



CARA Alert – March 13, 2009

A publication of the California Alliance for Retired Americans

SPECIAL STATE BUDGET EDITION – VOLUME 1

CARA will be developing materials and information over the next two months to keep our members informed and engaged about the State Budget Crisis and What YOU Can Do to stop further destruction of essential services to seniors, low income people, and working families. This is the first of our Special Budget Alerts.

March 17th – Hearing on the Federal Stimulus Money and the CA TRIGGER

The Department of Finance and the State Treasurer have until April 1 to determine if the state will have \$10 billion in additional federal funds before June 30, 2010 in order to TRIGGER OFF the Governors' proposed ADDITIONAL cuts to Medi-Cal optional benefits, including adult dental, podiatry and incontinence creams and washes, rollback of State funding for In-Home Supportive Services (IHSS) worker wages to \$9.50 per hour, cut of and additional 2.3% of the SSI/SSP current grant level, and cut of 4% to the CalWORKS grant level as well as additional education and social service program cuts.

The Governor's Department of Finance (DOF) has made preliminary estimates that we will only have \$8 billion available. However, groups like the Western Center for Law and Poverty and the California Budget Project have released reports that the DOF is underestimating the amount of federal funds that will be available to TRIGGER OFF the cuts to these programs. The State Treasurer's Office is conducting its own analysis and has not released any findings as of yet. If the DOF and the Treasurer do not agree, many fear that the cuts will go through.

On Tuesday, March 17, the State Treasurer (Bill Lockyer) and the Governor's Dept. of Finance Director (Mike Genest) will hold a hearing at 10:00am in Room 4203 (State Capitol Building – Sacramento) to help them determine if at least \$10 billion in "countable" federal funds from the Federal Economic Stimulus package is coming to the state by June 30, 2010. That threshold of \$10 billion is critical because if one or both officials tell the Legislature on April 1 that it will not be reached by June 30, 2010, then several major cuts and also an increase in taxes would take effect after July 1, 2009. The budget related (trailer) bill language was not clear on what happens if the Treasurer – who is an elected statewide official – and the Department of Finance Director – who is appointed by the Governor, disagree on the level of funding.

CARA encourages all members who can to come to Sacramento on Tuesday, March 17 to participate in protests and to attend this hearing, and if possible testify to the importance of these programs, and the incredible hardship that seniors are already experiencing from the cuts in programs already made.

There are many other ways you can get involved and have your voice heard on this important budget matter. Be sure to do at least one:

Attend the Hearing in Sacramento on March 17th, 10am, State Capitol, Room 4203

Attend 2 Rallies on March 17th in Sacramento before the hearing:

9:00am, South Steps of the Capitol, Sacramento

9:30am, Treasurer's office, 915 Capitol Mall, Sacramento

Rally in Oakland, March 17th, 11am, 1515 Clay Street (in front of State Building)

Prayer Circle in Los Angeles, March 17th, 10am-12pm, 300 S. Spring St, Governor's Office, L.A.

Call your State Assemblymember before March 17th: Tell them to demand that the Governor's office do an accurate accounting of the all the money from the federal stimulus, **before** pulling the trigger – and postpone the April 1st self-imposed deadline.

Call Your Congressperson: Tell them to call the Governor to demand that he not pull the Trigger on April 1st. They voted for the Federal Stimulus Package to help states avoid further cuts like those the Governor is proposing.

Write a Letter to the Editor about the Trigger to Your Local Paper. Below is a Sample Letter to the Editor written by one of CARA's Board members. You can personalize and send one in your own words – but send it today (look on the website of your local paper to get instructions on how to submit).

Editors,

It is outrageous that the State's Department of Finance and Treasurer misrepresent California's share of the federal stimulus bill in order to justify even further cuts in medical care and income assistance to our poorest seniors, people with disabilities, and working families.

The disastrous recent budget agreement demands even further cuts to Medi-Cal, SSI/SSP, and CalWORKs if the State's General Fund does not receive \$10 billion in stimulus money, and the Department of Finance claims the State's General Fund will receive only \$7.9 billion. In fact, the California Budget Project has carefully analyzed the federal stimulus bill and California's financial structure, and has determined that of the \$50 billion that California qualifies for under the stimulus bill, nearly \$18 billion is "countable," meaning it can go directly into the State's General Fund to offset further program cuts.

