New Pennsylvania budget cuts education, social programs

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The state budget passed in Pennsylvania and signed into law by Governor Tom Corbett contains massive attacks on public education, social services and public transportation. While cutting programs and services needed by the vast majority of Pennsylvanians, the budget provides massive tax breaks for corporations, especially Shell Oil.

The new budget eliminates $160 million from Department of Public Welfare for the General Assistance Program. The program provides a temporary support to 68,887 people who are sick, disabled or escaping an abuser and are in need of emergency funds to live on. Recipients only receive $205 a month. All benefits will be eliminated on August 1.

The Corbett administration has made attacking social services one of the centerpieces of his administration. Upon taking office last year, Corbett appointed Gary Alexander to head up the Department of Public Welfare. Alexander received his reputation for cutting people off of social services while operating the welfare system in Rhode Island, where he cut public assistance from 60 months to 24 months.

During the past year the Department of Public Welfare has cut more than 155,000 people from the Medicaid rolls essentially through short-staffing and onerous bureaucratic demands. New regulations require that those receiving the medical assistance program for the poor must prove their eligibility each year. This includes massive amounts of documents showing their earnings, any bank balances, the value of their home, cars or any other assets which would count against them. Then, because of cuts in state workers, there is no follow-up if a document is missing. Of the 155,000 cut off, nearly 80,000 have been children.

Public education remains hardest hit by the Corbett administration’s latest budget. It maintains the deep cuts to public education that were enacted last year, which forced almost every school district to lay off teachers and cut programs.

This past year, 14,000 teachers and other school employees have suffered layoffs in school districts throughout the state. Sixteen school districts are considered distressed because of a critical under-staffing of essential personnel. This past year, Philadelphia—the state's largest school district and the 8th largest in the country—announced that it is dissolving and closing over 40 schools outright. The others will be sold off in blocks of 25 to organizations and for-profit companies that will run them.

Pittsburgh, the second largest district, was forced to layoff 400 teachers and close 7 schools. The Chester district was unable to pay its teachers. The state legislature threatened to eliminate all sports, band and clubs along with kindergarten until a combination of state emergency funds and donations from private individuals made up the deficit.

State support for classroom education has been cut from $6.1 million in the 2010-11 budget to $5.5 million in the current budget, nearly a 10 percent decrease in funds.

The budget also maintains the 15.9 percent cut to funding for higher education that was made in last year’s budget. The University of Pittsburgh and Penn State University are expected to have 3 percent and 2.9 percent tuition hikes, respectively. This will raise Pitt’s tuition to $15,730 for in-state undergraduates. Last year Pitt charged the second highest tuition in the nation.

While most of the media and liberal groups have blamed the right-wing Republican Corbett for cutting education spending, the reality is that the cuts to education began under the Democratic administration of Governor Ed Rendell, who cut state funding for

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education, but was able to offset the impact of the cuts through the use of federal stimulus dollars that he knew would only last one year.

Other programs being cut are Environmental Protection Agency and Community and Economic Development grants. The EPA has lost 20 percent of its budget, or $45 million. The Corbett administration has consistently opposed environmental regulations, especially on the gas drilling industry, which was a strong supporter of his election in 2010.

Community and Economic Development grants have been cut by $55 million, or 18.9 percent. These grants fund various construction projects throughout the state, such as libraries and museums in smaller cities and towns which otherwise could not afford them.

The cuts in social services and education come at a time when poverty is up sharply throughout the state as a result of the continued recession. Census data for 2010 shows that the poverty rate has increased to 13.4 percent from 11.6 percent in 2007. Data for last year is not yet available, but with unemployment remaining high and wages and income falling, the poverty rate is expected to increase.

While the largest number of the poor live in the two major population centers of Pittsburgh and Philadelphia, smaller cities and towns in rural areas of the state have seen the largest increase and the highest percentage of people living in poverty. In the cities of Meadville and State College, over one in five live in poverty an increase of 5 percentage points from 2007. In numerous other cities, poverty rates are higher than 15 percent: Erie (17.4 percent), Williamsport (18 percent), DuBois (16.4 percent), Indiana (18.8 percent), New Castle (16.6 percent), and Sunbury (15.1 percent).

Not everyone is losing as a result of the budget. Corporations and the wealthy will see major windfalls. For the second year in a row, the Corbett administration has kept its promise not to raise taxes. In addition, changes to the tax law will allow corporations to donate money to private and religious schools and then take that money off of their taxes.

The largest credits will go to Shell Oil and other gas companies. The gas and oil industries will receive over $1.65 billion in credits for 25 years starting in 2017 for the building of a plant to convert natural gas produced in the Marcellus Shale into ethylene. The credit being given to the gas and oil giants is three times the amount being cut from public education. Last year, Shell alone earned over $30 billion in profits, more than the entire state budget.

The cuts in the state budget are also forcing city and county governments to make drastic cuts of their own. All local governments also rely upon a portion of state funds to provide services such as mass transportation, health care, programs for seniors, and road and bridge repair. Cuts in the state budget will force local governments to either cut these services or incur the extra expense for services which they can’t afford to drop.

Harrisburg has been considering filing for bankruptcy, but is specifically prevented from doing so by the state government. Scranton, the third largest city in the state, has been forced to cut the wages of all city workers, including firefighters, to $7.25 because it doesn’t have the money to pay its employees.

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