

Wisconsin governor outlines \$1.7 billion in budget cuts

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The governor of the Midwestern US state of Wisconsin outlined a plan of draconian budget cuts in an address to the state legislature Tuesday afternoon. Some \$1.7 billion will be cut from public spending over the next two years, bankrupting local governments and school districts and decimating services upon which the state's 5.6 million residents depend.

The budget is an escalation of the class-war policies the Republican governor has pursued on behalf the most powerful corporate interests. It throws down the gauntlet to the hundreds of thousands of Wisconsin public employees and other workers who have demonstrated daily over the last two weeks against the attack on their living standards and workplace rights.

Walker said his disputed "Budget repair bill," which would strip workers of collective bargaining, would give local governments and school districts the "tools" they needed to implement the planned cuts.

The governor said his budget would reduce spending by 6.7 percent, and cut the state's structural deficit from over \$2.5 billion to \$250 million—down 90 percent—to the lowest level in the last decade. The governor declared the state was "broke" and insisted on the need for "frugality" and "sacrifice" on the part of the working population, before proceeding to outline a series of tax cuts for the wealthy. Walker, who has already handed over more than \$100 million in tax cuts to corporate interests and wealthy individuals, called for the elimination of capital gains taxes for investors and additional handouts to corporations that invest or hire workers in the state.

The proposal was immediately embraced by big business. "The governor's budget gives Wisconsin and its private sector employers a platform of tax relief, education reform, and fiscal discipline, that will help get our state's financial house in order and make our economy more competitive for the long haul," said Tim Sheehy, the president of the Metropolitan Milwaukee Association of Commerce.

Like his counterparts around the country—Republican and Democratic governors alike—Walker is using the bankruptcy

of the state—the product of the financial crash of 2008, the resulting loss of state revenue and the multitrillion-dollar cost of the Wall Street bailout—to restructure class and social relations in ways long pursued by the financial and corporate elite.

The cuts will wreak havoc on the public school system, deny health care to the uninsured and, because of skyrocketing tuition costs, deprive young people of the chance to go to college. It will also lead to further attacks on the jobs, wages and benefits of state's 175,000 teachers, nurses, firefighters and other public employees who Walker claimed are paid "unsustainable benefits out of line with the private sector."

Among the cuts included in the bill are:

- **\$1.25 billion in cuts to school aid and local government, including a reduction of more than \$900 million in education funding statewide, or about \$500 per pupil reduction.**

"When you make unprecedented and historic cuts like these to schools, it means teachers are laid off, class sizes are larger, course offerings are reduced, extracurricular activities are cut, and whole parts of what we value in our schools are gone," state school superintendent Tony Evers said in a statement.

Schools last week started putting teachers on notice that their contracts may not be renewed for next year given the budget uncertainty. More than 2,000 teachers had received nonrenewal notices as of Monday, according to the Wisconsin Education Association Council.

The Milwaukee Public Schools, the state's largest district, stands to lose \$60 million under Walker's revenue limit reduction alone, and its 8,000 teachers and support staff could have their contract reopened to slash wages, benefits and impose large classroom sizes. Over 82 percent of the MPS students live in poverty and almost 20 percent require more costly special education, which will be cut to the bone if not eliminated outright.

At the same time, Walker is promoting privately run and publicly funded charter schools and other privatization

schemes. “We will expand choice and charter programs,” the governor said, adding that he will lift the cap on the number of students who participate in the so-called “Milwaukee parental choice program,” which is being used to convert public schools into charter schools and fire teachers.

• **A \$500 million cut from Medicaid, which finances the Badger Care and Badger Care Plus programs, which provide health care to more than 1 million residents, including low-income and uninsured adults and families with children.**

Making clear his intention to throw hundreds of thousands off the program, Walker declared that the “entitlement reform” would mean “asking some individuals to pay modest co-pays and premiums as they transition from the safety net that these programs provide to gainful employment.”

• **A \$250 million cut to funding for the University of Wisconsin and the splitting of UW-Madison from the rest of the system—the first step toward the privatization of the institution. Some 17,000 UW workers will be removed from the rolls of state employees through outsourcing.**

The cut to UW funding could lead to a 26 percent increase in tuition over the next two years, pricing out large numbers of students from working class and middle class backgrounds, while sharply increasing student loan debts for those who remain.

The budget proposal is galvanizing popular opposition, which began two weeks ago over Walker’s “Budget repair bill.” However, workers are confronted with the treachery of the unions, which have explicitly accepted Walker’s economic demands and austerity measures and are only asking for the preservation of their legal status to implement these concessions.

Responding to the budget proposal Mary Bell, the president of the Wisconsin Education Association Council, said, “Wisconsin’s teachers and school staff acknowledge that these are difficult economic times—and we’ve agreed to the economic concessions Governor Walker asked for to help our state weather these trying times.”

“But the extreme cuts proposed in Governor Walker’s budget go too far,” she complained, adding, “The details of this budget make things worse and further polarize working families against corporate interests. It’s time for Governor Walker to show leadership—and work across party lines to find sensible solutions that reflect the traditions and values of Wisconsin.”

In a lead editorial Tuesday, the *Milwaukee Journal Sentinel* said they were “not surprised union leaders caved so quickly to Walker’s demands,” and urged Walker to

“push for more,” including eliminating the right to negotiate benefits and work rules. However, the newspaper warned Walker had gone too far by trying to “bust public-employee unions.” The bill should be altered to spare the unions, the paper said, and Walker should “do so with the help of the Democrats.”

For their part, state Democrats—who have postured as friends of Wisconsin workers—completely support the demand that workers accept a drastic and permanent cut in living standards and the gutting of social programs to reduce the deficit. Their only difference with Walker is that they believe these ends can be achieved more efficiently by utilizing the services of the unions, rather than destroying them.

The Democrats’ so-called alternative budget for this fiscal year calls for \$120 million in cuts, including \$42 million by slashing state health care for the poor.

Governor Walker gave his budget address in the state capitol, which was in a virtual police lockdown, with thousands of protesters denouncing his measures outside of the building. Over the past two days several thousand workers and young people who had been maintaining a two-week occupation of the state capitol have been driven out under the threat of arrest.

Such undemocratic methods are necessary because the governor’s reactionary agenda is deeply unpopular, despite the claims he is speaking for a broad constituency. A *New York Times*/CBS poll released Tuesday showed that Americans are opposed to the attack on bargaining rights by a margin of two to one. Those surveyed said they oppose, 56 percent to 37 percent, cutting the pay or benefits of public employees to reduce deficits. Sixty-one percent of all respondents—including just over half of Republicans—think the salaries of public employees were either “about right” or “too low” for the work they do.

This is only a pale reflection of the popular support that could be generated if Wisconsin workers defy the capitulation of the unions and press on with their struggle.



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