California governor begins term proposing massive austerity budget

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On Monday, newly installed California governor Jerry Brown released his proposal to resolve the state's $24.5 billion budget deficit. The Democratic governor's budget is far more draconian than those of his predecessor, Republican Arnold Schwarzenegger.

The proposed measures include nearly $12 billion in spending cuts, including in welfare, child health care, and higher education. The remaining portion would largely be made up through the extension of regressive tax increases, which would have to be approved by voters in the special election later this year in June.

The governor was completely unapologetic in recommending massive austerity measures, avoiding even the usual rhetorical hedges that accompany such public pronouncements. “It's better to take our medicine now,” Brown declared in unveiling the budget on Monday.

Brown claimed that there was no option but to implement deep cuts—a patent lie given that California is home to some of the richest Americans, and even a small tax on the wealthy could easily cover the budget deficit.

The Democratic Party and the trade union bureaucracy quickly lent their support to Brown's plan. In both cases, phony expressions of concern are mixed with praise for the governor's “realistic” approach to the budget. While Brown may be proposing the same budgetary solutions and austerity as former Republican governor Arnold Schwarzenegger, it is argued, his approach is far more progressive and effective by virtue of his “superior leadership skills.”

Democratic Assembly Speak John Perez called Brown's plan a “starting point of a responsible fiscal plan for California.” Over the weekend, Senator Mark Leno of San Francisco said of the proposed cuts, “We've hit the wall, and I as a Democrat and chair of the budget committee recognize what the governor is going to propose on Monday is going to be very distasteful, very painful, opposed to everything we've fought for all these years, but this is where we are.” Leno continued, “The difference is we now have leadership at the top where we didn't the last seven years.”

Of the state trade union leaderships who have thus far commented on the governor's budget, support has been unwavering. Barbara Blake, state secretary of the United Nurses Association of California, declared, “We're feeling a little better about this budget,” than previous ones.

Brown's budget includes massive cuts to health care and other support services upon which millions of disadvantaged Californians depend. These include:

A $1.7 billion cut from the state's Medicaid program that serves 7.7 million low-income Californians, leading to higher co-pays and reduced services.

$1.5 billion from the state's welfare to work program known as CalWorks, eliminating approximately 115,000 unemployed recipients from the program.

Increased co-payments for the state's AIDS Drug Assistance Program. For a patient with after-tax income of $21,000 for example, this would increase co-payments to $1,300 per year, putting life-saving medication out of reach for thousands of low-income AIDS sufferers. Michael Weinstein, president of the AIDS Healthcare Foundation, called the measure “a death warrant for California AIDS patients.”

A $135.7 million reduction in spending for the state's Healthy Families program, which provides subsidized medical services to low income children. This comes on top of earlier cuts implemented by Schwarzenegger. Premiums will increase for families at 150 percent or more of the federal poverty level. Hospital co-pays will increase to $100 per day. Emergency room co-pays will increase from $15 to $50 per day, and vision care will be eliminated entirely.

A reduction of $486 million to the In Home Support Services Program (IHSS), which provides care to elderly and disabled residents. Hours for providers will decrease 8.4 percent after a 3.6 percent decrease under the previous administration. An estimated 46,000 recipients will be dropped from IHSS rolls.

More than $800 million will be cut from mental health programs, with services shifted to the local level.

A cut of $750 million from the state's system of regional

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centers, which provide services to 250,000 developmentally disabled residents.

The elimination of the state's adult day health program that serves 27,000 low-income adults, saving $193 million.

The governor's spending proposals also include $1.4 billion in cuts to higher education, which amounts to 20 percent of higher education spending from the state's general fund. Both the University of California and the California State University systems will have their budgets slashed by $500 million. The remainder will be cut from community colleges.

UC officials announced that the reduced funding will result in mass layoffs of faculty and staff at the system's 13 campuses. Additionally, programs deemed not essential to the universities' teaching and research missions “are going to be subject to a great deal of scrutiny and are at jeopardy of being closed,” according to UC Vice President for Budget Patrick Lenz.

The UC Board of Regents recently approved the passage of an 8 percent tuition increase, making overall UC fees three times higher than they were just one decade ago.

CSU chancellor Charles B. Reed said that officials would now consider further reducing enrollment, eliminating classes, laying off staff, furloughing staff and increasing class sizes. The last academic year marked the first time in CSU history that enrollment was denied to academically qualified students. The CSU system also approved a 15 percent tuition hike last fall.

The cuts to community colleges will mean an increase in per credit fees from $26 to $36 and will result in many students—including many unemployed and underemployed workers looking to increase job skills—being unable to afford classes. According to California Community Colleges Chancellor Jack Scott, the cutbacks will result in approximately 350,000 students losing the ability to enroll in classes at the state's 112 community colleges.

The malicious character of the governor's cuts was underscored by his proposed slashing of funds for state parks and Cal Fire, the state's fire protection service that covers the roughly 31 million acres within California borders not owned by the federal government or serviced by municipalities.

The governor's budget would cut $33 million from the state park budget both this year and next. This relatively miniscule amount, which could easily be bankrolled by the collective fortunes of the State Assembly and Senate alone, will result in reduced hours and outright closures in many of the state's 278 parks.

After the worst wildfires in state history, the governor hopes to cut more than $250 million from Cal Fire. Brown's proposals call for a reduction in staffing from four firefighters per truck to three. The budget will also pass on responsibilities to local departments, already under immense budgetary strain of their own, to take over firefighting responsibility on state land.

The tax increases include a 0.25 percent personal income tax surcharge, a reduction in the dependent tax credit from $309 to $99 annually, a 1 percent increase in state sales tax and a 0.5 percent increase in the vehicle license fee. If the tax measures are not approved, the governor is threatening to make extensive cuts to K-12 education.

As he demonstrated during his previous terms as governor during the late 1970s and early 1980s, Brown has shown himself to be a determined foe of state and local employees. The budget cuts pay of unionized state employees in six bargaining units that did reach austerity agreements with the previous governor, by between 8 percent and 10 percent. Brown also wants the six bargaining units to remain on three day per month furloughs at least through June.

There can be no doubt that the new governor will propose additional cuts to state workers’ wages, benefits and especially pensions in the near future.

The trade unions, through their support for Brown, are thoroughly complicit in the attack on state workers and the working class as a whole.

The SEIU, which has the largest membership of any public employee union, was particularly instrumental in fostering illusions in Brown as a working class candidate. According to an SEIU's statement, “Electing Jerry Brown was the 700,000 member organization's number one priority in this election.” The statement also quoted Bill Lloyd, president of SEIU California: “California voters had a clear choice in this election, and we chose Jerry Brown to lead California's recovery by investing in jobs and the working families who make California strong.”

After only one week in office, the state's working class now has a sense of how the new governor intends to “invest in jobs and the working families who make California strong.”

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