Drastic Austerity Cuts: The Great Recession has Smashed Public Services on a State by State Basis

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The Great Recession has quietly devastated public services on a state-by-state basis, with Republican and Democratic governors taking turns leading the charge. Public education has been decimated, as well as health care, welfare, and the wages and benefits of public sector workers. The public sector itself is being smashed. Since the recession began, states have made combined austerity cuts of at least $337 billion, according to the Center of Budget and Policy Priorities

The 2012-2013 budget deficits for 34 states resulted in $55 billion in cuts, according to the Center of Budget and Policy Priorities. The coming budgets for 2013-2014 that begins on July 1st is becoming clear as well, and the deficits are rolling in by the billions: Connecticut, Minnesota, Maryland, New York, Oregon, Washington, and many others have large deficits projected.

You'd expect after years of austerity cuts to public services, state politicians would think of new ways to raise revenue from those who can afford it — the wealthy and corporations. Not so. The cuts that began as a consequence of the 2008 recession are set to continue; raising revenue from the wealthy is "off the table" for Republicans and Democrats alike.

The pattern of budget cuts has revealed that the age-old distinction between Republican and Democrat has evaporated on the state level. The state budget trends — what's getting funded and what's not — are similarly aligned across the country. Both parties have merged their state-level agendas into a singular focus on "economic growth," a bi-partisan euphemism meaning "corporate profits."

Below is the bi-partisan funding trends for the states that began with the 2008 recession and continue to this day:

1) The Attack on Public Employees and Pension "Reform"

It wasn't long ago that everyone understood that the states' budget crises was caused in part by the recession, itself caused by the big banks and greedy corporations, and in part by the politicians continuing willingness to lower taxes on the rich. Now the corporate media and politicians have re-written history: suddenly it's "greedy" public workers and their "lavish" pensions that are bankrupting the states. Two years ago it was the health care of public employees that was bankrupting the states, which resulted in large cuts to workers in many states.

The pre-recession pension system was working fine, but it, too, suffered under the bank-caused financial crisis; pension returns sank and right-wing economists projected ruin for the states in the future (they conveniently assumed that recession era rates would continue forever, thus under-funding the system).

Democratic governors are now as eager as their Republican counterparts to destroy the pensions of public employees. Democratic politicians in Oregon, Washington, California, New Jersey, Illinois, Rhode Island, New Hampshire, Maryland, Massachusetts, and several other states are leading the charge to erode the last bastion of retirement security for working people, while continuing to lay off public employees by the thousands. This national shrinkage of state governments is a long-standing right-wing dream: the smaller the state, the greater the "growth opportunities" for corporations that take over privatized public services and the lower their taxes since a smaller state requires less revenue for operating expenses.

2) Education Reform

The National Governors Association (NGA) spoke for both political parties when announcing a renewed focus on education funding for the states during the annual "state of the states" address. The funding is necessary because schools across the country are expecting an influx of students, while school districts everywhere have been starved funds by the ongoing austerity cuts; the system has been literally crumbling. But the new funding is to be used for the undermining and destruction of public education, since it is based on Obama's pro-corporate Race to the Top education "reform" where charter schools replace public schools.

Democrats and Republicans are in complete agreement over Obama's education policy, which closes "failing schools," (those in poor neighborhoods), opens privately run, non-union charter schools, and fires "bad teachers," (typically those who teach poor students). The whole system is based on standardized testing, which poorer students will spend most of their education preparing for, (those who don't drop out from sheer boredom). Bi-partisan education reform targets teacher unions while privatizing education — the Democrats have adopted the ideas from the right-wing think tanks of the 1990′s.

3) Raising Revenue – But Not From the Wealthy or Corporations

Many states have implemented — or are planning to implement — a variety of taxes that disproportionally affect working and poor people, including increased sales taxes, alcohol, tobacco and other "sin" taxes, not to mention increases in different fees, from state parks to driver registration.

At the same time that these taxes have been upped, a consistent clamor has been raised by the media and politicians to lower the taxes for corporations, give them new subsidies or "freeze" their already-low taxes so that future tax increases will be impossible. In Oregon the Democratic governor declared a "special session" emergency in order to ensure that NIKE's super low tax status would be frozen in place for decades, outside the reach of the public, which might want to raise corporate taxes to fund public services.

Democrat and Republican controlled states are equally competing for the adoration of corporations by lavishing a never-ending flow of taxpayer money on them, while "guaranteeing" them "investment security," i.e., promising low taxes and an open spigot of taxpayer money. This is the basis for several states implementing "right to work" laws that target unions for destruction, while also attempting to "revamp the tax code," which is a euphemism for lowering corporate taxes.

4) Welfare Reform: Attacking the Safety Net

Waging war against the safety net is like picking a fight with road kill — the states' safety net is already disfigured beyond recognition, but the bi-partisan assault nevertheless continues. Bill Clinton started welfare "reform" as president, and the 2008 Great Recession accelerated the attack on those in poverty. The year 2011 was a devastating one for welfare, now called Temporary Assistance to Needy Families (TANF).

According to the Center on Budget and Policy Priorities:

> In 2011, states implemented some of the harshest cuts in recent history for many of the nation's most vulnerable families with children who are receiving assistance through [TANF] … The cuts affect 700,000 low-income families that include 1.3 million children; these families represent over one-third of all low-income families receiving TANF nationwide.

But these TANF "reforms" continue, to the detriment of the neediest. Newly released budgets in several states — including California and Oregon — further tighten the program, a relentless boa-like constriction that's already suffocated millions of the country's poorest citizens. Typically TANF reform either lowers the monthly payment, shortens the time one can receive benefits, or raises the standards for staying in the program.

Before the giant TANF cuts in 2011, the program was already shrunken such that TANF only assisted 28 families for every 100 in poverty — the ludicrous definition of "poverty" being a family of four that makes only $22,000 or less.

There is a direct link between the assault on TANF and the rising poverty levels in the United States. Cutting TANF in a time of mass unemployment means consciously consigning millions of families to grinding poverty, hunger, homelessness, and the many other barbarisms associated with extreme poverty.

Conclusion:

It wasn't long ago that the Democrats understood that the government can and should create jobs, especially during a recession. But now the Democratic Party has fully adopted the economics of Reaganism. As a result, the only "job creators" now recognized are the corporations. This bi-partisan agreement not to tax the rich and use the revenue for public spending to create jobs — hiring more teachers, firefighters, roads and parks workers, etc. — is unnecessarily prolonging the job crisis, ensuring more years of deficits and a deeper gouging of the public sector.

These cuts are having a devastating effect on public sector unions, the last bastion of union strength in the country. These unions are being weakened to such an extent that stripping them of their right to collectively bargain — the nail in the coffin — becomes a real possibility. No state is safe from this threat.

If unions don't unite with community groups to demand that public services be fully funded by taxing the wealthy and corporations, the cuts will continue, communities will feel helpless, inequality will continue to spiral out of control, and working people will be further subjected to the policies of the 1%, now implemented in chorus by Republicans and Democrats alike. But, of course, this means that the unions will have to break with the suicidal strategy of relying on the Democrats for handouts. Time and again the Democrats have demonstrated their willingness to sacrifice the needs of working people in order to curry favor with the rich and corporations, their greatest benefactors when it comes to election campaign contributions.

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