

The devastating 'domino effect' of state budget cuts

featuring

Jodi Reid, Executive Director
California Alliance for Retired Americans



This time on Code WACK!

At least seven states are grappling with budget shortfalls in 2024. What goes on behind the scenes when a state needs to cut costs? *Who stands to lose the most as programs are trimmed or eliminated?* Today we're looking at California's multi-billion dollar budget deficit – and what's being done to protect the state's most vulnerable residents.

To find out, we spoke to **Jodi Reid**, executive director of [California Alliance for Retired Americans](#), California's largest grassroots senior advocacy organization. She has more than four decades of organizing experience on issues ranging from health care to housing. Jodi represents her organization on the board of **Healthy California Now**, a single-payer advocacy coalition.

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WE DISCUSS

As executive director of the California Alliance for Retired Americans, what are some of the main projects and initiatives you're working on these days?

"... right now not only are we working on several pieces of legislation around health care and housing and protecting older adults from financial scams and financial abuse [but also] several other bills that are moving through the legislature, as well as focusing immediately on the state budget.

"The governor [Gavin Newsom] presented a [May Revise](#) budget based on the financial realities from taxes, etc., and it's very devastating. We're in a huge budget deficit environment, but unfortunately many of the programs that are being proposed for cuts are those that help the lowest income, the frailest population kind of stay afloat. And those are unfortunately the first things on the chopping block.

"So we are working in a very large coalition with other organizations to try and encourage the legislature to oppose some of those cuts.

"And then of course we have what's called the **Senior Vote Program**, which is to try ... and engage older voters .. and make sure that they have good information about where the candidates stand on issues and to encourage them to vote for somebody at the federal level [who will] protect Medicare and Medicaid and Social Security, which are kind of the foundation of retirement security for older adults and people with disabilities. So it's a very busy year." – *Jodi Reid*

What happened to California's budget? A couple years back we had a huge surplus and now we have a huge deficit.

"... it's all about collecting revenue, state income, taxes, the basis of what pays for the state budget along with sales tax and some others. We're still recovering from COVID and a lot fewer people were working, which means fewer people paying taxes. And it took a while for that all to catch up with us. Those years of unemployment and people moving out, losing jobs and not paying the normal income tax that they would be paying if they were fully employed, people were spending less so there was less sales tax being spent, especially not on luxury items, you know, was more on essentials.

"And so even though we have a rainy day fund that we collected during more lucrative budget years, we've had to spend some of that. Although we're suggesting that, you know, we continue to use some of those funds to keep these essential services funded in hopes that as the economy continues to improve and full employment is back or much better employment, that the revenues in the upcoming years will go back to more lucrative years." **- Jodi Reid**

What are some of the essential services that are on the chopping block? How will seniors and people with disabilities be affected?

"It's not just one cut. It's this domino effect of cuts. One of the cuts is to In-Home Supportive Services, which is the publicly funded home care program... to take this step backwards is very devastating.

"... The governor also talked about cutting some of the nutrition programs for older adults ...

"... And there were programs that helped prevent older adults from becoming homeless ...

“When you put it all together, it's like one slap after another after another and it's just like dominoes. You know, they just keep piling on top of each other ... and creating what is a very devastating impact. – **Jodi Reid**

How is CARA addressing all this?

“Fortunately, both the [state] Assembly and Senate are in the process of budget hearings right now and they get to come up with their proposal, which is an alternate to the governor's. And they've put some of these programs back in their budget and are looking at cuts to the prison system, for example, as an alternative way to ... deal with a reduced [budget] ...

So we're doing several budget actions around the state in the coming weeks. There's one in San Francisco and L.A. in front of the state building, ... demanding that the legislature and the governor reconsider some of these cuts. There are hearings. . . by both houses [that] have budget committees and subcommittees and people are going to those to try and impact these decisions.” – **Jodi Reid**

Helpful Links

[California Alliance for Retired Americans](#)

['It was a mirage': States face budget woes as huge infusions of federal cash run out, *Politico*](#)

[State Fiscal Debates to Watch in 2024: Substantial Budget Shortfalls, *Pew*](#)

[Governor Newsom unveils revised state budget, prioritizing balanced solutions for a leaner, more efficient government](#), *Press Release, Office of Governor Gavin Newsom*

[First Look: Understanding the Governor's 2024-25 May Revision](#), *California Budget & Policy Center*

[Analysis Of Governor Newsom's May Revision Of California's 2024-2025 Budget](#), *Western Center on Law & Poverty*

Episode Transcript

Read the [episode transcript](#).

Guest Biography - Jodi Reid

Jodi Reid has been the Executive Director and Northern California Organizer of the [California Alliance for Retired Americans \(CARA\)](#) since August of 2003. CARA is California's largest, grassroots senior advocacy organization working to improve the quality of life for seniors. CARA represents over 1 million seniors through their 300+ affiliated organizations.

With 18 local California chapters (called CATS - *CARA Action Teams*), CARA is the state affiliate of the 3 million member national [Alliance for Retired Americans](#) (ARA). There are 39 states with an ARA affiliate.

Prior to working with CARA, Ms. Reid has worked with senior activists on housing and health issues at Mercy Housing, the Housing Rights Committee, Health Access California, and many other advocacy groups for over 35 years.

She was the founding director of the San Francisco Senior Action Network, where she worked for 6 years and was the Director of Metro Seniors in Action in Chicago for 3 years.

Jodi has over 35 years of experience working with direct action advocacy issues – and has trained hundreds of senior activists/advocates to engage in local, state, and national issues.

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[Join California Alliance for Retired Americans](#) to help stop the 2024 California budget cuts! June 15, 2024 is the deadline, so act fast!

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