

California governor to enact midyear trigger cuts

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Midway through the 2011-2012 fiscal year, California Governor Jerry Brown is preparing for billions of dollars in new cuts, targeting the most vulnerable sections of society. Public education, already devastated by years of budget reductions, will bear the brunt of the cuts.

For the fiscal year 2010-11, the state cut \$7.8 billion in spending, including \$3.8 billion from public K-12 and community colleges, and \$1.6 billion in wages and benefits for state employees. Public K-12 in California has suffered \$18 billion in cuts over the last five years.

The budget for the current fiscal year, 2011-12, reduced spending by \$15 billion, to its lowest level in 29 years. Brown, a Democrat, vetoed an earlier version of the budget passed in June, demanding that the legislature make deeper cuts. The final product reduced spending for public universities by 23 percent. It took \$2.06 billion from Medi-Cal, a program that provides health services for the poor.

Brown, supported by the trade unions, claimed to have “saved” K-12 education from further cuts. However, the budget included a provision to review state finances at the middle of the fiscal year to determine if more cuts were needed. Brown’s alleged “balanced budget” was based on the prediction that the state would generate \$4 billion in new revenue.

The Legislative Analyst’s Office has reported that the state will fall \$3.7 billion short of Brown’s \$4 billion prediction. The budget mandates that a shortfall of \$2 billion or more be met with \$2 billion in cuts, referred to as “trigger cuts.” Brown has plans to cut as much as \$2.5 billion, making clear to the business community his commitment to make the working class pay for the crisis.

Another estimate of finances is due out this week, and the larger of the two will be the basis for determining

the extent of the cuts.

The main target of this round of cuts will be education. This will likely include a plan to cut the public K-12 school year by seven days, which will save the state an estimated \$1.5 billion dollars. This plan would result in a further decrease in teachers’ salaries, which have already been considerably lessened over the last several years.

Brown is also proposing to take an additional \$200 million from public universities: \$100 million from the California State University system and \$100 million from the University of California system. Both systems have faced years of funding reductions, and are implementing further sharp increases in tuition.

Other planned cuts include:

- \$100 million from the Department of Developmental Services, which provides services to children and adults with developmental disabilities.
- \$100 million from In-Home Support Services, a program providing in-home care for blind and disabled people.
- \$15 million from Medi-Cal, the state Medicaid program for the poor and elderly, jointly funded by the federal government.
- \$30 million in new community college fees

While the current round of trigger cuts is a certainty, Brown is using the threat of even further cuts to get voters to approve an initiative to increase taxes that will appear on next year’s ballot. Brown’s proposal for the 2012-2013 budget, which will be announced in January, will include the additional \$7 billion in revenue that would be generated through these new taxes.

Polls show that California voters are overwhelmingly in favor of raising taxes on the rich, rather than enacting further cuts. Brown’s tax increase, however,

would mainly target the working class, including a 0.5 percent sales tax hike. If voters do not pass Brown's regressive tax increase in November, the projected \$7 billion in additional revenue would automatically become new cuts in the next budget.

This latest assault on the working class of California, part of a nation-wide campaign spearheaded by the Obama administration, is a devastating exposure of all those who promoted Brown and the Democratic Party as an alternative to the Schwarzenegger administration. With the active assistance of the trade unions, which have campaigned for the regressive tax increases, Brown is implementing measure that go far beyond anything planned by previous state governments in California.



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