The budget agreement says the determination of "countable" stimulus funds must be made by April 1, and the Finance Department is not even scheduling a hearing until March 17. Meanwhile, it continues to message data to justify stopping adult dental care, vision care, hearing tests, mental health care, and cutting public hospital assistance from Medi-Cal, cutting SSI checks \$20 per month, cutting aid to low-income families with children \$30 per month, and reducing wages of In Home Supportive Services workers. Why are we allowing the stimulus money to be defined by the same forces that have been trying to gut our vital services all along?

Michael Lyon

Co-Convener and Health Committee Co-Chair, San Francisco Gray Panthers

Vice President, California Alliance for Retired Americans

VOTE NO on May 19th

The CARA Board of Directors has unanimously voted to **OPPOSE** all of the ballot measures on the May 19th Special Election Ballot. This means a **NO** Vote on all 6 measures.

CARA will be focusing much of our time and resources educating the public about the impacts of these measures over the next two months. Seniors will play a pivotal role in deciding the future of California on May 19th, and we plan on making our voices heard. We are in the process of developing a Special Election Toolkit that will include sample newsletter articles for your own newsletters, sample letters to the editor for your local papers, and most importantly a postcard size **SLATE CARD** stating our position and listing the coalition of organizations urging a **NO VOTE**. We will be sending a package of these materials to all of our affiliates over the next couple of weeks and will have additional copies available at our offices and other key locations around the State.

We will send out another CARA Alert next week announcing where these materials are available, and urging you to pick up a supply and start distributing them wherever you go. The election is 2 months away, and absentee ballots will be mailed within the month. We don't have a lot of time to get the word out, or a lot of money, but we are counting on you to help us get the SENIOR VOTE mobilized.

Here is the summary of the ballot measures with CARA's recommendations:

NO on Proposition 1A (Budget Stabilization Fund) Would pass a Constitutional amendment to institute a spending cap, to limit the amount of revenue that can be appropriated for the General Fund. It also would extend the temporary taxes passed in this year's budget to last from two to five years. Under the spending cap, any revenues above a forecasted amount must be put in a "Budget Stabilization Fund," and can only be accessed under certain circumstances. The spending cap locks up money making the state less able to fund education, health care, and other core state services.

NO on Proposition 1B (Election Funding Payment Plan) This redirects Prop 98 K-14 education funding to school districts and takes money owed from the 2007-08 and 2008-09 budgets and puts it in the 2011-12 budget (9.3 billion dollars). This payment is dependent on the passage of Prop 1A – the spending cap measure.

NO on Proposition 1C (Lottery Modernization Act) As part of the Sept 2008-09 budget deal, legislators placed a measure on the ballot to allow the state to securitize future lottery revenue in order to plug part of the coming year's budget gap. Prop 1C contains no limits on the length of time or the amount of money that could be raised nor does it specify how the funding stream, which currently produces in excess of \$1 billion a year for education, would be replaced in future years.

NO on Proposition 1D (Redirecting Prop 10 Funds) This measure would redirect funds from the Prop 10 CA Children and Families Act Trust Fund to support state health and human services programs for the next 5 fiscal years, and eliminate funding for communications regarding First 5 programs in CA.

NO on Proposition 1E (Redirect Prop 62 Funds) This measure would redirect \$460.7 million of funding from Prop 63 – the Mental Health Services Act to the Early and Periodic Screening, Diagnosis and Treatment program for Children for the 2009-10 and 2010-2011 budget years.

NO on Proposition 1F (Elected Officials Salaries) This measure would prohibit the California Citizens Compensation Commission from increasing the salaries of legislators or state officers during any fiscal year in which there is an operating deficit.

You can reach CARA at:

NORTH:

CARA, 600 Grand Ave. #410, Oakland, CA 94610

415-550-0828 / 510-663-4086 / 510-663-4099 (fax) / jreid@californiaalliance.org

SOUTH:

CARA, 309 N. Rampart St., Suite A, Orange, CA 92868

714-244-7776/714- 385-1544 / sgoldfarb@californiaalliance.org

TOLLFREE: 1-877-223-6107 / www.californiaalliance.org