

Assembly Joint Resolution

No. 8

Introduced by Assembly Member Kalra

(Coauthors: Assembly Members Aguiar-Curry, Arambula, Berman, Bloom, Bocanegra, Burke, Caballero, Calderon, Chau, Chiu, Chu, Cooley, Cooper, Dababneh, Daly, Eggman, Frazier, Friedman, Cristina Garcia, Eduardo Garcia, Gipson, Gloria, Gomez, Gonzalez Fletcher, Grayson, Holden, Irwin, Jones-Sawyer, Levine, Limón, Low, Maienschein, Medina, Mullin, Muratsuchi, O'Donnell, Quirk, Quirk-Silva, Rendon, Reyes, Rodriguez, Rubio, Salas, Santiago, Mark Stone, Thurmond, Ting, Weber, and Wood)

March 23, 2017

Assembly Joint Resolution No. 8—Relative to public social services.

LEGISLATIVE COUNSEL'S DIGEST

AJR 8, as introduced, Kalra. Public social services: Social Security, Medicare, and Medicaid.

This measure would call on California's Representatives in Congress to vote against cuts to, and proposals to privatize, Social Security, Medicare, and Medicaid, and would call on the President of the United States to veto any legislation to cut or privatize these programs.

Fiscal committee: no.

- 1 WHEREAS, Social Security, Medicare, and Medicaid are the
- 2 foundation of the income and health security of older Americans,
- 3 younger Americans with permanent and severe disabilities, and
- 4 American families, whose economic circumstances preclude them
- 5 from purchasing health insurance in the private market; and

1 WHEREAS, Social Security is our nation’s most important
2 source of retirement income, providing more than half the income
3 of two-thirds of senior beneficiaries and virtually all the income
4 of one-third of them; its most important source of disability
5 insurance; and its most important life insurance program; and

6 WHEREAS, Social Security and Medicare are the foundations
7 of income and health security for older Californians and those with
8 severe work disabilities, providing monthly cash benefits and
9 health insurance to over 5.5 million residents, including almost 4
10 million retired workers and over 700,000 disabled workers; and

11 WHEREAS, Social Security is the single most important source
12 of life insurance for California’s children, which currently provides
13 a virtually guaranteed income to over 350,000 children throughout
14 our state; and

15 WHEREAS, Social Security prevents more than 1.9 million
16 Californians from living in poverty; and

17 WHEREAS, Social Security is even more important to rural
18 Californians, one in 4 of whom received benefits in 2014, than to
19 metropolitan Californians, one in 7 of whom received benefits;
20 and

21 WHEREAS, Social Security benefits annually contribute over
22 \$80 billion to our state’s economy; and

23 WHEREAS, Social Security provides benefits to over 9 million
24 veterans nationwide, which is about 4 out of every 10 veterans;
25 and

26 WHEREAS, Our nation is facing a retirement income crisis as
27 the result of the decline of traditional pensions, the failure of 401(k)
28 balances, and the stagnation or even decline in many areas of home
29 equity and earnings, all of which have caused many workers to
30 fear that they will never be able to retire and maintain their standard
31 of living; and

32 WHEREAS, 47 percent of elderly Californians are struggling
33 just to make ends meet and more than half of working Californians
34 will not have saved enough to be able to maintain their standard
35 of living in retirement; and

36 WHEREAS, Improving Social Security benefits is a solution
37 to the retirement crisis, as well as to other serious problems such
38 as rising income and wealth inequality; and

1 WHEREAS, Social Security’s funding is independent of that
2 of the rest of the federal government, and has never contributed
3 to, and by law can never contribute to, the federal deficit; and

4 WHEREAS, Social Security in fact had a surplus of \$2.8 trillion
5 at the end of 2015 that is expected to grow to \$2.9 trillion by 2020;
6 and

7 WHEREAS, Social Security has sufficient resources to meet
8 all its obligations through 2034 and has dedicated revenues that
9 would meet three-quarters of promised benefits thereafter; and

10 WHEREAS, Social Security’s funding shortfall after 2034 is
11 modest: about half the cost of the Bush tax cuts of 2001 and 2003;
12 and

