

Virginia, US: \$2.3 billion in budget cuts target education, state workers

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In mid-December, Virginia Governor Tim Kaine proposed \$2.3 billion in budget cuts for the 2010-2012 period, along with a 1 percent increase in the state's income tax, from 5.75 percent to 6.75 percent annually.

Among the many severe measures outlined in the two-year budget are a 26 percent cut in funding for higher education, the closure of mental health facilities, the axing of 664 state workers' jobs along with the elimination of 1,879 vacant positions, substantial give-backs from state workers, and reduced funding to transportation, health care, and elementary education. The cuts come on top of \$7 billion in cuts during the previous 18 months as the worst economic crisis since the 1930s has sapped state revenue sources.

Virginia is the 12th most populous state in the US, with nearly 8 million residents. It is home to 134,000 federal government employees due to its proximity to the federal capital of Washington, D.C. The headquarters of the CIA is located in northern Virginia as is the Pentagon. Military installations litter the state's eastern seaboard, from the Fort Hill and the Marine base at Quantico in the north to Langley Air Force Base and the world's largest naval base in Norfolk to the south. Other major employers in the state include high-technology manufacturers, data centers and agricultural enterprises.

Kaine's term as governor ends on January 16, 2010, when Republican Bob McDonnell will take office. Kaine will serve as the next chairman of the Democratic National Committee.

Nearly half of the spending cuts in Kaine's budget come from elementary and higher education, in keeping with the national trend in dismantling this democratic right. Elementary education alone stands to lose \$754 million in funding. This is to be achieved primarily by eliminating support staff for teachers and millions of

dollars for new textbooks.

After initially praising Kaine for "largely avoiding" elementary education cuts in the past, Virginia Education Association President Kitty Boitnott said at the unveiling of the budget, "No one should doubt that the state cuts, added to the economic pressures local governments already face, will hit every public school in Virginia. We're going to see more crowded classrooms, cuts to both core and specialized programs, layoffs of teachers and support professionals."

The budget also calls for a 26 percent reduction in funding for public colleges and universities. Over the next two years, the University of Virginia will see a cut of \$27 million; Virginia Tech, \$32 million; and James Madison University, \$14.5 million. The state's Community College system will lose a total of \$66 million. With cuts as drastic as these, students can count on painful tuition increases. Kris Landrum, public relations director of Patrick Henry Community College, told a local paper that "every college in the VCCS [Virginia Community College System]...is going to be struggling to operate efficiently and effectively."

In his speech introducing the budget, Governor Kaine praised state workers for making Virginia the best-managed state in the US, according to the Pew Center on the States. His budget rewards these workers with a swift kick in the teeth. Beginning in 2011, all state workers must contribute 1 percent of their paychecks towards their retirement. This percentage increases from 1 percent to 2 percent in 2012. As there will be no pay increases for the same two years, the retirement contribution requirements have the same effect as a pay cut. Virginia's state workers have not seen a pay increase since December 2007.

State employees face a 5.6 percent increase in health care premiums. For new employees, the retirement age

is pushed to 55 from the previous 50. Finally, new hires will lose part of their post-retirement cost-of-living increases.

Kaine's budget slashes \$12 million in badly needed funding for essential health and social services. It is worth noting that these cuts reverse the multimillion-dollar increase in mental health services that followed the shooting deaths of 32 people at Virginia Tech April 2007 by a deeply troubled youth. Local community service boards, which provide mental health services for the indigent, will lose \$12.2 million in funding.

The budget slates three inpatient mental health facilities for closure: the Commonwealth Center for Children and Adolescents as well as the geriatric and adolescent units at the Southwestern Virginia Mental Health Institute. The Center for Children and Adolescents houses and treats children who have threatened or attempted suicide, exhibit aggressive or assaultive behavior, or are otherwise in need of immediate hospitalization. The Southwestern Virginia Mental Health Institute serves rural Appalachian counties scarred by the state's highest unemployment figures and most scarce private mental health services.

The budget cuts nearly \$419 million from the Medicaid budget by adjusting payments to providers and includes a \$7 million annual cut in indigent care funding for teaching hospitals.

Kaine's budget provides no supplementary funding to the Virginia Department of Transportation (VDOT), which is primarily funded by car sales, titling fees and a tax on gasoline. These sources of revenue have sharply contracted in the midst of the worst economic crisis since the 1930s. Under the new budget, the VDOT must slash approximately 900 workers from its payroll, this following similar cuts over the past two years. During this period, new state transit construction programs have been reduced by one third. In 2009 alone, the department laid off more than 1,000 full- and part-time workers.

Transportation Commissioner David S. Eckern commented, "We're back to basics.... It's about pavement and bridges now. It's not about congestion. It's not about expansion." Currently, Virginia only has enough transportation funding to meet the matching requirements of federal grants. As a result, the state cannot provide any funding to local governments for the repair of secondary roads. The VDOT has already

closed 51 equipment repair facilities, scaled back interstate maintenance, and slated 19 of the state's 42 rest areas and welcome centers for closure.

Other details of the proposed budget match the regressive character of the funding cuts. Among these are an increase in the sales tax on liquor by 2 percent, and a possible increase in taxes on cigarettes, both of which largely target the pockets of workers.

The so-called caboose budget (so called because it is proposed at the end of a governor's term) will probably not become law in its current form. Incoming Republican Governor Bob McDonnell has criticized Kaine's budget—not for its decimation of essential services, but for increasing the state income tax. (Kaine's elimination of a car tax and increase in the income tax create a net revenue gain of \$950 million.) If McDonnell forgoes the income tax increase, substantial budget cuts will be necessary over and above those proposed by Kaine.

Whatever its final form, it is abundantly clear that Virginia's budget will reflect the parasitic interests of the US financial oligarchy. The latter have consciously adopted the policy of utilizing the present economic crisis to attack the social position of the working class. Despite differences in tactics, both political parties in Richmond understand this to be their supreme task.

At the initial presentation of his budget, Governor Kaine boasted of preserving Virginia's Triple A bond rating. He added that Forbes.com has ranked Virginia as the best state for business four years in a row, touting his record of luring new business investments to the state.



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