

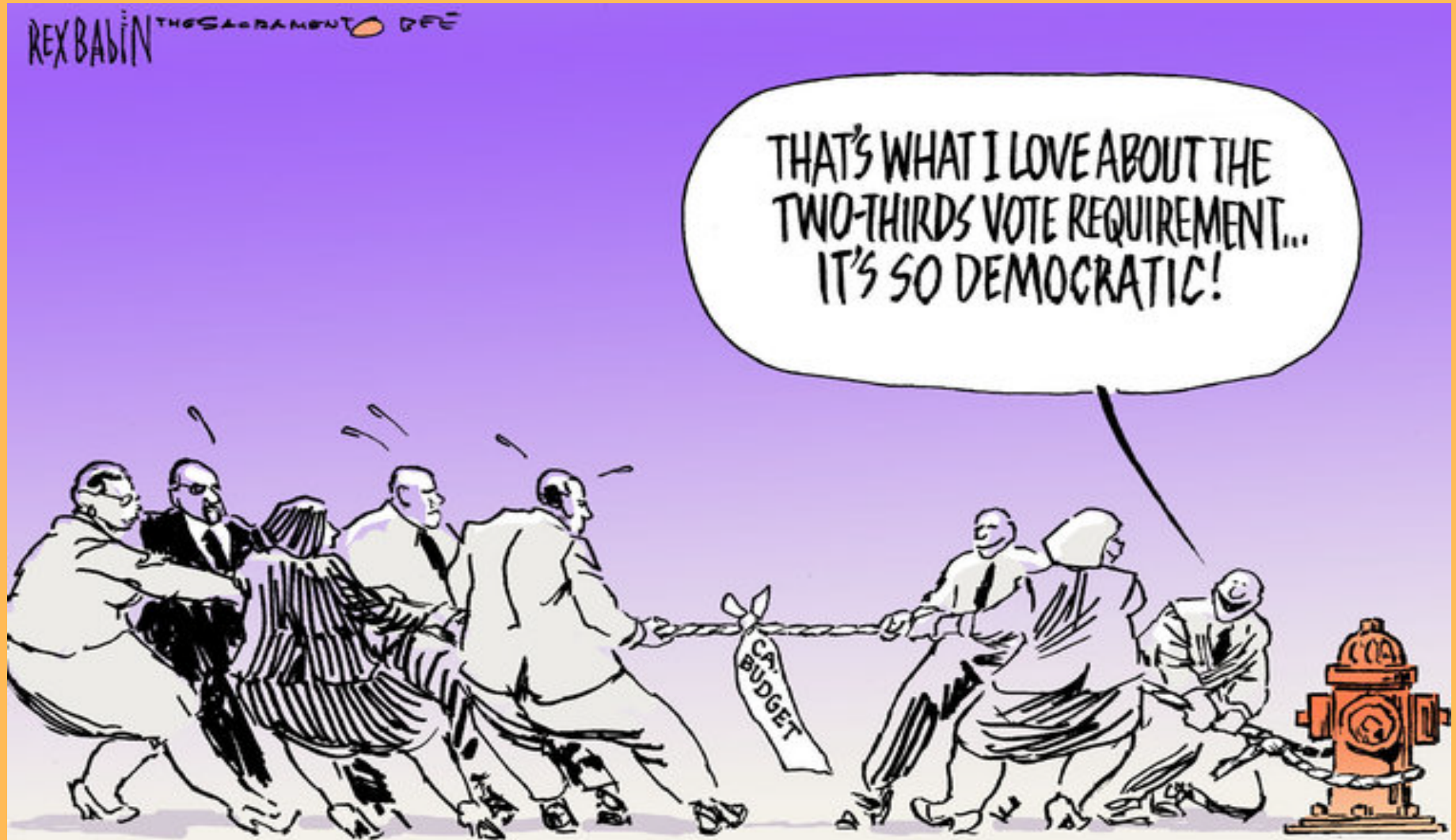
Two-thirds is too much

Ellen Wu, MPH
Executive Director

March 31, 2011



Two-thirds is NOT Majority Rule



Thanks to cartoonist Rex Babin for letting us use these cartoons.

