

Pennsylvania budget impasse threatens schools, social programs

Douglas Lyons
16 July 2015

Pennsylvania lawmakers have still not agreed on a new budget for the next fiscal year which began July 1. Democratic Governor Tom Wolf continues his veto threat over the budget of the Republican-controlled legislature, causing additional hardships to social programs, schools, contractors, and non-profits, which have already endured drastic cuts in funding. State payments have been halted, and many programs warn that they will shortly run out of funds.

Executive director of the Crisis Shelter of Lawrence County, Deborah Hennon, told *The Herald* that she may have to borrow money to pay the bills for a short-term fix. Almost half of its budget is funded by the state, \$24,000 of which has been frozen this month because of the stalemate.

The shelter holds 22 beds and helps over 1,000 people a year suffering from domestic violence. Hennon said, "Can you imagine being someone who has struggled to decide to seek help, then you call us and we tell you it's going to be four weeks before a counselor can meet with you?" "That's not good." With no funding, some individuals will have to wait for an appointment or may be turned away for good.

Governor Wolf and his Republican counterparts are downplaying the impact of the budget impasse on social programs and schools. However, most social programs and the state's 500 school districts have been operating on reduced funding for over 7 years and have used up any reserve they may have had.

State payments to county governments for other programs will feel a pinch in funding such as food pantries, programs for children and families, help for the mentally disabled, and assistance for the homeless. For instance, a \$2.5 million quarterly payment will be withheld from Lawrence County, leading to additional cuts in social programs.

The 500 public school districts are currently operating using property taxes, but anticipated state funds will not be sent until a budget is finalized. If the standoff continues for an extended period, property tax funds will dry up. Childcare and other programs to help low-income families will be cut, teachers and school employees won't receive paychecks, and creditors will be demanding money.

State contractors and vendors, according to Wolf, will not be paid, but are still required to work without payment as their contract stipulates. Furthermore, non-profits that use state funds might have to close down or slash programs. According to Samantha Balbier, executive director of Greater Pittsburgh Nonprofit Partnership, an agency that helps needy people, "A likely budget delay is very concerning. Nonprofit organizations that receive state money should take precautionary measures in order to avoid disruptions and damage as a result of a delay."

The Pennsylvania State System of Higher Education, left in the air over how much funding will come from the state, has permanently raised annual tuition for the 2015-2016 academic year by 3.5 percent, or \$240 more a year. Tuition now for in-state students is over \$7,000 a year. The technology fee will also rise by \$14 a year. Over the past decade, the 14 state system universities have slashed \$270 million in combined budget cuts and will have to cut another \$30 million next year without a funding increase by the state.

In a media release, the Board of Governors Chairman Guido M. Pichini said that "Even with the modest tuition increase we approved today, the universities still would need to make significant budget cuts without any increased funding from the state again next year." "We will continue to talk with the Governor and the Legislature to seek their support on behalf of our

students and their families.”

In 2009, a major budget deadlock continued several months after the deadline, forcing over 1,500 state workers to work payless days. The state Supreme Court eventually ruled payless paydays as unconstitutional. However, state workers could still be furloughed or laid off if months pass by without a budget. State parks could consequently shut down without funds to effectively operate.

As a result, Wolf has written a public letter, saying “We understand the possible hardship you may experience in balancing your own budget, and we will do everything in our power to ease that burden.”

The budget proposals of both the governor and the legislature, though, one by a Democrat and the other by House and Senate Republicans, are onerous, detrimentally targeting the working class, either by levying taxes or axing pensions and decent-paying jobs.

Governor Wolf’s budget uses regressive taxation by raising the sales and income taxes in Pennsylvania and adding taxes on certain items like cigarettes. These regressive taxes primarily affect the working class, since much more of their income is spent on items covered under these taxes.

Wolf and his Democratic supporters have unanimously praised the supposedly higher funding for K-12 education. In fact, however, Wolf’s budget still underfunds education throughout the state. The WSWS reported: “When compared to the 2010-11 school year, the year before Corbett’s cuts, Wolf’s budget amounts to an additional \$142 million. Counting for inflation, Wolf’s proposed education funding amounts to a cut of over \$600 million.”

The Republican budget that Wolf vetoed has no recommendations for increases in funding. Like Wolf’s budget, wealthy or corporations are let off the hook from increased taxation. Its funding for schools is even less than Wolf’s. The budget plans on “saving” money by destroying state workers’ public pensions and amicably handing over the state monopoly of the liquor and wine industry to private companies.

Under the Republican plan, all new workers would be placed into a 401K-style plan and current workers would not attain as much in retirement. Workers in the state-owned liquor and wine stores would be laid off or forced to take jobs at a newly-opened private stores, receiving lower pay and worse benefits if any at all.

In the final analysis, both the Wolf and the Republican budget will make the working class pay for the shortage of state funds: Wolf through increased taxes on the working class and cuts in social programs; the Republicans, through deeper cuts to programs and attacks on the pensions of state and public school employees.

Wolf has indicated that he is willing to accept most of the Republican proposals on cutting public employee pensions, if the Republicans will agree to his tax increases.



To contact the WSWS and the Socialist Equality Party visit:
wsws.org/contact