

A VAMPIRE IS SUCKING THE LIFE BLOOD OUT OF PUBLIC EDUCATION, HEALTH AND SOCIAL SERVICES IN CALIFORNIA

Heart sick about endless cutbacks?
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Spring 2011



On January 10, 2011, incoming Governor Jerry Brown gave his inaugural speech proposing California's state budget for 2011–12. The speech stepped off like a funeral procession. As usual, California faces far and away the largest budget shortfall of all the states—\$25.4 billion, almost one third of the total \$88 billion budget. Over the next few days Governor Brown commented repeatedly that no matter how many protestors demonstrated at the Capitol, "It is time to pay the piper...this is the world we live in." The message was: GET USED TO IT—THERE * IS * NO * MONEY.

The *New York Times* commented that if an observer shuffled a pile of inaugural speeches of the 37 new Democratic and Republican governors, it would be difficult to detect any difference between the parties, because all governors are talking cutback. Forty-six states are facing deficits, 30 of them with shortfalls of more than 10%. Former Speaker of the House Newt Gingrich campaigned to legalize bankruptcy for the states, allowing them to walk away from pension obligations. Meanwhile, a town in Alabama cited budget pressures and stopped sending out pension checks to retired civil servants. The town's former fire marshal, with no food and his electricity cut off, was found dead in his house.

The time for austerity couldn't be worse. At the national level, in 2011 the United States has 25 million unemployed, 50 million without health insurance, and 44 million living in poverty. Austerity means:

see the reverse

Continued from the front side

Less Access, Less Services, More Work for Fewer People, and Life-Threatening Situations for the Poorest, the Sickest and the Elderly

EDUCATION

■ Annual tuition hikes are changing California universities from public institutions to private commodities bought by those families that can pay. Facing state budget cutbacks of 18% and 16.4%, the CSU and UC are raising tuition 10% and 8% respectively. The CSU has roughly doubled tuition in five years, terminating 2,500 faculty and turning away 40,000 students in two years. CSU Chancellor Reed announced another cutback of 10,000 more students in 2011-12. UC crossed the halfway mark of privatization, announcing that families would for the first time pay more tuition than the amount of state support.

■ The community college system would lose \$400M, about 7% of its total funding, along with a new delay in payment totaling \$1B over several years. A community college system that was tuition-free for decades would take a 38% jump from \$26/unit to \$36. Based on historical averages, an estimated 100,000 students would no longer be able to attend.

■ Two million English language learners and GED students will have drastically less access to Adult Education schools, which are now closing their doors up and down the state.

■ K-12 students and teachers face dramatically larger class sizes and fewer school days. Out of the fifty states, California—number one in prison spending—now ranks #50 in K-12 class size and students per librarian; #49 in students per guidance counselor; and #46 in spending as a percentage of personal income.

HEALTH AND SOCIAL SERVICES

■ 125,000 families—deserted mothers and their children—would be kicked off Cal Works (welfare)

■ 77 million low-income children, families, seniors, and disabled on Medi-Cal would absorb \$1.7B in cuts with unaffordable new premiums, co-pays, and treatment limits. For example people on chemotherapy would have to stop treatment two months into the year.

■ 900,000 low-income children on Healthy Families would no longer have vision coverage and an estimated 120,000 would no longer be able to afford higher premiums.

■ 37,000 frail elderly would be kicked out of adult day care, with many being forced to live in more expensive nursing homes and huge new burdens placed on family caregivers, overwhelmingly women.

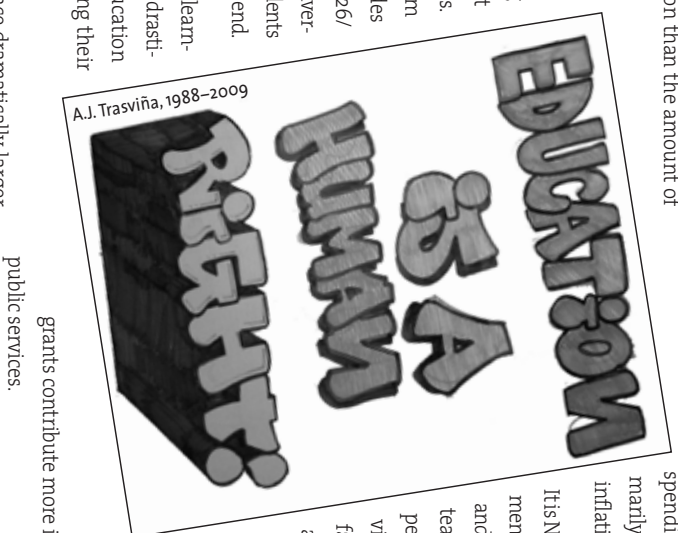
Brown proposes to push responsibility for many services from the state to local governments. Over time, this will increase inequality as cities and counties vary dramatically in their resources. For example, Madera has an astronomical poverty rate of nearly one third, while San Francisco County is the tenth richest city on the globe.

Connecting the dots, these austerity measures are demolishing the social progress of the 20th century.

Why the Budget Crisis?