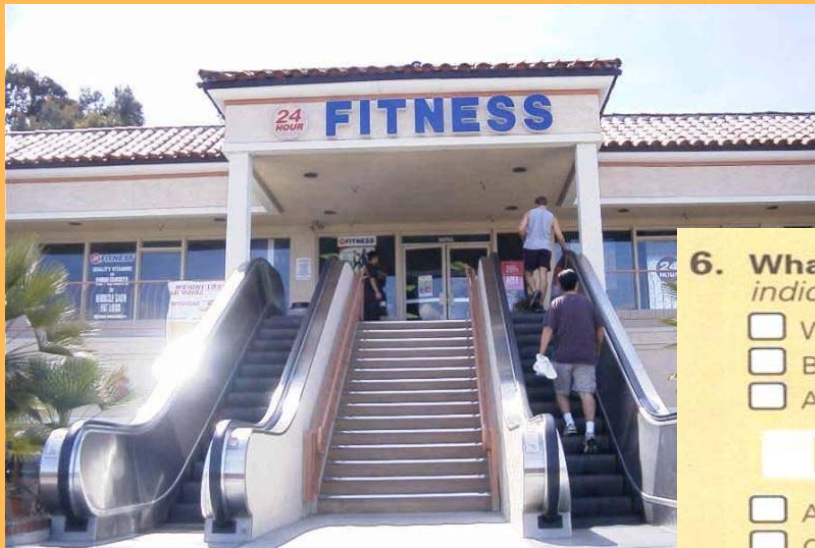
CPEHN: Together We're Stronger



Eliminating Health Disparities

IMPORTANTE: Puede obtener la ayuda de un intérprete o ayuda de un intérprete o preguntar acerca de información XXXX-XXXX-XXXX. Alguien que habla español puede llamar al 1-800-927-4357. (Spanish)

重要提示： 您與您的醫生或保險公司交流資料，請先致電您的保險公司，電話號碼如需要更多協助，請致電保險部熱線 1-800-



6. What is this person's race? Mark one or more races to indicate what this person considers himself/herself to be.

- White
- Black, African Am., or Negro
- American Indian or Alaska Native — Print name of enrolled or principal tribe. ➤

- | | | |
|--|---|--|
| <input type="checkbox"/> Asian Indian | <input type="checkbox"/> Japanese | <input type="checkbox"/> Native Hawaiian |
| <input type="checkbox"/> Chinese | <input type="checkbox"/> Korean | <input type="checkbox"/> Guamanian or Chamorro |
| <input type="checkbox"/> Filipino | <input type="checkbox"/> Vietnamese | <input type="checkbox"/> Samoan |
| <input type="checkbox"/> Other Asian — Print race. ➤ | <input type="checkbox"/> Other Pacific Islander — Print race. ➤ | |

DATA & RESOURCES

Get the information you need with **customized searches** and more:

- [California Demographics](#)
- [Health Conditions](#)
- [Access to Care/Insurance](#)
- [Cultural/Linguistic Competence](#)
- [View CPEHN's Policy Briefs](#)
- [Mapping the Landscape of Opportunity](#)

Multicultural Health Issues in the News

- [Maker of Electronic Cigarettes Will No Longer Market to Minors](#)
- [Riverside County Seeks Ways To Adjust Medi-Cal Enrollment Procedures](#)
- [Insurance Commissioner Posts To Wield Power Over Health Overhaul](#)



Who We Are

CPEHN is a leading voice - and a comprehensive resource - for multicultural health advocacy. [Join our Network!](#)

VOICE FOR CHANGE

"Build an integrated new healthcare system based on shared values and service (not profits or special interest)."

- Benjamin Aune, San Francisco

What is YOUR Voice for Change?

