

Pennsylvania budget deal cuts education, human services

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The \$28.05 billion budget deal worked out between Democratic and Republican lawmakers in Pennsylvania last week includes massive cuts in education, libraries, state parks, museums, social services and transportation. The budget cuts will lead to as many as 1,000 further layoffs of state workers.

Within days of passing the budget, government officials have warned school districts and service providers not to spend all the money allotted because they may be forced to make additional cuts into their budgets. The budget relies upon an \$850 million medical assistance payment from the federal government and a projection of a three percent increase in state revenues in the coming year. Last month Congress refused to pass the additional payments to help states cover Medicare and Medicaid expenses and the ongoing recession means it is very unlikely that the state will meet revenue projections.

The budget also does not make any provisions for the \$5 billion in shortfall in the state pension system and the drying up of federal stimulus money. By 2012 the state needs an additional \$5 billion to cover pensions for state employees and teachers. Last year the state received \$2.6 billion in federal stimulus funds, including more than \$600 million used for education, which will be terminated next year.

The \$28.05 billion budget is a 0.6 percent increase over last year's \$27.8 billion budget, an increase that does not keep pace with inflation.

Numerous areas were targeted for cutbacks:

- State subsidies for public libraries across the state were cut more than 8 percent, from \$68.2 million to \$62.5 million.
- State parks received a 3.7 percent cut in funding, from \$50.4 million to \$46.7 million. State forest operations were also cut by 5.2 percent, from \$17.1

million to \$11.9 million.

- The budget cuts \$10 million from the Department of Conservation and Natural Resources and \$13.8 million from the Department of Environmental Protection.

- While Pennsylvania official unemployment rate remains near 10 percent and real unemployment is much higher, job-training funds were cut by 12.8 percent, from \$3.9 million down to just \$3.4 million

- The State Historical and Museum Commission was cut 14.4 percent, from \$21.5 million to \$18.4 million. Museum assistance grants were cut completely.

Two of the hardest-hit areas were public education and transportation.

Pennsylvania Governor Ed Rendell has boasted that the budget increases by \$250 million the general education funding. However, that amount is still \$104 million short of the 2008-09 funding levels according to the Education Law Center, which advocates for school funding in Pennsylvania.

The budget cuts more than \$100 million from other areas of education such as pre-school, kindergarten and tutoring programs. Some \$11.5 million has been cut from the Educational Assistance program, which funds tutoring. Twelve million dollars has been cut from accountability block grants that fund all-day kindergarten, tutoring and other programs. Approximately \$6.7 million—nearly 50 percent—was cut from the “Science: It’s Elementary” program that introduces science to students.

Both Head Start and Pre-K Counts programs were cut by \$1 million each. Both programs provide pre-school programs for children and are especially critical public programs for low-income families. Both programs already have thousands of children on waiting lists and the cuts will eliminate even more children from the

early childhood programs.

In addition to the continued shortfall in state funding for public education, local school districts across the state have lost \$343 million in local revenue due to the recession according to a survey conducted by the Pennsylvania School Funding Campaign. The survey of 51 percent of the state's 501 school district found that 66 percent will cut staff and 69 percent will use reserve funds to balance budgets.

In southeastern Pennsylvania, which includes Philadelphia and surrounding school districts, three quarters of the school districts will cut staff and use reserve funds. In southwestern Pennsylvania, which includes Pittsburgh and surrounding school districts, more than half will also increase property taxes.

The state budget does not address the estimated \$472 million a year needed to fix Pennsylvania's deteriorating roads and bridges and to provide subsidies to mass transit systems. Governor Rendell wants legislators to return to Harrisburg in July and August to approve transportation funds; however that does not seem likely.

Without the funds, roads and bridges badly in need of repairs and maintenance will go without. The Port Authority of Allegheny County, which includes Pittsburgh, is facing a \$50 million budget deficit. Transit authority officials have stated that they will have to cut bus and light rail service by 15 percent and raise fares January 1 if the funding is not made available. Over the past three years, mass transit service in the Pittsburgh area has already been cut 15 percent, hundreds of drivers have been laid off, and other transit workers have had their benefits and pensions cut.

While state lawmakers from both the Democratic and Republican parties have cut social spending that affects the working class, students, the elderly and the poor, they refused to impose any new taxes that would hurt the wealthy and corporations.

State lawmakers refused to impose any tax on the drilling and extraction of natural gas from the Marcellus Shale that sits under much of Western Pennsylvania, Eastern Ohio and large parts of West Virginia. Some surveys estimate that as much as \$1 trillion in natural gas is contained in the Marcellus Shale. The Rendell administration has encouraged expanded drilling, including in state forests. State lawmakers have agreed to take up the issue in October,

but it is not likely that they will pass a tax then, one month before the November elections.

Lawmakers also did not close a tax loophole that allowed corporations to avoid paying any net income tax.

Last year, Pennsylvania went without a budget for 101 days, leading to deep cuts in social services and the layoffs of 800 state workers. This year's budget will lead to deeper cuts in services and additional layoffs.



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