounce Schwarzenegger's additional cuts, even after they agreed to the far larger cuts in the original budget. Assembly Speaker Karen Bass said, "The cuts the governor made today have broken the lifeline of the state's most vulnerable and under-served." She said nothing about the agreement of the assembly to strip billions from workers in the form of education, Medi-Cal, public services and infrastructure.

The cynicism of the Democrats was underscored by Senate President Pro Tem Darrel Steinberg, who said, "We will fight to restore every dollar of *additional cuts* to health and human services"—i.e., the initial cuts would remain unopposed.

Schwarzenegger's reference to "living within our means" echoes statements of the Obama administration, which has repeatedly refused emergency aid to California, insisting that the state resolve its budget problems by cutting social programs. Both the Obama administration and the California government have rejected any attempts to make the wealthy pay to resolve the budget deficit.

The budget cuts will contribute to an immense social crisis in California, where real unemployment (including those outside the labor market and those forced to work part time) is already over 20 percent.

The implications of the cuts—in terms of the growth of the unemployed, poor, and uninsured—are unknown. The cuts in the Healthy Families program alone will

mean that an additional 900,000 children will be uninsured next year. How many of these will die because they will not be able to get needed care?

The several billion dollars in forced loans from local governments will translate into cuts in essential services throughout the state, layoffs of city and county workers, and cuts in pay.

As a result of the cuts in education, class sizes will increase, teachers will be forced to accept pay cuts or be laid off, tuition at community colleges and universities will increase sharply, and student aid will be cut back. California, which once boasted one of the best education systems in the country, will rank last in terms of per-pupil funding.

From the beginning of the budget negotiations, Schwarzenegger has taken a hard line, insisting on deep cuts in social programs. He has done so with the confidence that he has the backing of corporations and the wealthy in California, as well as the Obama administration, which represents the interests of the financial elite.

Schwarzenegger was also confident that the state Democrats would abandon their pretense of opposition (the Democrats were initially proposing “only” \$11 billion in cuts) and agree to everything. This is what happened in the end.

In the midst of the budget crisis, the financial elite made clear its demands for massive cuts. The major banks—including those that have received hundreds of billions of dollars in government loans—announced that they would stop accepting IOUs issued by the government. The state’s credit rating was downgraded, making it much more difficult to finance loans.

The budget cuts have almost a vindictive quality to them. A recent article in the *San Jose Mercury News* captured something of the atmosphere in Sacramento with the headline, “Governor appeared to relish role of government slasher.”

The newspaper cited a comment the governor made to the *New York Times* earlier in the month, stating that he felt no remorse over the cuts he was demanding. Whatever happens, he said, “I will set down in my Jacuzzi tonight. I’m going to lay back with a stogie.”

Here, Schwarzenegger is merely expressing the outlook of the financial elite. Under the Obama administration, trillions have been handed out to the major banks, with the result that profit levels and

bonuses are higher than ever. The very people who are responsible for the economic crisis have leveraged their control over the government to their advantage.

As for such things as care for children, the elderly, the poor—as well as such basic social needs as education and the maintenance of public infrastructure—these are considered unnecessary, a drain on profit, and hopelessly antiquated.

The Socialist Equality Party will be holding a meeting on Saturday, August 1 in South Pasadena, California to address the crisis and build a conscious movement in the working class in opposition to it. We urge all workers, student youth and intellectuals to attend this important event. Click here for more information.



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