[Click here to tell us!](#)

UPCOMING EVENT

Beyond the Bill: Achieving Change with Administrative Advocacy

- [Oakland \(11/4/10\)](#)
- [Los Angeles \(11/10/10\)](#)
- [San Diego \(11/16/10\)](#)
- [Fresno \(11/18/10\)](#)

[MORE INFO](#)

[REGISTER](#)

WHAT'S NEW

JOB OPENING

[Communications Coordinator](#)

RECENT EVENT

[Building Quality and Equitable Health Care Systems](#)

NEW REPORTS

[Investing in a Future for All Californians: A Primer on California Budget and Tax Policy](#)

[Building Quality and Equitable Health Care Systems](#)

[HEALTH CARE REFORM FACTSHEETS](#)

California's Budget Crisis

Context

Fiscal Year 2010-11

- \$86.6 billion in General Fund expenditures
- \$8.2 billion deficit

Fiscal Year 2011-12

- Estimated \$17.2 billion deficit

TOTAL: \$25.4 billion

Governor's Proposal

- \$12.5 billion in cuts
- \$14 billion in revenue solutions
- \$1.9 billion in loans and transfers

Cuts Approved: Health

- **Medi-Cal: \$1.6 billion in cuts**
 - Soft cap on doctor's visits
 - Mandated co-payments
 - 10% decrease in Medi-Cal provider rates
 - Eliminates Adult Day Health Care, with \$85 million for scaled down version of the program
- **Healthy Families: \$38.5 million in cuts**
 - Higher premiums and co-pays

Cuts Approved: Social Services

- CalWORKs
 - 8% cut to grants
 - Limits adults to 48 months of cash assistance
 - \$100 million cut in children's grants
 - Reduces county funding for welfare-to-work and childcare services
- In-Home-Supportive Services (IHSS): \$486 million cut
- Cut to SSI Grants for Blind, Aged and Disabled

Funding Shifts

- Prop 63
 - \$861 million to mental health programs funded from General Fund
- Prop 10
 - \$950 million from county commission
 - \$50 million from state commission
 - Fund Medi-Cal for children ages zero to five.

How did we get here?

Until recently...

California only state with two two-thirds requirement:

- In 1933 Prop 1 was passed requiring two-thirds of the legislature to pass a budget
- In 1978 Prop 13 was passed requiring two-thirds of the legislature to increase taxes

Two-thirds is NOT majority rule

California's majority party currently has...

- 52 out of 80 seats in the Assembly and
- 25 out of 40 seats in the Senate

To get to 2/3rds they need:

- 2 more votes in the Assembly
- 2 more votes in the Senate

Passing proposal for revenues hinges on 4 votes!

NOBODY MOVE
OR THE STATE
GETS IT!



Hostage Situation

- Allows the minority, even a single legislator, to hold the budget hostage
 - Proposition on “open primary” for just one legislator’s support
 - Allows budget deals that include tax giveaways for corporations
 - Makes for “cuts only” effort to balance the budget

Proposed Revenue Solutions

- 5-year extension of tax increases
 - Higher sales tax
 - Vehicle license fees
 - Elimination of special tax breaks for large corporations

Breakdown in Negotiations

- Pension reform
- CEQA exemption
- Spending cap



WILL DESCRIBE
OUR
TAX REVOLT
EXPERIENCE
TO OTHER STATES
FOR **FOOD**

CALIFORNIA

THE REV

EUREKA

GREENBERG

Structural Shortfall in Revenue

- Vehicle license fee
- Cuts to corporate income tax
- Reductions in sales and income tax
- Decrease in revenue from commercial property taxes (Prop 13)

“Taxes are the price we pay for a civilized society.”

~Oliver Wendell Holmes

1904

Other Progressive Revenue Solutions...

- **Split Roll:** Reassess commercial property when 50% of the stock in a corporation is transferred.
- **Soda tax:** 1-cent for every teaspoon of sugar. Would fight obesity & raise revenue. AB 669 (Monning)
- **Progressive Income Tax:** Reinstate the upper income tax bracket. AB 1239 (Furutani)
- **Repeal Corporate Tax Breaks:** Reverse giveaways from prior budget fights. Circulating initiative.
- **Oil Severance Tax:** CA is the only state that currently does not tax oils companies on oil production in the state.

On-going \$20 billion deficit



CPEHN

California Pan-Ethnic Health Network

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- www.cpehn.org