California's 2013 budget promotes the privatization of education

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On January 10, California Governor Jerry Brown presented an education budget for the 2013-2014 year. Under the cloak of a small increase in school funding, the budget pushes for the dramatic expansion of charter schools. At the same time, it funnels money extracted from the populace into the pockets of Wall Street, in the form of debt payments.

The 2013 education budget is the logical outgrowth of the 2012 election measure, Proposition 30. Proposition 30 levied a new sales tax, a regressive measure which disproportionately falls on the shoulders of working people. The money extracted was then lumped into California's 'general fund' accompanied by the cynical promise that it would be deployed to stop cuts in education. The class nature of this was hidden behind a 1-to-3 percent income tax increase on the rich, which was used as a justification for the state's extraction of revenues from the vast majority of the population.

Virtually every section of the establishment supported Proposition 30. The media, the unions, as well as the various pseudo-left groupings, all pushed to get the measure passed.

Governor Brown's advertisement for Proposition 30 called on Californians to help "restore funding for schools and prevent billions in cuts." The International Socialist Organization (ISO) called on Californians to vote for the measure, deliberately disguising the class nature of the bill which they said would "take $6 billion out of the pockets of the rich and put it back into public services." The campaign for Proposition 30 outspent its opponents by a margin of 4 to 1. The "Yes" campaign attracted big corporate backers like Coca Cola.

Only the *World Socialist Web Site* addressed the class issues at stake, denouncing Proposition 30 as a reactionary measure designed to take money from the working class and channel them into the privatization of education. (See "The reactionary essence of California's Proposition 30")

The new budget restores little, if any, of the billions of dollars that have been stripped from public education. The K-12 system, which has been cut by over 18 billion dollars, will see per-pupil funding change from $8,132 to $8,304: a 2 percent increase. The Cal State system, which was expecting $372 million from Prop 30, will only see $125 million restored. The University of California system, which has experienced even greater cuts, will get a meagre $125 million.

Even these paltry increases are temporary. Brown declared that the "great risks and uncertainties lie ahead… the federal government, the courts or changes in the economy all could cost us billions and drive a hole in the budget."

Even with these 'restorative funds,' schools are struggling to stay afloat. A local California newspaper remarks that despite Proposition 30 "local area schools, colleges and universities still face massive budget shortfalls. Program and class reductions, as well as faculty layoffs, continue as K-12 districts and higher education institutions manage long-term structural deficits."

Of the roughly $6.6 billion raised by Proposition 30, only $3.1 billion will go to education. According to the *Orange County Register*, $1.8 billion heads towards backlogged pensions. And the final $1.8 billion will go to service the state's financial debt. Even the money formally going to education will in fact be paying off Wall Street loans. A recent UC Berkeley sociology report demonstrated that large chunks of Prop 30 funds must go to pay off the UC's risky credit swaps with high finance.

But, Wall Street demands more. A *Los Angeles Times* article in January stated that "numerous reports by state agencies, think tanks and academics have shown the wall of debt to be many stories higher than $28 billion — hundreds of billions of dollars over the next few decades." It concluded that "Brown's repayment plan

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does not significantly reduce the sizable debt to Wall Street."

Beneath the talk of budgets and cash flows lie deeper changes that the banks are sure to appreciate. In Brown's "State of the State" address he asked the legislature to "consider new education laws… to consider the principle of subsidiarity… the idea that a central authority should only perform those tasks which cannot be performed at a more immediate or local level." By local power Brown means businesses, and thus, by 'subsidiarity' he means the wholesale privatization of public education.

The *Charter School Capital* web site sums it up: "the administration's educational priorities have become clear for everyone to see and it will ultimately help charter schools and their funding." Indeed, "the budget proposal increases per-pupil funding by $1,100 for 2013-14 and projects per-pupil funding to gradually increase until 2016-17 when there will be an increase of $2,700 per student over the current funding level."

Per-pupil funding means detaching tax funds from public schools and having it follow students wherever they enroll. Large portions of California's K-12 schools are in danger of being shut down for failing to meet the testing requirements of the No Child Left Behind Act. This, alongside underfunding, school closure, and overcrowding, pushes families to leave the public school system and enroll in charter schools. Targeted-pupil funding will remove yet more money out of the deliberately fund-starved system of public education and transfer it, in the form of profit, into the pockets of charter school operators. (See "Charter Schools in the US") In addition to increasing per-pupil funding, Brown is rearranging the bureaucracy to support the growth of charter schools. The budget will move the Charter School Facility Grant Program and the Charter School Revolving Loan Fund from the California Department of Education (CDE) to the California School Finance Authority (CSFA, part of the State Treasurer's Office). Charter School Capital, a for-profit finance group, sees this shift as "a bonus to the charter school community… the CSFA has been an easier partner to work with than CDE."

Brown, himself, has an investment in charter schools. He started two in Oakland that were used as de-facto political campaign banks. This all-out push to privatize education, however, does not stop with Brown. Obama's nation-wide "Race to the Top Program" has the same vision: decrease the quality and funding of public education through the expansion of charter schools.

The new budget will also change the school system to effect yet further cuts. Community college funding will no longer be linked to the number of people attending college. Funding will instead be funded based on the number who complete classes. This could result in discouraging students with half-time commitments—a job, a family—from enrolling. It will certainly mean a cut in funding for community colleges, as it is obvious that fewer people complete classes than those who initially enroll. 46.4 percent of community college students neither transfer nor receive degrees.

The budget will also place higher education institutions under new unit caps—limiting students to a restricted number of units before funding is cut. This will particularly hurt double majors, returning students, and people who choose to switch majors. Finally, Brown is pushing for a shift in funding towards virtual classrooms, i.e. online education, both at college and K-12 levels.

The changes under way in California are a warning to the global working class. Nothing in California is unique. 23.5 percent of Californians are in official poverty. 9.8 percent of Californians are officially unemployed. Youth, students, and workers face the same relentless attacks around the world. Education is under assault on a global scale.

The ISO and all of the other pseudo-left groups, as well as the union bureaucracy, demonstrated their loyalties when they backed a measure that scrapes yet more money out of the general public, transfers it into the pockets of Wall Street financiers, and prepares to yet further privatize education.

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