
\$5 Billion More for Public Education, Health and Human Services

A Balanced 2014 Budget that Invests in the People & Communities of California

Californians have suffered greatly, and continue to suffer, due to the Great Recession and its legacy of cuts to the most vital of government services. From our public education and health care system to vital safety-net services, massive disinvestment is preventing economic growth, reducing economic opportunity, forcing our most vulnerable populations to endure needless pain, and permanently damaging future prospects for our children. We didn't get here overnight, and it will take a sustained multi-year effort and strong leadership to build back the state we can be proud of. *But we can, and we must, start now.*

There are real choices in the proposed 2014-15 state budget. Our collective work to pass Prop 30 and address the deficit on the books, gives us the opportunity in 2014-15 to go further in addressing the many deficits in our communities. In order to build a stronger, more viable future for all Californians, we need to invest in the people and communities of our state. A fiscally prudent/responsible state budget for 2014-15 uses new revenues – revenues provided by California voters and by economic growth – to begin to refund and reinvest in core public systems and services.

State policymakers should invest more in people & communities in 2014 by supporting:

- \$1 billion less to Rainy Day Fund (could be replenished if income tax revenue exceeds projections) *
- \$1.6 billion less to paying down debt - the accelerated repayment of the Economy Recovery Bond **
- \$2 billion in revenues by taxing Oil Extraction (via SB 1017 or a Budget Trailer Bill)
- Reduce/Cancel Prison Expansion while preserving & increasing programs that create opportunity, increase safety, & reduce recidivism
- Reinvestment of additional income tax revenue, if realized, into Education, Health & Human Services

* of the \$1.6 billion rainy day fund contribution proposed by Governor

**accounting for any interest payments in '14-15

Prioritize Reinvestment in Public Education, Health and Human Services

• • • \$5 Billion more in 2014 • • •

REINVEST IN HIGHER EDUCATION: Increase the state's commitment to pre-recession levels

REINVEST IN K-12: Ensure that funding for schools reaches targets set in the state's new school finance formula (LCFF) and move per-pupil spending to the national average

REINVEST IN HEALTH & HUMAN SERVICES: Begin to restore the \$15 billion in recession driven cuts.

In many cases, pre-recession levels were still below adequate funding of our schools, health care & safety net programs. We need to fully fund vital services. But just how far behind pre-recession levels are we?

- | | |
|--|--|
| • EDUCATION: Prop 98 K-12 & Community Colleges cut \$20 billion between the 2007-08 & 2011-12. Prop 30 will only return part of these cuts | • CHILD CARE - \$1.6 billion cut since FY2008-09 |
| • EDUCATION: CSU's and UC's are both still nearly \$1 billion behind 2007/08 levels. | • SENIOR SERVICES - \$191.4 mil cut since FY2008-09 |
| • CALWORKS - \$3.5 billion cut since FY2008-09 | • IN-HOME SUPPORTIVE SERVICES (IHSS) -\$336.3 million cut since FY2008-09 and threats to cut overtime in 2014/15 |
| • HEALTH/MEDI-CAL - \$3.7 billion cut since FY'08-09 | • DEVELOPMENTAL DISABILITIES - \$997 million cut since FY2008-09 |
| • SSI/SSP - \$4.6 billion cut since FY2008-09 | • MENTAL HEALTH - \$1.07 billion cut since FY2008 |



www.californiaalliance.org

Dear Governor Brown and California State Legislators,

April 3, 2014

We are writing this letter on behalf of the California Alliance for Retired Americans (CARA), California's largest grassroots senior advocacy organization, representing over 950,000 members through our 250 affiliated organizations.

We are asking you to use some of the billions in anticipated budget surplus to restore programs that serve seniors and people with disabilities which have been repeatedly cut by over \$25 million dollars annually since the 2004/5 budget year. These programs are essential to address the critical needs of our growing senior population, and should be restored and strengthened BEFORE we create a Rainy Day Fund or speed up or increase payments to our debtors. The programs that were cut save lives and allow seniors and people with disabilities to age with some dignity and independence.

