

Deals by unions to end US teacher strikes funded by regressive taxes, more budget cuts

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On Wednesday, North Carolina teachers from across the state will hold the largest protest by educators in the state's history, as teachers across the US continue to rally in defense of public education and their jobs.

With rank-and-file teachers increasingly raising the demand for a nationwide strike, the unions are doing everything they can to prevent the outbreak of new strikes and to dissipate anger by directing teachers to "lobby" state legislatures and elect supposedly "pro-education" Democrats in November.

At the same time, the American Federation of Teachers (AFT) and National Education Association (NEA) and their backers have falsely claimed that the deals struck by the unions to end the state-wide strikes—in West Virginia, Oklahoma, and Arizona—produced unmitigated "victories" for teachers. The purpose of such claims is to lull teachers to sleep, while covering up the treacherous role of the unions and the class interests that both the Republicans and Democrats serve.

A May 8 article in Vox shows that the pitiful wage and funding increases in these states are being financed by new regressive taxes on the working class and cuts in other essential programs. While the deals hailed by the unions gave a little with one hand and took more with the other, the energy giants and other corporate interests, which have received decades of tax cuts, escaped unscathed.

The charts in the article underscore the fraudulence of the worn-out claim "there is no money" for schools and other social services and that educators, parents and students have no choice but to accept attacks on their rights. It should be noted that Vox, a left-liberal news source favorable to the Democrats, fails to extend its analysis to Colorado, where Democrats control the governorship.

Arizona

The six-day strike of 60,000 educators, which featured the unity of both union and non-union teachers and school workers across the state, was shut down on May 4 when the Arizona Education Association and its front group, Arizona Educators United, sent teachers back to work.

The agreement was packaged as a "20 percent wage increase." However, Governor Doug Ducey signed a deal that funds only a small part of that. The actual wage increases in the deal are expected to amount to 4 or 5 percent. Arizona is ranked 50th in elementary school teacher pay and 49th for high school teachers. Educators were also demanding the full restoration of more than \$1.1 billion in cuts to lower class sizes and provide school supplies, something neither the governor nor the legislature would consider.

To fund these inadequate increases, Ducey and the legislators will impose a new \$18 car registration fee, costing residents a total of \$149 million a year, and shift costs for the state's desegregation plan from the

treasury to homeowners. Originally, the governor had called for reducing aid for people with developmental disabilities and money to hire skilled nurses for Medicaid patients. Should Ducey's claim for increased tax revenues not materialize, it is most likely either education aid will be cut or further regressive taxes imposed.

Wealthy Arizonans have seen their top tax rate drop from 7 percent in 1990 to 4.54 percent in 2008 under both Republican- and Democratic-controlled state governments. At the same time, corporations received lucrative tax cuts, costing over \$600 million in revenues. In other words, the more than the \$1 billion de-funded from public schools was handed over to the state's millionaires and billionaires. The Vox article indicates that 30 years of tax cuts have eliminated about \$4 billion worth of state services.

Oklahoma

Tens of thousands of Oklahoma teachers walked out for 10 school days, between April 2 and 13. They demanded significant pay increases and the restoration of school funding, which has been cut by a whopping 30 percent over the last decade. As a teacher from Shawnee explained to the *World Socialist Web Site* during the strike, the legislature wants "to pay for our raises by taking money from our pensions. The legislators and the corporate heads don't care. The tax on oil and gas production here is only 3.2 percent, compared to 8.3 percent in Texas and 12 percent in Arkansas, and the state is actually paying energy companies to use our wind. Meanwhile, our schools are so short of supplies we have to get used paper with printing on one side to use on our copy machines."

The Oklahoma Education Association pushed through a final deal including an average \$6,100 raise, a derisory increase for school support staff and only \$60 million in extra funding for schools. These are to be paid for by a series of regressive taxes: a six cent tax increase on diesel fuel and a three cent increase on gasoline, a \$1 tax on cigarettes, expanding types of gambling allowed in tribal casinos, and sales taxes on online purchases. Additionally, a small increase on oil drilling's gross production taxes was enacted but keeps the state's taxation rate at the bottom nationally.

Years of cutting income tax rates have deprived Oklahoma schools of more than \$350 million annually. A series of tax cuts, including reducing capital gains taxes, enacted in the mid-2000's under Republican Governor Mary Fallin's Democratic predecessor, Brad Henry, have enriched the highest earners. The top 5 percent netted 43 percent of the benefit, with the top 1 percent getting 26 percent of the tax reduction.

