

California budget proposal promises more cuts

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Earlier this month, Democratic governor Jerry Brown released his proposed budget for the upcoming fiscal year. Central to the proposal is \$4 billion in cuts and a promise to more than double those if voters do not approve his tax proposal in November. Whether or not the new cuts pass, this budget marks a significant assault on working class living standards.

First on the chopping block in the governor's plan is \$1.4 billion cut from the state's welfare to work program (CalWORKs) and state-subsidized child care. Both of these programs support the most vulnerable section of California's workers.

The cuts to CalWORKs would reduce the assistance each family receives and halve the length of time, from 48 months to 24, that a family can receive assistance if they can't find work. To qualify for the second two years of cash assistance, employment services, and child care, parents need to work 35 hours a week for a two-parent family and 30 hours for a single parent.

In essence, this would penalize low-income families for the high levels of unemployment and increasing rates of involuntary part-time work. Brown also proposes removing the state funding that subsidizes child care for families not enrolled in CalWORKs.

Brown also plans to cut \$300 million from the Cal Grant program, which provides financial aid to college students. These cuts would decrease the maximum award for students attending private institutions and increase the minimum GPA required for students to qualify.

In addition to these cuts that would take place independently of his tax proposal, Brown has billions planned in cuts to all levels of education if voters reject his taxes. His tax proposal has two parts—an increase to the personal income tax rates for people making over \$250,000 a year and an increase to the sales tax.

If the taxes pass, the proposed budget would increase funding to K-12 education and community colleges by \$4.9 billion, but \$4.8 billion of that would go to paying back past deferrals and obligations. This would also be tied to a reduction in kindergarten and preschool funding, so despite the increased funding, California would see a continued decrease in school programs.

If voters turn down the tax proposal, there would be \$2.6 billion in trigger cuts to K-12 education that would be the equivalent of shortening the school year by three weeks. The University of California and California State University system would each take a \$200 million cut, and the judicial system would face a \$125 million loss.

The mantra that the Brown administration has chanted every time it cuts social services is “We have to live within our means.” This statement is patently absurd when used to justify slashing school funding that is the 46th-lowest per pupil in the nation, when California's economy is the 9th-largest in the world.

There are more than 660,000 households with over a million dollars in liquid assets in California, constituting around 5 percent of the population. Polls have repeatedly shown throughout the economic crisis that the most popular method of increasing revenues is taxing the rich, while California voters have given a mixed response to more regressive measures.

Instead of increasing the taxes on the wealthy, however, Brown's proposal would mainly increase the sales tax, leaving the wealth of the class he represents virtually intact. The largest portion of the increased revenue in the upcoming year would ultimately come from the sales tax. In an interview with the *San Jose Mercury News*, Brown said he included the sales tax hike, which disproportionately targets the poor, because he “thought we ought to have a balanced program.” In

reality, he initially included the increase on income tax only to give the illusion of a balanced program.

One demonstration of Brown's real intentions is given by his refusal to endorse the timid proposal of the Restoring California Coalition, which aimed tax increases exclusively at those making over \$1 million. Instead, he called for all other tax proposals to withdraw in order to avoid "chaos and confusion" among voters.

The Restoring California proposal is itself very limited in scope. It would raise around \$1 billion less than Brown's proposal and so would be similarly incapable of reversing the declines in education and social services.

The main significance of the coalition's proposal is that it clearly shows Brown's determination to make the working class pay for the economic crisis. He is using the threat of catastrophic budget cuts to try to force workers to vote for his more regressive taxes, instead of the more popular millionaire's tax. Brown would sooner cut the school year by three weeks than place the tax burden on the wealthy.

Brown is aided in this attempt to hold education hostage by the California Teachers Association (CTA) and the Service Employees International Union (SEIU). Although the CTA has raised faint concerns about Brown's cuts to education, they have continued to support him; CTA president Dean Vogel said Brown is "doing the best he can with an absolutely unreal situation."

The SEIU California State Council, on the other hand, has voted to support Brown's proposal and barred any local involvement with other tax proposals.

Even if one of these tax measures passes, there is no guarantee that the budget gap will actually close. According to the state Legislative Analysts Office, there is a \$3.6 billion discrepancy between its estimated deficit and the governor's. On the basis of current fiscal policies, greater cuts to education and social services will undoubtedly follow.

Although more taxes on the wealthy will undoubtedly produce more income, wealth redistribution cannot and will not be enforced by a political establishment whose purpose is precisely to protect the fortunes of the rich and super-rich. In his State of the State Address, Brown proclaimed his opposition to social spending by saying the credit downgrades of Italy, Greece, and other

countries "should be warning enough." There can be no question that Brown serves the same class interests that are demanding austerity worldwide.



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