

States get Bush's nod to hit the poor harder

by H. Graham Lowry

President Bush's State of the Union message gave the green light to the nation's governors and state legislatures—to ignore current federal restraints on their schemes to grind up the poor and the unemployed. Bush's pledge to waive federal protections for welfare recipients' eligibility and levels of assistance has unleashed demands for deeper cuts in social programs, in state budgets submitted for the coming fiscal year. The fact remains that each new round of austerity has reduced the tax base even further, and left millions more without the means to live.

On Jan. 30, the day after Bush presented his "growth package" hoax, Maryland Gov. William Donald Schaefer presented a \$12.6 billion "doomsday budget," declaring that he may "eliminate entire departments and may . . . lay off thousands of state workers." The "doomsday" plan would also eliminate General Public Assistance for 27,000 disabled, destitute adults, as well as their health care; cut welfare payments to their 1989 levels; end Medicaid coverage for prescription drugs, dentistry, lifesaving kidney dialysis, and eye care; eliminate community health programs; and shut down cancer and drug treatment research.

Schaefer's "preferred," alternative budget would substitute nearly \$600 million in new taxes and fees for the "doomsday" cuts, on the absurd assumption that recovery is on the way, from a depression he has yet to acknowledge. Yet even his "preferred" scheme would reduce local aid by nearly \$200 million, and slash health care by \$73 million, through reducing aid to local health departments and eliminating General Public Assistance recipients from the Medicaid rolls.

Misery 'because the times demand it'

Gov. Robert Casey of Pennsylvania presented a new budget Feb. 5 which prefers straight austerity to any further increase in taxes (which were jacked up by \$3.3 billion in the current budget). He called for cutting "drastically and dramatically, because the times demand it." Just a week before, Bethlehem Steel, historically one of the state's leading industries, announced 6,500 layoffs.

Casey's \$14.2 billion budget would cut welfare payments and eligibility by \$79 million, and Medicaid by \$88 million. The entirety of state aid to private colleges—\$76 million—

will be eliminated! A freeze on aid to local schools will cut \$125 million from the budget and leave it to the communities, many of them already in the red, to cover the costs of inflation. With additional cuts in transportation aid, the bankrupt city of Philadelphia—already in state receivership—will lose nearly \$80 million.

In New York State, where the official unemployment rate rose in January to 8.4% from 6.4% a year ago, Senate Republicans have called for cutting off all benefits to "employable" adults after 60 days. Gov. Mario Cuomo has submitted a budget demanding more than \$1 billion in cuts from welfare and Medicaid assistance. In Virginia, Gov. Douglas Wilder has called for cutting state agencies' budgets by as much as 25%. A Republican amendment to Wilder's budget would deny additional benefits to mothers who have children after they are on welfare, imitating legislation passed last month by New Jersey.

Fiscal absurdities

New Jersey's case typifies the absurdity of finding scapegoats for the depression's effect on the tax base. Last year, Gov. Jim Florio put through mass layoffs of state workers, and still faces a \$700 million deficit in the current budget. During 1991, the taxable value of property declined for most counties throughout the state for the first time since the 1930s—especially in commercial real estate. Reflecting the broader economic collapse, the resulting squeeze on local tax revenues will run as much as 7% to 10% even in Bergen and Morris counties, two of the richest in the state. In November 1991, more than 535,000 New Jersey residents were participating in the food stamp program. The figure was up more than 26% from the year before, the biggest increase in the mid-Atlantic region.

In Massachusetts, Gov. William Weld submitted a new budget in late January, claiming that a projected \$1.6 billion deficit had suddenly turned into a \$600 million surplus. Despite his forecast of renewed prosperity, he still proposed a 41% cut in Emergency Aid to the poor, more than \$67 million! Weld's budget would eliminate nearly 10,000 individuals and families from the rolls—nearly one-third of the current caseload. Last year, he cut the program by more than \$76 million, and dropped 14,000 recipients from the rolls. The nearly 25,000 persons who would remain covered by the program, including many who are physically unable to work, would also have their monthly checks cut by 10%, to a wretched \$274 a month.

In bankrupt Illinois, Gov. Jim Edgar's desperation to cut another \$350 million during the remainder of the current fiscal year even led briefly to the elimination of funds for *burying* the poor, to save \$3.2 million. Public outcry over canceling the program quickly forced the governor to reverse himself. In this era of deranged fiscal accounting, the state even has a projection for the number of poor it will bury. This year's figure is up 33% from last year.