

# California budget agreement imposes huge cuts in welfare and health care

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California Governor Jerry Brown, a Democrat, has reached an agreement with Democratic Party leaders in the legislature to impose huge cuts to welfare, child care and college aid as part of measures to close the state's projected \$15.7 billion deficit.

The latest budget has been deemed "financeable" by state Treasurer Bill Lockyer, meaning that the state will be able to secure short-term loans to continue running basic operations should it be passed in its current form. As has been the case with previous budgets, the current budget not only enacts severe cuts to social spending, it also permanently reduces, and in some cases, eliminates, funding for vitally-needed social programs.

Brown said of the agreement, "We have restructured and downsized our prison system, moved government closer to the people [i.e., shifted costs to impoverished city and county governments], made billions in difficult cuts and now the Legislature is poised to make even more difficult cuts and permanently reform welfare."

The latest budget is wholly a creation of the Democratic Party, after the two-thirds majority requirement for budget passage was eliminated this year. Since the Democrats have majorities in the state legislature, Republican opposition was irrelevant.

The governor and Senate Democrats reached "conceptual agreement" over cuts to CalWorks, the state's welfare to work program. CalWorks recipients will now see their benefits reduced by half. Recipients currently receive aid for 48 months. This will now be reduced to 24 months. Those recipients who work more than 30 hours a week could receive continued benefits after the 24-month cutoff.

The average length of unemployment in California currently stands at 37 months, meaning that many of these recipients will be left without any assistance at all for months, if not years. Mike Herald, a lobbyist with

the Western Center on Law and Poverty, noted, "For people who are struggling, we have made a value judgment that they are not worth our time or effort anymore. That is what this proposal does."

While the state legislature prepares for final passage of the bill, the US Senate has just passed and the House of Representatives is poised to pass the 2012 farm bill, which creates sharp reductions for some food stamp recipients. The bill, which passed with the support of 46 Senate Democrats, trims benefits by \$90 per month for about 500,000 households, out of the 45 million people who currently receive benefits.

In addition to cuts to CalWorks, the budget also includes severe cuts to essential social programs. Those which have been thus far released to the public include:

- \* \$240 million in cuts to state-supported child care.

- \* \$90 million to In Home Support Services (IHSS). IHSS provides financial support to family members and workers who support disabled individuals and the elderly.

- \* Lawmakers have also proposed more than \$1 billion in cuts to Medi-Cal, the state's health insurance program for the poor. Some \$663 million in savings is be obtained by switching 1.4 million low income seniors and impoverished recipients to private managed care plans. More than 880,000 children and families who received medical insurance under the state's healthy families program will be switched to Medi-Cal and be subjected to the same cost-cutting methods.

- \* \$88 million in reduced payments to hospitals and nursing homes.

- \* The institution of co-pays for Medi-Cal recipients, along with the requirement that AIDS patients pay more for their medications.

- \* \$402 million from cutting compensation for 182,000 state workers by 5 percent.

\* \$300 million in cuts to trial courts.

\* \$240 million by halting 38 state construction projects.

Six trailer bills were also submitted to the governor along with the latest budget. The trailer bills are intended to change existing state law so that the budget may be more easily implemented. While not subject to the budget's June 15 constitutional deadline, they are considered essential to the budget's passage. The key trailer would trigger cuts equivalent to three weeks off the school year should the governor's tax measures not be passed in November.

The California Teachers Association (CTA) is attempting to pass off the latest agreement as a win for California teachers and has promised to campaign vigorously for passage of the November ballot initiatives. In fact, the latest budget ensures that teachers and students will be continuously subjected to furloughs, cuts in pay and other attacks on public education.

Brown has relied heavily on the intervention of the trade unions in stifling any opposition to the these attacks. From the beginning of budget negotiations, leaders from unions like the Service Employees International Union (SEIU) and CTA have openly declared their willingness to cut the wages of their members, insisting only that they maintain their "seat at the table."

Now that negotiations are done, workers can judge the results. The budget created by Democrats and union leaders, without interference from the Republicans, is nothing but one attack on social services and wages after another.



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