

# State governments slash own throats

by H. Graham Lowry

At a time when the nation's economy is rapidly disintegrating, state governors are promising more austerity and further dismantling of vital state functions. The "state of the state" messages delivered so far in the New Year are rife with proposals for phasing out or eliminating programs, dumping them on local governments, privatizing them, or slashing their funding—in the case of welfare programs especially—without much concern for the consequences.

The only significant amounts of new spending to have found favor with the governors are for "fighting crime" and constructing more prisons. California Gov. Pete Wilson called for putting three-time violent felons behind bars for 25 years to life, and life sentences for arsonists, "sexual predators," and felons who use a weapon. He also asked for \$2 billion in new state bonds to construct six more prisons. New York's Mario Cuomo demanded mandatory life sentences without parole for three-time violent offenders. Ohio's George Voinovich asked for a constitutional amendment to eliminate automatic appeal of the death penalty, and funds for construction of a new high-security prison for violent felons.

Arizona Gov. Fife Symington called for a "war on crime" and an end to parole. Iowa's Terry Branstad demanded tougher penalties for juvenile crime and boot camps for young offenders. Washington's Mike Lowry called for programs to combat violent youth crime. Massachusetts Gov. William Weld has already signed a bill this year to force prison inmates to serve at least two-thirds of their sentences. So many governors harangued their legislatures about incarcerating their citizens, that an uninformed observer might think they had been elected wardens instead.

## Collapse of central government

For the population still at large, many governors are planning to "liberate" them from state assistance in maintaining such vital functions as public safety, education, and welfare. California's Governor Wilson is again seeking to lead the way, having already slashed state aid to local communities by \$2.6 billion last year.

Wilson's new budget proposal features a swindle dubbed "realignment," which entails shifting control of \$5.4 billion

worth of secondary health and welfare programs to county governments. In return, the counties will have to pick up the tab for 50% of the cost of Aid to Families with Dependent Children (AFDC) and 11% of Medi-Cal, the state's program of medical assistance for the needy. Funds for the program will come from redirecting local sales taxes, property taxes, and court fines back to the counties. Faced with massive unemployment and soaring welfare rolls, Wilson has repeatedly sought to slash welfare payments by 50% and terminate eligibility within two years. Now, if the counties run short of funds, they will choose how and what to cut, or raise new revenues themselves.

With maneuvers like these, Wilson claims he has a balanced budget, though many forecasts already project a deficit of \$10 billion or more. Wilson's numbers also assume that the federal government will give California more than \$3 billion in reimbursements for "taking care of illegal immigrants."

Another of Wilson's schemes for discarding the responsibilities of state government was a school voucher plan which could have cut education spending virtually in half. California's voters overwhelmingly rejected the proposal last November, but deschooling measures continue to pop up around the country. Arizona Governor Symington proposed a voucher program in his "state of the state" address, and Illinois Gov. Jim Edgar called for an experimental charter school program which would allow 12 public schools to be run by private businesses, free from most state requirements.

Edgar has already drastically reduced state funding for public schools, and has dipped into the state's pension funds to cover a number of educational and other expenditures. The Illinois auditor general's office reported Jan. 12 that the state's five pension funds are now underfunded by \$14 billion, an increase of \$1.2 billion from last year.

## Less spending, more trouble

The governors continue chipping away at the functions of the state, while nowhere is there any significant discussion of reviving the economy. Instead, there are pitiful gestures toward developing small businesses through minor tax credits. Pete Wilson wants \$2 billion to build prisons, but he proposed a measly \$1,000 tax credit for new businesses which create up to 100 jobs in California. Los Angeles County alone has *lost* 425,000 jobs since July 1990.

For Ohio, wracked by defense layoffs and shutdowns of auto plants, Governor Voinovich has proposed income tax credits for displaced workers seeking retraining, and for small and medium-sized companies to invest in new equipment. Meanwhile, he has offered nothing to the state's municipalities to reverse their accelerating collapse toward bankruptcy. A Miami (Ohio) University forecast for 1994 projects serious financial problems for 90% of Ohio's cities with populations exceeding 50,000. Almost 40% of them expect deficits to top their current budgets by more than 50%.