It is NOT the Great Recession or Wall Street's sub-prime mortgage and credit crises. These factors have certainly reduced state revenues substantially, but structural budget deficits began years before the 2008 recession.

It is NOT that California has been on a 'spending spree'—spending increases reflect primarily population growth and inflation.



This NOT public employee retirement benefits that drain city and state coffers. The average teacher's pension is \$29,000 per year. The campaign to vilify public employees as fat cats was ginned up by a subset of the country's 82 right-wing think tanks. It is NOT people without documents who burden public services. Although it is almost never mentioned, immi-

grants contribute more in taxes than they use in public services. This is NOT the regular up and down of the business cycle. Budget deficits in 46 states are the result of a 30 year political strategy called 'starve the beast', a term coined by the David Stockman, President Reagan's budget chief. The 'beast' is government programs such as public education, Medicaid, Medicare and Social Security. Political elites aim to privatize the public sector; end education as a public trust; get rid of public sector unions—the last unions left in the US; and cancel the social contract, which has provided the semblance of a safety net in time of need.

THE STRATEGY WORKS LIKE THIS:

Step 1: Empty the treasury by cutting taxes on corporations and wealthy individuals, while expanding public spending on favored items such as bank bailouts, prisons and war.

Step 2: Announce "There's no money, social programs must be cut."

Step 3: Explain the empty treasury as a result of "the invisible hand of the market"—an inevitable force of nature, a sort of El Niño. The mantra from Democrats and Republicans alike is: "We're broke, there is no money; get used to it."

In *The Shock Doctrine*, Naomi Klein argues that elites harness crises—from budget deficits to hurricanes—to declare a state of emergency that allows them to push through social and economic policies that would be otherwise unacceptable to the general public. (A textbook example is Wisconsin. The *New York Times* pointed out that in January 2011, Gov. Walker and the legislature gave away \$17 million in tax breaks to business. Within a month, the governor declared a budget emergency with a shortfall of almost the identical amount, vowing to sharply restrict union power as the cause of the crisis.) This is the vampire sucking the lifeblood out of public education and social services in California and across the US.

Values, priorities and political power

A major cause of state and federal budget crisis is a thirty-year shift in taxes away from corporations and the rich. Taxes are now carried heavily by the middle class, working class, and low-income people, the very people whose income and benefits have stagnated or declined over the last 30 years because of job loss, shorter hours, furloughs and the like.

■ Starting in the late 60s and 70s, banks and corporations found ways to cut their taxes by 50%. For example, the giant Citigroup now has 90 tax shelters in the Cayman Islands, even while it has received trillions of dollars in bailout money. Corporate tax dodges like these cost the public an estimated \$100B a year—nearly the same as the combined budget gaps of the 50 states at \$102B.

■ The top 50 hedge fund managers took in 29B dollars in 2008. Through massive campaign donations and investments in lobbying (\$9.3B from Wall Street in 2008), these people pay taxes at 15%, a rate less than half of those who clean their toilets.

■ In 1978, California's Prop 13 rolled back and froze property taxes, devastating schools and local governments with a permanent 57% drop in revenue. Prop 13 was sold to the electorate as a way to keep 'grandma in her house.' In the end, the biggest winners were the commercial real estate interests that funded and directly led the campaign.

■ California—a leading oil state—is the only jurisdiction on the face of the globe that does not tax oil as it's drilled. A Chevron-led coalition spent \$100 million to defeat an oil tax initiative in 2006

■ Bush-era tax cuts for the wealthiest one percent deprived the U.S. Treasury of \$200 billion in 2006-2008. Had this money been directed to the states, virtually all state tax hikes and service cuts could have been prevented—nationwide. Incredibly, Congress and

President Obama renewed these tax cuts in December 2010, costing the public a total of \$850 billion. 25% of those cuts go to the top one percent of wealth holders, and 40% to the top 5%.

■ This 'great tax shift' was brought about by a tsunami of corporate campaign contributions and lobbying. The nonpartisan Center for Responsive Politics calculated that approximately \$3.47 billion was spent lobbying the federal government in 2009, with a total of 13,720 corporate lobbyists working the halls of Congress. There is a similar situation in California. With the U.S. Supreme Court's *Citizens United* ruling, the floodgates have been thrown wide open on unidentified corporate campaign contributions, fake grassroots movements, circus-style elections and TV ads.

A second cause of the budget crisis is prison spending. Out of the 50 states, California is now number one in prison spending. In 1984–85, 11% of the general fund went to CSU and UC, and 4% to prisons. Starting in 2004, this flipped so that in 2009–10, CSU/UC get about 57% of the budget, and the prisons got nearly 10%. Currently California spends \$49,000 a year to keep a prisoner in a cage and less than a 10th of this—\$4600—to support a Cal State University student. Today, there are three Latino men and five African American men in prison for every one in college. Overall the US has an imprisonment rate for Black men that is nearly as high as that of South Africa at the height of apartheid, with some states having rates three times as high.

A third cause is military spending. Although it does not appear in the state budget, in 2010 California taxpayers

A Growing Movement ...

Our movement for education and social justice is local, national and international.