We urge you to consider these restorations when making budget decisions over the next several months:

- Budget cuts over the last 10 years have disrupted the ability of Area Agencies on Aging and other senior service providers to meet their mandate to serve older Californians. As services were stripped away, thousands of older people were put at risk, with many ending up in local emergency rooms or inappropriately placed in nursing homes.
- The elimination of over \$25 million annually in State funding for community-based service programs severely damaged the infrastructure of the aging network and damaged the local service delivery system that serves older, frail persons. After years of funding cuts, many area agencies were forced to shut down critical services.
- We are urging you to restore funding to programs such as food distribution, Alzheimer's care, In Home Supportive Services, care management, respite and support to working families with caregiver obligations. Often, these were unique programs serving a population of older people who did not qualify for other services.
- Many of these programs were able to generate millions of dollars of federal and local resources to assist frail older persons to remain in the community, before the cuts were made. When taking into account local match, program income and volunteer time, the \$25 million in State funds generated approximately \$41 million in services annually. The dollars that are paid to local providers are spent in their own communities, supporting local economies.
- Restoring community-based programs and services is even more critical as California looks to implement the Coordinated Care Initiative (Cal MediConnect) and the rural expansion of Medi-Cal managed care. Successful implementation relies on a viable aging safety network to keep older and disabled persons in the community and living independently. Local aging programs and agencies are often the first contact by seniors requesting or needing assistance.

Some Specific Program Restorations should include:

- **In Home Supportive Services** – this program has been cut over 7% per year over the years, making it very difficult for consumers to get the care that they need and for workers to get the hours they need to earn a living wage. The Governor's budget proposal addresses the new federal rules that require overtime pay for domestic workers by banning overtime. Such a ban would have serious consequences for both consumers and workers. Workers who work more than 40 hours a week would lose significant income. Consumers who need more than 40 hours of assistance a week would be forced to find other, unfamiliar workers to fill in the gap. Consumers who rely on workers who work for more than one client could suddenly find themselves without care because their worker "used up" their 40 hours caring for another client. The proposed backup care system to find thousands of "new" workers to replace those whose hours are limited to 40 per week is based on the assumption that there are

600 GRAND AVENUE, SUITE 410, OAKLAND, CALIFORNIA 94610

415.550.0828 (N California) ☆ 714.244.7776 (S California) ☆ 877.223.6107 (toll free) ☆ 510.663.4099 (fax)

p. 34

individuals waiting around to take jobs that pay an average of \$10/hour for a maximum of 40 hours per week. Yet the experience of existing IHSS consumers is that they have a very difficult time finding replacement workers at all. We must fund the workers and consumers who require more than 40 hours of work/service at the overtime rates, per the federal and state requirements.

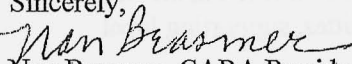
- **Adult Day Health Services** – Changed to Community Based Adult Services. In this transition, hundreds of thousands of dollars were cut from the program, forcing the unnecessary institutionalization of thousands of seniors who were previously eligible for adult day health services and able to stay in the community as well as the closure of dozens of centers in some of the most underserved communities, leaving many seniors without services and workers without jobs. Reimbursement rates for the CBAS programs are still unsustainably low – at pre 2011 rates.
- **The SSI / SSP Programs** – These programs have not received a COLA for years, leaving benefits far below the Elder Economic Security Index Standard, leaving many SSI recipients struggling to meet their most basic needs.
- **Adult Protective Services** – This program was realigned in 2011 and is still functioning with a bare bones budget that makes it impossible for counties to keep up with the number of cases needing investigation. With a rapidly increasing elderly population, we must adequately fund APS to protect seniors from physical, mental, and financial abuse – problems which are unfortunately increasing daily.
- **Re-establish a State Fund for Affordable Housing Development** – With the elimination of the Redevelopment Agencies, the funding for affordable housing was also eliminated and dollars in that fund moved to fill other budget holes. The State is facing a very severe affordable housing crisis, forcing seniors and families to live in substandard conditions, or worse, on the streets. We must establish an affordable housing trust fund (like that recommended in SB 391), which will also leverage millions of federal and local dollars for affordable housing.

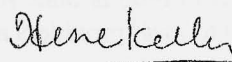
Other Senior Service Programs that should be restored:

- **MediCAL** – Restore optional benefits that were cut, and re-establish reimbursement rates at 2014 levels.
- **Linkages: Restore Funding at \$8 million**
- **Respite Purchase of Services: Restore Funding at \$400,000**
- **Alzheimer's Day Care Resource Centers: Restore Funding at \$4 million**
- **Brown Bag: Restore Funding at \$600,000**

We at CARA worked very hard to help pass Proposition 30 and to support other efforts to bring new and fair revenues back to the State so that California can again become the Golden State – especially as we reach our Golden Years. Please restore and continue to adequately fund the essential programs and services that help support seniors and people with disabilities so that we can retire and age in California with dignity and independence.

Thank you for your attention to this request.

Sincerely,

Nan Brasmer, CARA President
209-823-3890


Hene Kelly, CARA Legislative Director
415-533-5244