West Virginia

The nine-day walkout in February and March by 33,000 West Virginia teachers was betrayed when the unions settled without securing a “fix” to skyrocketing health care premiums. The West Virginia Education Association and the WV-AFT forced through an agreement for a 5 percent wage gain, far below what was required to bring teachers on par even with surrounding states.

The deal the unions reached with the state’s billionaire governor and coal magnate, Jim Justice, will not be paid for by the billions in profits extracted by the giant oil and gas extraction industries. Instead, it will be funded from a \$20 million reduction to General Services, which repairs dilapidated state buildings, and Medicaid. Additionally, \$7 million to provide a free tuition program for state community colleges will most likely be eliminated.

West Virginia has been cutting taxes for decades. The top individual tax rate was cut in half and stayed there since the mid-1980s. Corporate income taxes were cut from a high of 9 percent in 2007 down to 6.5 percent in 2014, where they remain.

Kentucky

Thousands of Kentucky teachers organized rallies, sick-outs and “pension awareness walk-ins” during February and March. Mass protests closed schools across the state on March 30 and April 2. Educators demanded adequate funding for public schools including textbooks, technology and programs, and full pension benefits.

In mid-April during the waning session of the 2018 General Assembly, legislators passed a regressive tax package, which falsely claimed to support education. Its tiny increase in per-pupil spending leaves funding still below inflation-adjusted 2008 levels. While restoring school transportation money, it imposed a 6.25 percent cut to a number of programs, including preschool, extended school services and college aid. The latter cut punitively allows universities and colleges to lay off tenured faculty if the department is reduced “for economic reasons.” Also, no provisions were made for funding new textbooks or teacher training.

The measure funds current pensions, but puts new hires into a 401(k) type “hybrid” plan and abrogates the state’s pension inviolability clause. Additionally, it will tax public employee pension income over \$31,000—down from the previous level of \$41,000. Other typical tax deductions upon which workers rely, including those for medical expenses and medical insurance, are eliminated.

At the same time, top earners in the state have been handed a massive tax cut. “The richest 1 percent of Kentuckians—who make on average \$1,042,000 a year—will receive an average tax cut of \$7,086 while the poorest 95 percent of Kentuckians will receive a tax increase. The biggest tax increase as a share of income will go to Kentuckians making less than \$21,000 a year,” explained the Kentucky Center for Economic Policy.

New consumption-based taxes are being imposed on the general population including an expansion of the sales tax to services that primarily affect working people (dry cleaning, pet care, etc.) and increases taxes on cigarettes from 60 cents to \$1.10. New tax giveaways to corporations will also drain an additional \$80 million from the state treasury.

The unions, which are allied to the Democratic Party and defend the capitalist system, completely agree with squeezing the working class with more regressive taxes. While the Democrats, in order to dupe workers, periodically criticize Trump’s corporate tax cuts and giveaways on the

state level, the Democrats, no less than the Republicans, represent the corporate and financial elite, not working people.

The Obama administration handed over trillions to bail out the Wall Street bankers who crashed the economy in 2008 but provided no such bailout to states, municipalities or school districts. The loss of jobs and plunging real estate values during the Great Recession sharply reduced tax revenue, driving the states and local entities deeper and deeper into debt. The administration used the crisis to push for the elimination of the jobs of hundreds of thousands of school employees, the shutdown of hundreds of public schools, and expansion of for-profit charter businesses.

The war on public education is now being escalated under Trump and his education secretary, the billionaire heiress Betsy DeVos.

Since the 2008 crash, a massive and unprecedented transfer of wealth from the working class to the financial elite has been carried out by both corporate-controlled parties, with the full backing of the unions.

These are the conditions that have triggered the teachers’ revolt, which is part of a broader resurgence of the class struggle by workers in the United States and internationally. To take forward this struggle, educators must break free from the control of the unions and elect rank-and-file committees in every school and community to reach out to and mobilize every section of the working class against the attack on public education and the jobs and living standards of all workers. These committees should establish links with educators across state borders and prepare a nationwide strike to defend and vastly improve public education.

This fight will raise a fundamental question: What class will determine how society’s resources are spent? To secure its rights, the working class must break from the two capitalist parties and build a powerful political movement whose aim is to establish workers’ power and breaking the dictatorial control of the corporations and banks over society. Capitalism cannot provide the most basic needs of society, including a well-rounded education for children and a future free of poverty, war and oppression. It is time teachers take up the fight for socialism and the reorganization of economic life on the basis of human need, not corporate profit.



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