

# DISTRICT 5 NEWS

DECEMBER 2003

Greetings:

The District 5 News is a newsletter designed to keep the residents of Alameda County's Fifth District informed about local, state, and federal issues. The federal government is facing a ½ trillion dollar budget deficit, as a result the state government and the county government are also facing deficits. Therefore, it is especially important for people to stay informed about important legislative issues that effect our communities in our attempt to build a stronger network of neighborhood support based services. We hope the District 5 News is a useful and engaging source of information about the issues that concern you the most.

HAPPY HOLIDAYS!

## **FEDERAL GOVERNMENT/ LEGISLATIVE UPDATES**

### **President Bush Signs Medicare Reform Bill**

Americans are casting a skeptical eye on the Medicare changes signed into law by President Bush, according to an ABCNEWS/*Washington Post* poll. More people disapprove than approve of the legislation, with doubts peaking among senior citizens and among those who've been following the issue most closely.

This bill has been hailed by the Bush Administration for lowering payments toward soaring prescription drug costs. The President said the sweeping legislation, which also introduces private insurance coverage into the government program, is proof he could deliver for Americans. Under the new bill Medicare will contract with private companies to offer new, voluntary discount cards. A discount card with the Medicare-approved mark offers a discount off the full retail price of prescriptions.

*The real impact of the bill:*

- Medicare will pay 75% of drug costs between the deductible and \$2,250.
- Beneficiaries will have to pay for drug costs between \$2,250 and \$5,100.
- Medicare pays 95% of drug cost above \$5,100.

Many are critical of the bill, Democrat Senator Harry Reid of Nevada, faulted Republicans who "sided with the big drug companies" to prevent the Medicare legislation from allowing the government to negotiate lower prices. "In fact, the bill they passed will actually force millions of seniors to spend more on prescriptions than they already do, and it will force many more into HMOs where they would lose the ability to choose their own doctor," Reid said.

A great deal of work needs to be made in the area of health care reform. There are 43 million children, women, and men without any health insurance who deserve and command our focus and support. Congress, the Administration, and the American people must not rest until we all have access to quality and affordable health care.

## **CALIFORNIA**

### **Schwarzenegger Repeals VLF, Then Flexes Executive Powers to Make Service Cuts.**

On October 17, 2003 Governor Schwarzenegger repealed the vehicle license fee increase. By repealing the VLF, the Governor increased the state deficit by \$4 billion. On Dec 18<sup>th</sup> the Governor used his own authority to declare a fiscal emergency and unilaterally replaced the \$2.6 billion cities and counties lost when he cut car taxes. Where is this money coming from? Schwarzenegger has announced plans to slash state services and use executive powers to trim \$150 million from current-year spending on a wide variety of services to local governments.

Schwarzenegger has slated these specific services to be cut:

- \$23.7 million from California State University's \$2.5 billion budget, the bulk of the cuts (\$12.5 million) are targeted at university outreach programs.
- Redirecting money in unspent Cal Grant funds.
- Closing a migrant farm worker housing center in Blythe.
- Reducing funding for the State Department of Motor Vehicles.
- Redirect \$41 million in federal funds from the CalWORKS welfare program to offset state costs in the In-Home Supportive Service program.

Many are critical of these proposed cuts, "What alarms me is that we're beginning this process of using federal welfare dollars for state programs," Mike Herald, legislative advocate for the Western Center on Law and Poverty said. "We're pitting one group against another group of needy folks."

After heated protest, Schwarzenegger reversed his decision to cut \$274 million in service cuts for the developmentally disabled. Even so, advocates for the disabled said they are worried the state will trim other programs serving California's neediest residents as it grapples with deep deficit woes.

The Vehicle License Fee is a critical source of funding for local government services. Alameda County receives \$100 million annually from the vehicle license fee to support public safety and other local government activities. I am critical of the Governor's decision because although it is seen as handing out monies to local governments with one hand, they then put their other hand into our back pocket and took money out of someplace else. We have to watch closely how the Governor is going to play a shell game with our tax dollars on these important issues.

The Governor's display of uncompromising executive power is likely set the stage for a nasty partisan standoff with the Democrat-dominated Legislature over the state's proposed budget of about \$100 billion for the coming fiscal year.

But because the state is now facing a \$14 billion deficit, Assembly Speaker-elect Fabian Nuñez said cuts alone will not balance the budget. Schwarzenegger has held his campaign promise of not raising taxes, but Nuñez said the Governor needs "to find new sources of revenue."

## **ALAMEDA COUNTY**

### **Half-cent Sales Tax on March 2004 Ballot**

The Alameda County Medical Center is facing an unprecedented \$71.1 million dollar deficit. Our hard hit safety net is a sign of the times. To address the long-term funding issues at the Medical Center; my colleagues and I unanimously voted to place a half-cent sales tax on the March 2004 Ballot.

Due to the budget shortfall, the Medical Center Board of Trustees is considering 176 staff layoffs at the Alameda County Medical Center, closing Highland Telemetry Ward, and the John George D Ward, which provide services to adults with severe and disabling mental illnesses, and closing of the Maternal Child Health Services, which provides preventive and treatment services to women and children.

The Alameda County Board of Supervisors voted 5-0 in favor of the proposed half-cent sales tax for the March 2004 ballot. If the measure passes it will generate an estimated \$90 million annually; 75% of the revenues will go towards the Alameda County Medical Center; the other 25% will contribute to general healthcare. The measure will need two-thirds of the voters support to be approved.

I am adamant about the necessary health initiatives in order to save public hospitals and clinics, which are clinging for survival due to their budget shortfalls. This crisis has already forced the closing of Central Health Center in Oakland as well as Ambulatory clinics at Fairmont Hospital in San Leandro.

## **COMMUNITY CORNER**

### **Berkeley Farmers' Market Holiday Crafts Fair**

The Berkeley Farmers' Market Annual Holiday Crafts Fair features California best organic farmers, local crafts people and live music on Saturday December 20, from 10am to 4pm, at Martin Luther King Jr., Civic Center Park in Berkeley.

For more information call (510) 548-3333.

### **Alameda County Community Food Bank:**

Each month, tens of thousands of low-income Alameda County residents cannot afford well-balanced meals for themselves and/ or their families. The Alameda County Community Food Bank works to provide food for families in Alameda all year long but during the holidays they have a special Holiday Food Drive that goes until Dec. 31<sup>st</sup>.

**Join the Food Bank in fighting hunger in our community!** Here's how you can help.

- Host a food collection barrel at your workplace or organization
- Donate money or volunteer at the Food Bank
- Drop nutritious, nonperishable food in barrels located at all Alameda County Safeway stores, Albertson's stores, Bay Street Emeryville and Berkeley Bowl.

Contact the Food Bank at (510) 834-3663 or Hunger Hotline: 1(800)-870-3663  
or log onto [www.accfb.org](http://www.accfb.org)

Contact us with your feedback.

Alameda County Supervisor Keith Carson, 5<sup>th</sup> District  
1221 Oak Street, Suite 536  
Oakland, CA 94612  
Phone: (510) 272-6695  
Fax: (510) 271-5151  
Email: [district5@acgov.org](mailto:district5@acgov.org)