Massachusetts budget debate: More economic distress for workers

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While the effects of the March 1 federal sequester have just begun to be felt in Massachusetts, the grim March unemployment numbers paint a familiar picture: fewer jobs but a lower official unemployment rate because a growing number of workers have given up looking in despair. Against this backdrop, Democratic governor Deval Patrick and the state legislature—with both houses controlled by the Democrats—are engaged in a political struggle over the fiscal year 2014 budget.

The state's unemployment rate fell by 0.1 percent in March, to 6.4 percent, or a total of almost 223,400 workers. Yet the number of available jobs fell by 5,500, according to the Bureau of Labor Statistics' preliminary March numbers. The labor force also dropped by 6,100 workers in one month. While a net 12,600 jobs were added in the first three months of this year, the twin threats of sequestration and falling exports mean that the March drop is just the beginning of new distress for the working class.

Massachusetts receives nearly $8 billion per year of research funding from the federal government, and tens of thousands of jobs are on the line as the various funding agencies implement their sequestration cuts. One of the first casualties will be the Alcator nuclear fusion reactor at the Massachusetts Institute of Technology (MIT), where 120 researchers and technicians will be laid off when that program is defunded in the next fiscal year.

Significantly, though, the loss of jobs in March was in other sectors. Financial services lost 1,200 jobs as a result of the global financial crisis, and professional and business services saw 3,400 jobs cut. Construction suffered 1,100 job cuts—despite a feverish real estate market in some areas—and 1,100 federal jobs in Massachusetts were eliminated.

The total labor force used to calculate the official unemployment rate was actually 6,800 workers lower in March 2013 than in March 2012.

Governor Patrick, who boasts about making Massachusetts business-friendly, is not worried about his own job prospects. Patrick, a former board member at Ameritech and Coca-Cola executive, is not planning to run for another term. He is likely to either return to a corporate job or make a run for president. The latter option is a plausible explanation for the budget proposal he released in February, which contained a 10-year plan to modernize the state's public transportation infrastructure through a large increase in spending.

That plan, which was designed to improve the transportation of low-cost workers for businesses looking to make a profit in the state, has been stymied by the state legislature. Patrick proposed to fund the spending increase through a 1 percent increase in the state's income tax while keeping business taxes low and reducing the capital gains tax (see "Massachusetts governor releases budget proposal").

While his income tax proposal included measures designed for an appearance of fairness, the working class would have largely paid for his proposal. The legislature, afraid that an income tax increase will be politically unpopular, is seeking to increase the regressive gasoline tax and divert money from other sources—most likely sales tax revenue—to transportation.

Patrick's approach to education is equally cynical. While proposing more than $550 million in "new targeted investments" to reduce "the achievement gap," he intends to transform public education into little more than vocational training to benefit the labor demands of biomedical, pharmaceutical, and other companies.

A look at the 2013-2015 strategic plan of the state's Executive Office of Education makes this goal plain.

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The plan, which opens with the statement that "never before has Massachusetts been under greater pressure to make government more effective and efficient," states the following under a section on College and Career Readiness: "we are redesigning some of our high schools to provide students with essential information about career opportunities earlier in their academic careers and give them access to work-based, experiential learning opportunities." In short, education will be replaced with apprenticeships.

The plan also boasts of Massachusetts's use of Race To The Top funds and its participation in a 23-state effort to implement the Common Core State Standards (see "What is the Common Core US education initiative?"). Of the attack on public education through charter schools, the strategic plan states that Patrick has lifted a cap on charter schools, "aggressively turned around our lowest performing schools," and overseen the establishment of 44 "Innovation Schools," which receive public funding but have "flexibility" in hiring and firing teachers.

The Massachusetts governor and legislature have not yet agreed on the fiscal year 2014 budget, and may not do so before the beginning of that year on July 1. The next steps are for the House to vote on the budget proposed by its Ways and Means Committee, and then for the Senate to follow a similar process. Bitterness between the governor and legislature has already emerged, but workers will stand to suffer no matter what is finally decided.

The Income Eligible Child Care program, for example, already has a wait list of nearly 54,000 children, including 4,800 infants and 10,000 toddlers. The program provides child care for parents in a number of categories, including those looking for work, working and meeting certain eligibility criteria, in an "education or training program" (not including graduate school), or homeless. The House Ways and Means Committee proposes to cut the already paltry budget for this program by 8 percent. The governor proposes to increase it by $55 million, but that would do little more than restore it to the 2010 level.

In fiscal year 2012, Governor Patrick and legislature created a HomeBASE program as a pretext for shuttering public homeless shelters. When created, the program provided up to three years of rental assistance to people who might otherwise be in shelters. According to the web site massbudget.org, however, "As demand quickly exceeded available funds the state closed the program to new families in October of 2011." Now it provides only 12 months of aid, totaling $4,000 per family. Rents in many areas of metropolitan Boston are $2,000 per month and higher.

According to massbudget.org, Massachusetts funding for public health programs—which include youth violence and chronic disease prevention—has been cut by more than 24.5 percent since 2001. While the governor proposed a slight restoration in funding for fiscal year 2014, the House wants more cuts.

The web site also reports that Unrestricted General Government Aid—"a form of local aid, money that flows from the state budget to city and town budgets, helping them fund vital local services such as police and fire protection, parks, public works, and schools"—was cut nearly in half between fiscal years 2001 and 2013. Massachusetts cities and towns rely on local aid because of a decades-old referendum limiting the amount of property taxes they can charge.

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