

# Massive cuts to education, pensions and social services expected in Pennsylvania state budget

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9 June 2014

Another round of massive cuts to education and other social services are expected to be part of the Pennsylvania budget that state lawmakers must approve by June 30 or face a shutdown. In addition, lawmakers are seeking to cut pensions and other benefits for state workers and teachers.

The state is facing a \$1.3 to \$1.5 billion deficit for the 2014-15 fiscal year that begins July 1. Tax revenue for May was \$108 million below expectations and comes after April tax collections were over \$495 million short. May was the sixth month in a row that tax revenue fell below targets.

In total, the ongoing recession and tax breaks for corporations have caused the state to collect nearly a billion dollars less in tax revenue than anticipated.

In February, as the unpopular Republican Governor Tom Corbett was entering an election year, his administration proposed a budget which included modest increases to education and other social programs. That budget has now been shelved and lawmakers are saying “all options are on the table” when being asked what will be cut.

Budget Secretary Charles Zogby, speaking after a meeting with state house and senate leaders, said, “If you just did a budget within the existing revenues.... you’d have no new funding for basic education (k-12), no new funding for higher education, no new funding to reduce waiting lists for those with intellectual disabilities, and we’d still probably have to go back and look at further cuts to balance.”

## Education

Since coming to office, the Corbett administration has targeted public education in particular for cuts. In his first year in office, the administration cut \$1 billion from public education, which led to massive layoffs, increased class sizes, and the elimination of art, music, and athletic programs in many districts—and in some cases actually cutting core classes.

Since then, the Corbett administration has made small increases to education, but the current budget is still below the 2009-10 year. The cumulative effect of the cuts has been nearly \$2 billion shortfall, not counting the effects of inflation.

In all, 20,000 educators have been laid off, including teachers, paraprofessionals, counselors, nurses, administrators and other staff.

Overall, the cuts amounted to \$487 per student, but the Corbett administration targeted the poorest districts for the most cuts. Philadelphia was cut by over \$1,300 per student while some of the wealthiest districts saw cuts of less than \$50 per student. Since 2011, small increases to education has reduced the overall cut to \$263 per student, that is leaving 54 percent of the initial cuts intact.

## Health Care and Social Services

The new budget is likely to contain large cuts to health care and other social services. Upon taking office, one of the first acts of the Corbett administration has been to eliminate a program called “Adult Basic,” which provided health care to about 45,000 low-income adults.

Cuts to the Department of Human Services have lead

to the closing of scores of offices and the elimination of hundreds of jobs. Hundreds of thousands of low-income residents have been denied Medicaid, Food Stamps and welfare through bureaucratic red tape.

Approximately 500,000 low-income residents would be eligible for health care under the Affordable Care Act but do not receive it because the Corbett Administration has refused to accept the Medicaid expansion.

The administration is also seeking to sell off the state owned liquor stores, which would put thousands of workers out of jobs.



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## **Tax Breaks For the Wealthy**

The Corbett administration has continued the tax breaks to corporations that originated under the previous administration of Democratic Governor Ed Rendell. Combined, those cuts amount to about one third of the total amount budgeted for education.

In addition, the Corbett administration has followed Rendell in refusing to impose any new taxes on the gas industry, which has experienced a massive boom drilling for gas in the Marcellus shale. The administration continues to provide these corporations with virtually unfettered access to public lands, including state forests and parks.

While the Corbett administration has promised “no new taxes,” in reality local school districts have been forced to push up property taxes to maintain services. These taxes weigh heavily on low-income workers and the elderly.

## **Pensions and Other Issues**

Both Democratic and Republican lawmakers have also indicated that they intend to seek changes in the pension system for State workers and teachers. These moves are in line with a drive around the country—including, for example, in Detroit—to break up, reduce, and eliminate public employee pensions. The pension system is underfunded by billions of dollars, and state politicians are seeking to replace the defined benefit plan with a 401k style plan.