■ Youth Together and POWER launched a campaign to Reclaim Public Education. Their principles are GET IT (progressive taxation for ample public funding); GIVE IT (equitable distribution of resources); and GUARD IT (transparency and strong community involvement in budgeting and governance)

■ When the governor of Wisconsin announced cutbacks and measures to dis-able union power, 20,000 angry people converged in and around the capitol building, growing to 30,000 the next day and 68,000 over the weekend. Thousands of teachers called in sick, and 12 school districts closed down; there were solidarity rallies in 37 states; and students camped out in the rotunda

■ Defying the illegalization of Ethnic Studies in Arizona, students, teachers and families launched a campaign of resistance and a national speaking tour

■ UK Uncut pioneered using viral e-organizing to expose and blockade tax-evading corporations and banks; now US Uncut is organizing days of action

■ The California protest movement that culminated on March 4, 2010 represented a historic level of unity among all segments of public education—pre-K through PhD—together with people receiving social services and public unions

■ In the face of police violence, students at the University of Puerto Rico continued their year-old blockade to save a great university that has educated generations of low-income Puerto Ricans

paid taxes to the federal government for some \$92.2 billion for military spending—nearly four times the size of the state's budget deficit. The U.S. spends nearly as much on the military as all other countries of the world combined, and maintains some 700 military bases in 100 countries.

In short, there's plenty of money here in the richest state in the wealthiest nation in the history of the world. We are facing not a lack of money, but a deficit of values and democracy.

What can we do to stop the cutbacks?

We need to take a hard look at how we as individuals and as a movement use our time and energy. We must move away from a defensive position: 'Don't cut my budget!' This stance leaves each sector fighting only for itself in a zero sum game within overall status quo priorities. Students jockey for dollars against deserted families and the disabled. Many faculty are quiet about tuition hikes.

Continually overworked and under pressure, faculty retreat into their individual and department silos. A deafening silence exists on spending for prisons and war. Educators and social service professionals exhaust themselves trying to 'do more with less' ... and less ... and less. In order to avoid alienating their big campaign donors, politicians who know better refuse to talk about progressive taxation in which those who have more, pay more taxes. The status quo has put us on a treadmill going nowhere.

Let us instead build a sustained, visionary movement that defends and transforms the public sector—and insists on a society that prioritizes human needs, not prisons and war. Public goods are human rights. We must fight for

schools, colleges, and universities that put social justice at the center—serving all communities equitably, harnessing our intellectual resources to solve humanity's pressing problems. Education should not just be professional and vocational training to make us more "competitive in the global economy." Instead, education should center on fostering human development, equity, authentic democracy and socially useful, dignified work.

Movement building is what we need to be about—our time, our money, our hearts and our souls. Our children and our youth deserve no less.

Get Organized for Collective Action!

SPECIFIC IMMEDIATE ACTIONS

AGAINST the Mandatory Early Start Program that would eliminate CSU remedial English and math, further gentrifying and re-segregating the university—Access and Equity Task Force, www.calica.org/resource/access-and-equity-toolkit

FOR Education, not Incarceration: Sign on Stop AB 900, a law to build 53,000 California prison cells at \$900,000 per cell—www.carpriisonspending.org

DEFEND Ethnic Studies: The Arizona legislature outlaws a highly successful program as a "threat to homeland security" www.savetheethnicstudies.org

FOR Progressive Taxation: Reform Prop 13 with closethe-loopholes.com; Support the revenue proposals of the California Tax Reform Association caltaxreform.org and the California Budget Project www.cbpp.org. Educate yourself about progressive taxation www.compasspoint.org/showmemory and www.gft.org/index.php/current-issues. Support AB 685, the oil severance tax to bring one billion dollars to public post secondary education <http://democratsassembly.ca.gov/>

FOR Immigrant access to higher education: SB 1301 California Dream Act (cedillo) and the federal Dream Act—www.dreamactinfo.org

AGAINST U.S. Military Spending: In 2010, military spending will be between \$880 billion and \$1.03 trillion. A movement is growing to bring the war dollars home nationalpriorities.org, www.warresisters.org

GFT CONNECTED: System-wide—Defendpubliceducation.wordpress.com; California Faculty Association www.calfac.org; California State University Employees Union www.cseu.org/; Academic Professionals of California www.apc02.org/; **Community College**—CFL locals and Againstcuts.org;

CSU—Students for Quality Education diaperson.scsd.edu; **K-12**—Teachers for Social Justice www.t4sj.org; **National**; March on Washington July 28–31 www.saveourschoolsmarch.org;

ReThinking Schools www.rethinkingschools.org; Alliance for Educational Justice www.allianceforeducationaljustice.org; American Association of University Professors www.aaup.org/; **International**: Tri-national Coalition to Defend Public Education, www.trinational-usa.org

Please post and discuss this flyer, donate for printing. We are a workgroup of faculty, staff, and students and community people at SF State University with an affinity group at City College of SF. Our website has teaching materials about the crisis, instructions for street theater, and citations for this flyer: www.vampireslayers.org (enter on top-of-screen URL address box), Vampireslayers@gmail.com

