

Assembly Joint Resolution

No. 7

Introduced by Assembly Member Bonta

January 30, 2013

Assembly Joint Resolution No. 7—Relative to public social services.

LEGISLATIVE COUNSEL'S DIGEST

AJR 7, as introduced, Bonta. Social security, Medicare, and Medicaid.

This measure would request the President and the United States Congress to exclude social security, Medicare, and Medicaid from being a part of any legislation to reduce the federal deficit. This measure would express the Legislature's opposition to cuts to social security, Medicare, and Medicaid, and call on California's representatives to the United States Congress to vote against cuts to social security, Medicare, and Medicaid and to consider improving those systems in ways that would strengthen their protections.

Fiscal committee: no.

- 1 WHEREAS, Social security and Medicare are the foundations
2 of income and health security for older Californians and those with
3 severe work disabilities, providing monthly cash benefits and
4 health insurance to over 5 million Californians, including 3.4
5 million retirees and nearly 700,000 disabled workers; and
6 WHEREAS, Social security is the single most important source
7 of life insurance protection for California's children and provides
8 a vital guaranteed income to 370,000 children throughout the state;
9 and
10 WHEREAS, Social security prevents more than 1.1 million
11 Californians from living in poverty; and

1 WHEREAS, Social security provides benefits to more than 9
2 million veterans nationwide, which is roughly four out of 10
3 veterans; and

4 WHEREAS, Social security annually contributes nearly \$67
5 billion dollars to California's economy by paying benefits to over
6 5.1 million residents in the state; and

7 WHEREAS, Social security's funding is independent of that of
8 the rest of the federal government, and has never contributed to,
9 and by law can never contribute to, the federal deficit; and

10 WHEREAS, Social security in fact has a surplus of \$2.7 trillion
11 dollars today that is expected to grow to \$3.1 trillion dollars by
12 2020; and

13 WHEREAS, Social security is not in crisis and has sufficient
14 resources to meet all of its obligations through 2032 and has
15 dedicated revenues that would — even in the absence of
16 Congressional reforms — meet three-quarters of promised benefits
17 thereafter; and

18 WHEREAS, Social security's funding shortfall after 2032 is
19 modest: about one-half of the cost of the Bush tax cuts of 2001
20 and 2003; and

21 WHEREAS, There are many policy options available to close
22 social security's funding shortfall without cutting benefits,
23 including eliminating the cap on earnings subject to the payroll
24 tax, which would eliminate about 80 percent of the 75-year
25 shortfall, or raising the payroll tax rate from 6.2 to 7.2 percent
26 gradually over 20 years, which would eliminate one-half of the
27 shortfall; and

28 WHEREAS, Americans prefer raising payroll taxes to cutting
29 social security benefits by a margin of 53 percent to 36 percent;
30 and

31 WHEREAS, Social security's modest but vital benefits,
32 averaging just \$12,930 per year in California, are critical to the
33 economic security of those who receive those benefits; and

34 WHEREAS, Losses of pensions, 401(k) balances, home equity,
35 and earnings have greatly diminished the retirement income
36 prospects of Californians; and

37 WHEREAS, The social security benefit cuts imposed in 1983
38 will, when fully phased in, cut benefits by roughly 25 percent; and

39 WHEREAS, Forty-seven percent of elderly Californians are
40 struggling just to make ends meet and more than one-half of

1 working Californians will not have saved enough to be able to
2 maintain their standard of living in retirement; and

3 WHEREAS, Proposals to increase the social security retirement
4 age to 69 would cut benefits by an additional 13 percent on top of
5 the 13 percent cut that occurred when the retirement age increased
6 from 65 to 67; and

7 WHEREAS, The physical demands of a job differ from industry
8 to industry and, on average, the longevity of the lives of individuals
9 differ significantly according to their level of income, education,
10 race, and access to health care; and

11 WHEREAS, Social security belongs to the people who have
12 worked hard all their lives and contributed to the program, and it
13 is based on a promise that if you pay in, you and your family can
14 collect your money when you retire, experience a severe disability,
15 or die; and

16 WHEREAS, Medicare insures almost 4 million California
17 seniors for health care at a fraction of the administrative costs of
18 private plans; and

19 WHEREAS, Medicare has controlled its costs better than private
20 insurance plans; and

21 WHEREAS, Although increasing the eligibility age for Medicare
22 would save the federal government some money, it would add
23 billions of dollars to what we as a country spend on health care
24 and shift costs onto other governmental entities, businesses, and
25 many individuals who cannot afford those costs; and

26 WHEREAS, Medicaid is a critical source of protection for over
27 11 million low-income children, adults, and elderly Californians,
28 many of whom have severe disabilities or are in need of long-term
29 care; 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 dignity; now, therefore, be it

37 *Resolved by the Assembly and the Senate of the State of*
38 *California, jointly,* That the California State Legislature urges the
39 President and the Congress of the United States to exclude social

1 security, Medicare, and Medicaid from being a part of any
2 legislation to reduce the federal deficit; and be it further

3 *Resolved*, That the California State Legislature opposes cuts to
4 social security, Medicare and Medicaid, and calls on our state's
5 representatives in Washington, D.C. to vote against any cuts and
6 consider improving those systems in ways that will strengthen
7 their protections; and be it further.

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