

Northam's Virginia budget: Democrat gives a pittance to workers, lion's share to wealthy

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Virginia Democratic Governor Ralph Northam revealed his proposed budget plan for the years 2020-2021 last month. The \$135 billion budget, touted by the governor as “the most progressive in Virginia’s history,” would consist of minor improvements in spending on education and healthcare, largely funded through taxes on poor and working-class people while ensuring a business-friendly environment for major corporations.

Last November, the Democratic Party gained control of Virginia’s legislative bodies, solidifying the party’s control of the state government from the governor’s office to the state Senate and House of Delegates. The Democrats’ trouncing of the Republicans was both an expression of popular hostility to the fascistic politics of the Trump administration, as well as an expression of a significant shift of support in the state’s wealthy suburbs from the Republican Party toward the Democrats.

In comments to the *Washington Post*, Northam declared the budget would provide for “jobs that [voters] can support themselves and their families with. They said they wanted their children to have access to a world-class education. They want access to affordable and quality healthcare. They want us to move toward renewable energy. They want safe communities. And that’s what this budget addresses.”

After Northam’s administration was nearly toppled in early 2019, when yearbook photos from the 1980s revealed what appeared to be the college-aged Northam posing in blackface, the Democratic governor has sought to recast himself as a “racially sensitive” politician. In the current budget, this takes the form of several minor programs, such as a \$22 million initiative toward combating mortality rates among minority women, and an even tighter adherence to the principles

of “fiscal responsibility.”

Numerous Democratic and Republican commentators have praised the plan for working to “protect the state’s prized triple-A bond rating,” in the words of the *Post*. “It’s the most progressive budget that Virginia’s ever seen, but it preserves basic financial integrity ... Governor Northam has figured out a way to do both at the same time,” claims Northam’s spokesperson Grant Neely in the same article.

Northam promises a doubling of cigarette taxes from 30 to 60 cents per pack and a 20 percent tax increase on all other tobacco products in order to pay for subsidizing rates that health insurance companies offer patients with more costly needs. In addition, it calls for a yearly increase in gasoline tax by 4 cents per gallon for the next three years.

Also included in the plan are the cancellation of a Republican-planned \$110 rebate to taxpayers, halving the state vehicle registration fee, and removing the requirement for annual vehicle safety inspections. Further transportation fee revamping is also planned in order to find ways to tax alternative fuel vehicles.

Commenting on plans for funding of transportation, an editorial in the *Washington Post* states, “Under [Northam’s] plan, the burden of building and maintaining the state’s transportation network would shift to the drivers who use highways the most, including those from out of state” rather than seeking to raise revenue through “the minefields of income or sales tax increases.”

Northam promises nearly \$1.2 billion in spending on education, including a \$145 million contribution from the state to award state teachers a meager 3 percent wage increase in 2021. Over \$800 million of this earmarked money would be used for routine expenses included in every state budget while an additional \$400

million in funding would be a mere drop in the bucket compared to the total amount that has been stripped from schools since the 2008-2009 financial crisis. According to a 2018 report released by Rutgers University, while Virginia is the 12th wealthiest state in the United States, it ranks in 49th place, or almost dead last, in terms of wage competitiveness for teachers.

Likewise, state spending per student from kindergarten to high school is down by 9 percent since the 2008-2009 school year, while staff positions have fallen by over 1,200 even as the state's total enrollment has grown, according to the Commonwealth Institute for Fiscal Analysis.

Tellingly, \$145 million of Northam's new budget would be earmarked toward providing "free" tuition to low-income community college students, on the condition they also perform community service several hours a week. In effect, community college students will be deployed as low-wage forced labor, in some cases replacing regular employees who would be laid off.

While teachers, the poor and other sections of the working class will receive a pittance from Northam's supposedly "progressive" budget, business interests will continue to reap windfall profits in the Commonwealth of Virginia. "According to the top rating agencies, the Greater Richmond counties are in the top 1% for bond assurances in the United States. Chesterfield, Hanover and Henrico are triple AAA rated, meaning they have received the highest credit rating from each of the major rating agencies in the U.S.," states the website of the Greater Richmond Partnership, an economic development organization partnering with the state to direct investment into the region.

According to the partnership, "Only 47 counties nationwide are triple AAA rated, and 10 of them are in Virginia. This is the highest amount of triple AAA counties in any state, followed by Maryland with eight and North Carolina with five." While the state capital Richmond is in the top 1 percent for highest bond ratings in the US, according to the Census Bureau, the city's population suffers from a 21.9 percent poverty rate as of 2018, much higher than the national average of 13.1 percent.

Recently, Northam was applauded by state legislators when he was able to secure the deal for web

commerce giant Amazon's second corporate headquarters, dubbed "HQ2," to be built in suburban Northern Virginia. As part of the deal, the state of Virginia promised the company \$750 million in tax rebates and subsidies for locating the headquarters in the commonwealth, which in addition to raising the region's already high cost of living, would serve to align the internet giant even more closely with the US military and intelligence agencies.

Last January, thousands of teachers descended on the capital city of Richmond to demand better funding for education and living conditions, part of an international upsurge in the working class, led by educators, which began in 2018 in opposition to austerity which has only accelerated since then. Another protest is set for January 27, with so many teachers taking sick leave for that date that Richmond Public Schools will be closed.

In many of these struggles, workers were forced to take action independently of and in opposition to the trade union apparatus, who sought to tie workers' initiatives to the bankrupt perspective of appeals to the Democratic Party and to "remember in November" to vote in supposed "progressive" legislators. Teachers were told this would address workers' needs.

As with the Democratic Party in Virginia's latest budget proposal, workers were in no way able to find their needs addressed through the ballot box and the election of Democratic Party candidates. Instead, workers are coming face to face with the reality that only a mobilization of workers and youth, in opposition to the pro-corporate Democratic Party and its trade union supporters, armed with the perspective of revolutionary socialism and internationalism, can their social demands be met.

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