

Drastic cuts planned as California state government announces huge deficit increase

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This weekend, Democratic California Governor Jerry Brown announced that the predicted state budget deficit has ballooned from \$9.2 billion to \$16 billion, in the space of just four months. State revenues fell far short and expenses significantly exceeded predictions made in January.

In a video posted on YouTube Saturday, Jerry Brown blamed the increased expenditures on court cases preventing some of his budget cuts, particularly to social services. He also boasted about the billions he cut, in collaboration with the state legislature, from welfare and MediCal.

With an additional \$7 billion of deficit to cover, Brown made clear that more savage austerity was planned. “We will have to go much further and make cuts far greater than I asked for at the beginning of the year.” Details of Brown’s proposed cuts will be released on Monday morning.

The governor also noted that “state spending is now at its lowest level in decades,” and that Standard & Poor’s increased the state’s credit rating last February, contingent on passage of \$12.5 billion in spending cuts.

In addition to cuts to social spending, Brown announced last week his desire to make a 10 percent cut to state employee costs. The governor hopes to enforce his attacks on workers by working with the major unions, and the union executives are only too happy to oblige.

Yvonne Walker, the president of Service Employees International Union Local 1000, which represents 95,000 state employees, wrote in a memo to members: “Under the previous governor [Arnold Schwarzenegger], our input was not sought, in fact, it was dismissed. Under Gov. Brown, we have a seat at the table. We have offered our own proposals to deal with this crisis.”

In the same memo, Walker lists as an example of the SEIU’s proposals, “implementing a four-day, 40-hour workweek”—in other words, giving up the 8-hour day.

Further cuts in public education are almost certainly in store. Both higher education and K-12 schools have had their budgets cut by billions over the past four years, with higher education receiving an 11.7 percent cut last year alone. Tuition has skyrocketed at colleges and universities, sparking student protests, while teacher-student ratios and staff have been decimated at the K-12 levels.

Brown will also push for his proposed tax changes, including an increase in the state sales tax (which primarily targets the working class) and a slight tax increase on high incomes. He will present the tax changes as the only way to save California’s education system from more cuts.

Brown’s proposal in January included \$4.8 billion in trigger cuts if voters didn’t approve his tax increases. Now, even if the taxes get passed, there will still be an outstanding deficit of at least \$7 billion.

Any promises from Brown to “spare” education funding at its abysmally low current levels must be viewed within the political reality of the bipartisan determination to make the working class pay for the economic crisis.

The announcement of the deficit increase in California underscores the deep and persistent financial crisis facing states throughout the US. Mass layoffs of government workers have already contributed significantly to the disastrous jobs crisis in the US. Meanwhile, the Obama administration has rejected any further federal assistance, while both big business parties are absolutely opposed to any significant increase in taxes on the wealthy. This makes further drastic austerity measures inevitable.



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