

Texas plans drastic cuts to education, health care, and social services

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On Monday, the House-Senate Conference Committee in the US state of Texas reached a tentative agreement on much of the state's two-year state budget. Though not finalized yet, it is already clear that the proposed budget will impose drastic cuts to education, health care, and other social services.

Earlier this month, the senate passed a \$176 billion budget, while the version passed by the house was \$12 billion less. Even if the senate version were to be approved unchanged, it would still represent an \$11 billion cutback in spending over the previous budget. The senate version slashes public school spending by \$4 billion, as opposed to the house-approved bill, which slashes public school spending by \$7.8 billion. Such are the parameters of the official debate.

Although portrayed by the media as a major political battle, the truth is that most of the budget terms have already been agreed upon except for education, which remains a small sticking point rather than a fundamental disagreement. The dispute is largely over how much money to disburse from the state's Rainy Day Fund to offset some of the proposed cuts to education.

This Rainy Day Fund, financed by oil and gas revenue from previous years, currently amounts to more than \$9 billion. There is concern within sections of the political establishment that it would be too provocative to impose mass layoffs and school, hospital, and nursing home closures while leaving such a significant pile of cash untouched. Republican Governor Rick Perry, an unapologetic agent of the super-rich, has announced strong opposition to any bill that includes expenditures from the Rainy Day Fund, despite having previously used the fund for his own pet projects.

The governor has also stated his refusal to sign a partial budget that does not include a resolution on education funding, thus threatening to derail the entire process by forcing legislators to start over again during a special session if the bill is not finalized by the end of this month.

Republican Jim Pitts, the chief house negotiator, has echoed the same threats and has added that he is not prepared to accept the senate version of the budget.

While both houses of the state legislature are dominated by Republicans, the Democrats have put up no serious opposition to the cutting of social programs. Rather than highlighting the inevitable consequences of the budget cuts to millions of Texans, much less proposing an alternative, the Democrats have largely abstained from the process.

Even though nothing has officially been signed into law yet, the impact of the provisional budget bills are already being felt throughout the state. Numerous local school districts are approaching the deadline for setting their own budgets and are anticipating state funding cuts in the billions. Many have proposed staff layoffs and other reductions in programs. Some school districts have complained that they are being forced to make so many layoffs that they are in danger of exceeding the maximum student-to-teacher ratio permitted by law.

As for higher education, the cuts made to university subsidies and to grants and other tuition assistance programs will mean skyrocketing tuition rates. Texas Tech University, just one of many large universities in the state, has already announced that it is expecting to make 800 layoffs this school year or about 5 percent of its total staff as a result of funding cuts. Other universities have declared layoffs and tuition increases.

Texas' nine medical schools have announced that they are expecting to see an approximately 20 percent cut in state funding, amounting to hundreds of millions of dollars, and that they will likely curb new admissions next year. Meanwhile, the state of Texas faces a well-documented shortage of physicians.

The budget impact on health care will be equally devastating. The current proposal funds Medicaid for less than the two year term of the budget, leaving a shortfall of \$4.8 billion that will come due in the first part of 2013. This was done intentionally so that further cuts could be made in the future. Of the 1,100 nursing homes in the state, more than half report that at least 70 percent of their residents are on Medicaid. Even a small reduction in the reimbursement rates would force many of these homes to close down.

The largest cuts by percentage appear to be reserved for family planning programs. Planned Parenthood, a service on which women rely for birth control and reproductive health services, was singled out by Christian fundamentalists in the legislature, who are emboldened in the climate produced by the budget cuts. The house version of the budget cuts \$62 million from women's health services. This amounts to a cut of almost two-thirds of the total funding. An analysis by the Department of State Health Services has estimated that the cuts will lead to more than a quarter-million low income women losing essential services and access to birth control.

The proposal to cut the Texas Forest Service's Wildlife and Emergency program by more than 30 percent highlights the recklessness with which the austerity program is being pursued in Texas. These cuts take place while the embers from one of the largest wildfires in history, which engulfed large portions of the state and caused inestimable damage, are still warm. The cuts would reduce the program's budget from \$42 million to \$25.8 million.

Popular opposition to the budget cuts is emerging. In March, nearly 12,000 people attended rallies held at the state capitol to protest cutting public education, while just this week college students submitted a petition to the legislature with over 1,500 signatures collected from more than 60 campuses across the state opposing cuts to funding and financial aid programs.

These actions have had no effect on any of the budget bills being passed through the legislature. The organizers of these protests are unable to put forward a viable political perspective. Ultimately, they did nothing but urge protesters to appeal to the Perry administration or to the Democrats in the legislature to halt the cuts. It is precisely this bankrupt perspective that actually enables these policies to be implemented in the face of widespread opposition.

The justification offered by the political establishment and media for the severe cuts is the current budget deficit, estimated at around \$25 billion. In fact, the shortfall is entirely of the government's creation. It can be entirely accounted for by property tax reductions that were passed in 2006, along with a revised business tax that was supposed to make up the difference. With the tax rate intentionally kept low and thousands of exemptions given out to encourage companies to relocate to Texas, the business tax created an enormous funding gap that was only able to be temporarily papered over due to the payout of federal stimulus money.

The cuts being prepared in Texas are bound up with the social counterrevolution that is unfolding all across the country. Every state is systematically destroying the living standards and social rights won by the working class over generations of struggle. The political institutions of Texas, dominated by Christian fundamentalists and the most

shameless free-market ideologues, distinguish themselves by the ruthlessness with which they are prepared to wage war against the population for the benefit of the corporations and the rich.

Last month a delegation of California lawmakers headed by Democratic Lt. Governor Gavin Newsome traveled to Texas to meet with Governor Rick Perry and various business leaders from the state to learn how to emulate the "success" Texas has had in keeping wages suppressed while removing taxes and regulations. According to the an article in the *Wall Street Journal*, Newsome admitted that he wanted to go because he was "sick and tired of hearing about the governor's success luring businesses to Texas."

The state has also drawn the interest of figures in the federal government. Last week, former Republican Speaker of the House Newt Gingrich announced his presidential campaign on the show of right-wing talk show host Sean Hannity, and in highlighting his qualifications he claimed he had been meeting with Governor Perry and that he "knows how to get the whole country to resemble Texas."

What attracts these figures to Texas, and what do they hope to emulate?

Even before the current round of cuts, Texas ranked dead last in the percentage of its population with health insurance, first in the number of uninsured children, and last in percentage of women receiving prenatal care. It consistently ranks near the bottom in per capita health care and education funding and has among the highest rates of child poverty, infectious disease, and workplace fatalities.

One third of Texan wage earners make too little to stay above the federal poverty line for a family of four, double the percentage of similarly low wage Californians. This figure does not include the millions of undocumented immigrants who do not even make the federal minimum wage.

At the other end, Texas is home to 44 billionaires with a combined net worth of almost \$150 billion, enough to completely close the budget deficit six times over. This tiny elite layer does not have to pay any state income or capital gains taxes and enjoys some of the lowest corporate tax rates in the country.



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