

Cuts in education, health care and state jobs in Pennsylvania budget

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Cuts to education, health care, and mass transportation and to state workers' jobs and pensions are among the items contained in Pennsylvania governor Tom Corbett's \$28.4 billion budget presented on Tuesday.

Most notably, Corbett announced that the state will opt out of the expanded Medicaid program, leaving more than half a million people without health insurance who would otherwise receive it under the program.

In addition to the reductions in social programs, Corbett is seeking significant cuts in pensions for teachers and other state workers, along with the privatization of the state liquor stores. His budget also contains tax breaks for business and cuts in the corporate tax rate.

Education continues to be the focus of Corbett's cuts. The new budget increases funding for K-12 education by only \$90 million, leaving most of the \$1.5 billion in state funding cuts to education intact.

According to the Pennsylvania Budget and Policy Center, "State support of public school classrooms is \$812 million less in the 2012-13 Fiscal Year than it was in 2010-11, or an average reduction of \$459 per student." Students in poorer school districts have seen even greater cuts. The cuts in education are deliberately designed to hurt students in poorer school districts, eliminating funds that were used to partially make up the difference.

In a classic "rob from Peter to pay Paul" situation, even that small increase in education funding is dependent upon lawmakers cutting the pensions for teachers and other state workers and to sell off the state's liquor stores to private firms.

Some 20,000 teachers and support professionals have been laid off throughout the state over the past two

years, and class sizes have increased in more than three fourths of the state school districts. In addition, districts have closed schools and libraries. There have also been extensive cuts in music, art, languages, sports, electives and kindergarten.

This past year, Pittsburgh has closed 6 schools, bringing to 28 the number of schools it has closed in the past few years. The Philadelphia School District, the nation's 10th largest, announced plans to close 37 public schools by the end of June. The district operates roughly 225 schools overall, meaning that the closure plan will effectively eliminate one out of every six schools in the city.

Rural school districts have also been hit hard by cuts. As a consequence, rural school test scores dropped for the first time since 2002, when statewide testing began.

Funding for higher education remains flat, keeping intact the \$500 million in cuts made in Corbett's first year in office. Pennsylvania's public universities have one of the highest tuition rates in the country, with students leaving college with some of the highest debt rates.

Corbett continues to attack health care programs serving elderly and low-income people. The governor's decision to opt out of the expanded Medicaid will leave between 482,000 and 683,000 adults uninsured. Since taking office, Corbett has eliminated Adultbasic, which provided health care to 42,000 low-income adults, and has thrown nearly 200,000 people off the Medicare and Medicaid roles through bureaucratic technicalities and deadlines.

The decision to opt out of the expanded Medicaid program will especially hurt those making between 46 percent and 100 percent of the poverty level, just \$8,781 to \$19,090 for a family of three. Those persons will be ineligible for Medicaid and unable to purchase

subsidized health insurance.

Corbett is also seeking to cut the pensions of Pennsylvania teachers and other state workers. Under the governor's proposal, new state workers and teachers would be placed in a 401K-style plan instead of the current defined benefit plan. At the same time, current employees would see a change in the way that their benefits are calculated, leading to a reduction in benefits.

The budget also calls for the selling of the state liquor stores to private firms and allowing beer and wine to be sold in grocery stores, eliminating more than 2,200 jobs. Corbett has tied both the sale of the liquor stores and the changes to the pensions to funding for public education, meaning that if these plans are not approved, schools will lose even more money.

In addition, 900 state jobs will be eliminated, 400 through layoffs and the others through unfilled positions of people who retire. Most of the job cuts would come from the Public Welfare, Health and General Services departments. Corbett has already cut more than 1,500 public service jobs.

While cutting education and social service, Corbett continues to provide tax breaks to big business. Currently, the state grants tax breaks totaling \$2.5 billion, or about 10 percent of the current budget. In addition, Corbett is moving ahead with reduction in the corporate tax rate.

While the media is generally putting forward Corbett's budget as a Republican platform, the truth is that many of his cuts to social spending and tax breaks for corporations have been supported by politicians of both parties. Corbett's predecessor, Democrat Ed Rendell, set the stage for the cuts in education and transportation by earmarking one-time funds for those programs that would force cuts when they were gone.

The cuts in education and social programs will only increase the burden on workers and low-income people throughout the state who, since the onset of the economic crisis in 2008, have already faced the highest unemployment and poverty rates in over a generation.



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