

States cut social programs as deficits deepen

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As the new fiscal year begins, the economic crisis has left many states in the US unable to successfully put a budget into place. North Carolina, Arizona, Connecticut, Michigan and Pennsylvania have yet to establish a budget for the 2010 fiscal year. Many of the states that did succeed in planning a budget for the new year still face enormous deficits.

A new report from the Center on Budget and Policy Priorities (CBPP) provides an alarming picture of the situation. Entitled “New Fiscal Year Brings No Relief From Unprecedented State Budget Problems,” the CBPP report states that “At least 48 states have addressed or still face shortfalls in their budgets for fiscal year 2010 totaling \$163 billion or 24 percent of state budgets.”

In response to budget shortfalls, states have carried out deep cuts to essential social services. The CBPP reports that “budget difficulties have led some 39 states to reduce services to their residents, including some of their most vulnerable families and individuals.” The numbers are staggering. Twenty-one states have made cuts that will restrict access to health care services for low-income families. Twenty-two states are “cutting medical, rehabilitative, home care, or other services needed by low-income people who are elderly or have disabilities, or [are] significantly increasing the cost of these services.”

Thirty-two states have made cuts in funding to colleges and universities while 24 states have made cuts in K-12 and early education. Forty-one states have had to reduce the hours of state employees or the size of their public workforce.

In North Carolina, where layoffs are widespread and the unemployment rate is at a record high of 11 percent—89,500 manufacturing jobs have been wiped out since 2007—state workers are now bracing

themselves for the worst. In the Burlington, North Carolina school system alone, 130 teaching assistants have been laid off as a result of the state’s budget crisis. At least 200 teachers have been told they may also lose their jobs as the start of the school year draws nearer.

North Carolina’s poor and unemployed are increasingly turning to a woefully-unprepared system of private charities. The *Winston-Salem Journal* recently reported that this month the Second Harvest Food Bank of Northwest North Carolina ran out of food for the first time in its 28 year history. The organization has been unable to keep up with the demand for food which has risen an alarming 76 percent this year. According to the latest numbers, 20 percent of North Carolina’s children live in poverty.

Arizona, another state yet to establish a budget, has cut by 20 percent the amount of state funding received by families with foster children. *Azcentral.com* reports that “The cut dropped the monthly average for fostering a child from \$910 to \$728 and annual funding for clothing, diapers, books and education expenses were cut in half.”

In addition to slashing programs for Arizona’s children, plans are underway to sell the state House and Senate buildings. These and other state buildings would be sold off to investors, leased, and gradually “repurchased” by the state over the next 20 years.

The list of attacks on the living standards of poor and working class people is overwhelming. To mention only a few examples, Illinois will cut \$40 million from programs providing prescription drugs to the elderly and the disabled. Washington state has cut 40 percent of funding for a program that provided low-cost health insurance for the poor. Ohio and Louisiana are both ordering cuts and facility closings that will affect those struggling with mental health issues and addiction. All of these programs are being slashed at a time when the

unprecedentedly high level of unemployment makes them more necessary than ever.

The story repeats itself from one state to another. Workers are told there is no money available and that they will have to shoulder the burden of a crisis for which they aren't to blame. Cuts in the most basic and essential social programs are combined with a reckless and short-sighted juggling of finances.

As the most vulnerable are asked to sacrifice and tighten their belts, there appears to be no limit to the funds available to bailout banks and no limit to the willingness of the two big business parties to clear the way for the further accumulation of personal wealth by a narrow elite. Representatives of both the Democratic and Republican parties, at all levels of government, are seizing on the current crisis as an opportunity to roll back any social gains that have been achieved through the struggles of workers over the past decades.



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