

Proposed California budget to deepen attacks on public education and social programs

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26 June 2013

The California state legislature last week passed a budget for the 2013-2014 fiscal year. The proposed budget which is expected to be signed by Democratic Governor Brown this week, continues a statewide assault against social programs. This, in spite of a projected budgetary surplus rather than a deficit for the first time since the onset of the financial crisis of 2008.

Of the \$96 billion in proposed spending, \$56.5 billion is owed to K-12 education under the state's constitutionally-mandated education funding guarantee (known as the Classroom Instructional Improvement and Accountability Act, or Proposition 98). More than \$1 billion of that sum will be deferred, however, and used instead to implement provisions championed by private education reform organizations.

These include the implementation of the so-called Common Core Standards Initiative and the Local Control Funding Formula (LCFF). The stated aim of the Common Core Standards Program is the replacement of literature and "fictional" texts with purely technical and informational learning materials, along with the outright removal of liberal arts subjects in general in favor of so-called STEM, Science, Technology, Engineering and Math classes. (See: "What is the Common Core US education initiative?")

Furthermore, the program would channel children as young as six years of age into tailored career educational tracks, removing diverse educational opportunities for critical thinking and enlightenment. The program has been championed by Obama administration Secretary of Education Arne Duncan and is of a piece with an orchestrated media campaign to denigrate the societal need for college-educated youth and even for critical thinking skills in general.

The initiative has received the fulsome praise of teachers unions including the American Federation of Teachers. Union president Randi Weingarten said that the new standards contained in Common Core are the "essential building blocks for a better education system—not a new educational fad."

The LCFF, championed by Governor Brown, is a blatant attempt to pump additional taxpayer funds into school districts prior to their takeover by private charter operators.

The formula operates by removing most categorical funding for public education and thereby increasing what is known as the base grant amount. Categorical funds must be spent in certain designated areas such as school libraries, lunch programs and special education. By removing the categorical funds, Brown is allowing local districts to spend those monies in whatever way they see fit. These base grants are projected to total more than \$1.9 billion in the first fiscal year alone.

The base grant amount, however, would be additionally increased in low income districts and in those with a high percentage of English Language Learners. This increased amount would equal 35 percent of the initial base grant per student.

The state of California has witnessed an explosion of charter schools and the imposition of the LCFF is meant to accelerate that growth. The state has the largest number of charter schools in the country. There were 245 charter schools operating in California in the year 2000. By 2012, that number grew to 984. Today over 1,083 charter schools are operating in the state.

This growth has been fueled by measures such as the Parent Trigger Law, which allows public schools to convert to charters if more than 50 percent of children's parents attending the school agree to the conversion. Poor and disadvantaged schools are consistent targets of the Parent Trigger with organizations such as Parent Revolution descending on such locations in well-coordinated attempts to cajole parents into signing away their schools.

Parents at these schools, unhappy with poor educational outcomes and prospects for their children, are believed to be easy prey for such turnaround efforts. Nonetheless, parents have often complained that they were made to sign in favor of Parent Trigger turnarounds under false pretenses, with nearly every school turnaround effort ending in a court challenge.

The removal of categorical funding, along with the implementation of Common Core, increasingly punitive testing requirements and the recent state legislature decision to remove due process rights for teacher dismissal (See “California State Assembly passes bill to enable teacher firings”), only lead to the conclusion that such school districts are receiving increased base grant money not to improve student performance, but to increase the profits of private charter school investors once these schools “fail” and are converted under the state’s Parent Trigger and other pro-charter laws.

The budget proposal also realigns health and human service programs from the state to the local level. Under provisions of the Obama Administration’s Affordable Care Act, in exchange for diverting funds back to the state for medical services for the poor to accommodate the expansion of Medi-Cal—the state’s version of the Medicaid program—municipalities would receive increased state funding to manage the CalWORKS Welfare to Work Program, CalWORKS child care and CalFresh Food Assistance Programs.

The current budget also maintains a 10 percent provider rate cut in Medi-Cal, which helped contribute to the state becoming the second lowest in the nation among doctors accepting new Medicaid patients in 2011.

The maximum total CalWORKS grant is exceedingly low and will remain unchanged in the current budget at a maximum of only \$638 per month for a family of three. Such a family would then have income equivalent to 39 percent of the federal poverty level, 11 percent lower than what the federal government considers as “deep poverty.”

The proposed budget also includes the deposit of \$1.1 billion into the state’s rainy day fund which is used as a mechanism to sequester funds for social programs desperately needed by the working class.

The budget itself is based on revenue projections that are several billion dollars less than those of the State Legislative Analyst Office, which normally provides the fiscal reports which inform state budgets. Nonetheless, when asked if he would revisit the issue of increased spending at midyear if revenues outpace his expectations, the governor said, “I think prudence rather than exuberance should be the order of the day.”

While not part of the official budget, the governor is also expected to approve changes to the state’s Economic Enterprise Zones which have provided billions of dollars in tax windfalls to large businesses operating within the state. In this case, “prudence” does not apply.

The zones program aims not only to provide such massive tax windfalls but also seeks to fundamentally transform the state into a platform for cheap labour.

Hiring credits will be provided to companies which hire workers making between 1.5 and 3.5 times the minimum wage. The tax credit so received will be 35 percent of the worker’s salary. In other words, companies will get steep discounts for hiring workers at some of the lowest wages possible. In fact, through such hiring credits, a worker hired at \$12 per hour, one and a half times the minimum wage, will only end up costing companies \$7.80 per hour, after tax credits are received—less than the actual minimum wage.

Furthermore, under the program’s current implementation, hiring credits are distributed to companies which hire any new workers regardless of whether it represents a net increase in jobs. In other words, the creation of new positions is not necessary to receive the credits and can be obtained as a result of regular workforce turnaround.

Also, under the current implementation of the zones, companies which had been exempt from sales tax for the first \$20 million per year of equipment purchased, are now exempt from sales tax for the first \$200 million per year of equipment purchased.

The proposal for the Economic Enterprise Zone program can be found on the governor’s web site and indicates the support of IBM, Advanced Micro Devices, Northrup Grumman and Clorox. Also included are the state trade unions. AFSCME, the International Longshore and Warehouse Union, United Food and Commercial Workers, the Teamsters and the SEIU have all approved the current implementation of the Enterprise Economic Zone program along with its proposed changes.

The Democratic governor, who has enjoyed the unequivocal support of the trade union bureaucrats and the ex-left groups since his 2010 campaign, has proven to be a consistent and staunch defender of social reaction.

While preparing to sign the latest budget, the governor has refused for the third time a federal court order requiring the reduction of the state’s prison population. In recent years, state prisons have been plagued by a rash of inmate suicides, untreated medical conditions, and a widespread epidemic of yellow fever.



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