

California teachers unions back regressive tax proposal

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Under the pretext of balancing California's budget, Democratic Governor Jerry Brown has proposed a program of devastating cuts and taxes that overwhelmingly target the working class. The planned \$12 billion in cuts includes \$1.4 billion from higher education, \$1.7 billion from the state's Medicaid program, and \$1.5 billion from CalWorks, a state employment program. Brown plans to implement these cuts with the active collaboration of both Democrats and Republicans in the state legislature as well as the public employee unions.

Schools are required by law to warn teachers by March 15 that they might be laid off this summer. Accordingly, over the past weeks school districts have scrambled to put together "worst-case budget scenarios," according to which preliminary layoff notices, or "pink slips" are mailed out. At least 19,000 teachers across the state have received these notices. Just how many of those 19,000 will actually be fired depends on the severity of the cuts that are eventually passed by the legislature and signed into law by Brown.

Brown's austerity proposals include the five-year extension of a set of regressive taxes due to expire in July. These include a reduction of the state's dependent tax credit from \$309 to \$99, a one percent increase in the sales tax, and a 0.5 percent vehicle registration fee increase. Like the rest of Brown's proposals, these measures overwhelmingly target the working class. Brown has proposed to put the extension of the regressive taxes to a public vote, giving Californians a "choice" between the extension of the regressive taxes or even more punitive cuts to pensions, public education, health care, and other social programs.

Unions across the state, like their counterparts in

Wisconsin and the rest of the country, have wholeheartedly accepted such "choices" as framed by state administrations. The unions are attempting to channel the outrage of teachers and other public employees over the cuts into support for one or another measure that appears to slightly mitigate the damage done by the cuts.

In California, this has taken the form of support for Brown's proposals to extend the deeply regressive taxes that target the poor. Declaring itself in support of Brown's proposals, the California Teachers Association (CTA) released a statement that read, "It is time to demand action to restore fairness to the [tax] system and make sure everyone is paying their fair share."

A similar refrain can be heard from local school district administrators like Jonathan Raymond, superintendent of Sacramento City Unified, who called on voters "to contact their elected officials to support getting these [tax] extensions on the ballot."

The CTA, like the rest of the unions, has been exposed for its betrayal of basic workers' interests. In 2009, the CTA spent over \$5.2 million of its members' resources in donations to the Democratic Party. Now, with Democrats spearheading the attacks on the working class, the unions make only the feeblest pretense of opposition, accepting entirely the "need for sacrifice" endlessly trumpeted by the Democrats.

California workers must reject the "choice" offered by the Brown administration between taxes on the poor or cuts in social spending, as it rests on utterly false premises.

In support of his austerity program, Brown declared, "These cuts will be painful, requiring sacrifice from

every sector of the state, but we have no choice.” On the contrary, Brown demands no “sacrifice” from California’s super-rich, who could pay the budget deficit dozens of times over out of their own pockets and still have plenty to spare.

The single wealthiest resident of the state—Larry Ellison, the CEO of Oracle—has a net worth of \$39.5 billion, or almost double the projected budget deficit of the entire state over the next year. The wealth of the six richest Californians is greater than the projected deficits for the next five years without any cuts or new taxes. In fact, it would take less than a three percent tax on the wealth of all Californian millionaires to cover the state’s deficit.

In a particularly telling incident, a *San Francisco Chronicle* reporter asked Brown, “What specific sacrifices are you asking the wealthiest Californians and corporations to make?” Brown responded, “We’re continuing the income taxes that exist.” In other words, Brown and the Democratic Party will protect the assets of the rich and the corporations at any cost, even if it means demolishing the social infrastructure of the state.

The CTA falsely claims that Brown’s regressive taxes would “protect public education from more cuts.” Brown’s budget includes cuts regardless of whether the tax proposals pass. His proposals will result in cuts to K-12 education and the university system even if it maintains the same level of nominal funding.

As reported by the Legislative Analyst’s Office, Brown’s plan to defer \$2.1 billion in K-12 funding until the next fiscal year will force at least half of all school districts to make cuts. This deferral will ensure that next year there is once again a multibillion-dollar deficit, which can be used to justify even further cuts.



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