13 WHEREAS, There are many policy options available to
14 Congress to close Social Security’s long-term funding gap and to
15 improve its benefits, including eliminating or increasing the cap
16 on earnings subject to the payroll tax, or gradually increasing the
17 contribution rate from 6.2 percent to 7.2 percent, or subjecting
18 investment income to Social Security contributions, or treating
19 contributions to all salary reduction plans like 401(k) plans as
20 covered earnings for Social Security, or by dedicating revenues
21 from progressive taxes like the estate tax or a financial transactions
22 tax to pay part of the future cost of Social Security; and

23 WHEREAS, According to a multigeneration study conducted
24 by the National Academy of Social Insurance, 77 percent of
25 Americans (69 percent of Republicans, 84 percent of Democrats,
26 and 76 percent of Independents) agree that it is critical to preserve
27 Social Security for future generations even if it means increasing
28 taxes paid by working Americans, and there is even greater
29 bipartisan support (71 percent of Republicans, 92 percent of
30 Democrats, and 84 percent of Independents) for preserving it by
31 increasing taxes paid by wealthier Americans; and

32 WHEREAS, Medicare has provided health care in retirement
33 since 1965 and in disability since 1972 to several generations of
34 American workers; and

35 WHEREAS, Medicare now covers over 5.6 million Californians,
36 providing over \$50 billion in benefits to California’s senior and
37 disabled beneficiaries in 2009 (22 percent of all health spending
38 in the state); and

39 WHEREAS, Medicare insures these people, who represent the
40 part of our population with the highest health care costs, at a

1 fraction of the administrative costs of private health care plans;
2 and

3 WHEREAS, Medicare has controlled its costs of care better
4 than private insurance plans; and

5 WHEREAS, Other nations, which essentially have Medicare
6 for all of their citizens, are able to provide high-quality health care
7 at a fraction of the cost and with better health care outcomes; and

8 WHEREAS, Current proposals in Congress to radically reduce
9 Medicare to a “premium support” or “voucher” program and to
10 further privatize the system would result in increased health care
11 insecurity and costs for seniors and disabled beneficiaries and
12 reduce the ability of our government to contain our nation’s overall
13 health care expenditures, which currently equal 17.8 percent of
14 our gross domestic product (GDP), by far the highest relative cost
15 of any industrialized nation (the euro area’s costs are about 8
16 percent); and

17 WHEREAS, Medicaid is our nation’s most important source of
18 long-term care, as well as vital insurance for our most vulnerable
19 seniors, children, and people with disabilities, providing health
20 coverage to over 74 million people; and

21 WHEREAS, Medicaid provides health coverage to over 12
22 million Californians whose economic circumstances preclude them
23 from participating in the private health care insurance system, yet
24 who need and deserve medical treatment as much as any American
25 in better economic circumstances; and

26 WHEREAS, Current Congressional proposals to limit federal
27 Medicaid funding through the use of block grants to the states
28 threaten to severely limit Medicaid’s ability to provide adequate
29 health care coverage to the most vulnerable among us; and

30 WHEREAS, Our Social Security, Medicare, and Medicaid
31 systems are fundamental to protecting against risks to which all
32 Californians are subject; and

33 WHEREAS, Our Social Security, Medicare, and Medicaid
34 systems give expression to widely held values, including caring
35 for our families, our neighbors, and ourselves, personal
36 responsibility, hard work, and personal dignity; now, therefore,
37 be it

38 *Resolved by the Assembly and the Senate of the State of*
39 *California, jointly,* That the Legislature opposes cuts to and
40 proposals to privatize Social Security, Medicare, and Medicaid

1 and calls on our state’s Representatives in Congress to vote against
2 cuts and proposals to privatize and to support legislation to improve
3 and expand these systems to strengthen their protections; and be
4 it further

5 *Resolved*, That the Legislature calls on the President of the
6 United States to honor his campaign promise not to cut these
7 programs, to veto any legislation to do so, and to work with
8 Congress to expand and improve these programs; and be it further

9 *Resolved*, That the Chief Clerk of the Assembly transmit copies
10 of this resolution to the President and Vice President of the United
11 States, to the Speaker of the House of Representatives, to the
12 Majority Leader of the Senate, and to each Senator and
13 Representative from California in the Congress of the United
14 States.

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16 _____
17 **REVISIONS:**
18 **Heading—Line 2.**
19 _____