



The devastating 'domino effect' of state budget cuts

"It's really hard and it's really unfortunate that the most frail, in many cases, [the] least able to deal with these cuts, are the ones who face them." - Jodi Reid

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Welcome to **Code WACK!**, where we shine a light on America's callous healthcare system, how it hurts us and what we can do about it. I'm your host, **Brenda Gazzar**.

(music)

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.

Welcome back to Code WACK! Jodi!

Reid: Thank you.

Q: Thanks for being here. So you're the executive director of the California Alliance for Retired Americans or CARA, the leading progressive grassroots movement for seniors. What are some of the main projects and initiatives you're working on these days?

Reid: Well, we are always involved in the state legislative process, so 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 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 they bring their proposals to the, you know, it's called the Big Five with the [state] Senate, the Assembly and the governor's office to try and negotiate everybody's budget proposals and come up with one that they all can approve and vote on. Budgets have to be voted on by June 15. So we don't have a lot of time to do this convincing. So that's kind of where we're focused on the state level.

And then of course we have what's called the Senior Vote Program, which is to try and make sure that we engage older voters who are the most likely voters in the upcoming election nationally and try 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, 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.

Q: Wow, you really have been busy. Regarding the state budget. How did we get into a situation where California is in such horrible financial shape? A couple years back we had a huge surplus and now we have a huge deficit.

Reid: I mean it's all about collecting revenue, state income taxes is 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, it 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.

Q: Got it. So what are some of the essential services that you're most worried about that will affect seniors and people with disabilities?

Reid: 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. And in the past few years we've been fighting to make sure that undocumented folks at every age get Medi-Cal if their income is eligible and we've won that. So now every undocumented person in California, even if they're paying taxes and working, have not been able to access Medi-Cal services. Now they can. And one of the Medi-Cal services that is provided to anybody on Medi-Cal is in home supportive services. What the governor's budget suggested is that they not be eligible for that service even though they're eligible for Medi-Cal. So that's a big one that's, you know, a huge setback after so many years with the governor's

support. Adding these folks into the Medi-Cal program to take this step backwards is very devastating.

There's also this backup program so if you have a worker and they get sick or they have to stay home with their kids or whatever the case may be, there was this backup system to provide like a substitute teacher, a substitute care worker. I mean that's a separately funded part of the IHSS program. That's being proposed for elimination. For people who depend on care to get out of bed, to get fed, to get bathed, to get their bandages and medications taken care of for someone not to come for a day or more means they're stuck in bed and it could be very threatening. The governor also talked about cutting some of the nutrition programs for older adults where they go to like a congregate meal site or get a brown bag full of groceries, cutting back on the funding for that and we're talking about a very low income population who often asked to depend upon these services, otherwise they're choosing between paying for health care, paying for housing, paying for food, and additionally some housing programs that there's a program called Home Safe and another program that right now, I'm not remembering the words, but it's called HDAP.

And these were programs that helped prevent older adults from becoming homeless 'cause they live right on the edge - cut. These have been some of the programs that the governor himself supported and touts as success stories on how we begin to deal with our ever increasing homeless population with older adults being the fastest growing part of that population. 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 you know, falling on top of each other and create what is a very devastating impact.

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 think about how do we deal with a reduced pot. I mean where are there some other places that we could cut that would have less of a devastating impact? So there's different versions of a budget being created and then they all have to

come together and kind of duke it out and come up with a final proposal that everybody is comfortable with and then it goes back to the legislature for a vote and then to the governor to sign. So we're in the midst of all of that right now.

Q: Got it. So you said some of these programs are being put back in, but that can be changed I assume by the time it's passed?

Reid: 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, kind of 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.

Q: So would you say that this is the most daunting cuts that seniors and people with disabilities have faced in how many years?

Reid: Well, the last time it was this bad was around 2008 when [Arnold] Schwarzenegger was the governor and the cuts were even more devastating. And I don't want to say it's only the senior and disability communities that have been impacted and immigrant communities. Childcare is getting slashed. Education is getting slashed, other healthcare programs. So, you know, we are not the only constituency that's facing cuts and we don't want to be pitted against these other groups of folks 'cause we care about their programs too. I mean, everything impacts everything else. And so if your grandkids, for example, are unable to get childcare, then often that could impact you because you might be ... the fallback person and if you're not able to get the food you need and you're also caring temporarily, hopefully for your grandkids or great-grandkids, then how do you feed yourself, let alone them?

I mean we're all in this together and so it's not one or the other. And all of those communities are also being impacted in the Schwarzenegger years during the recession. They were so severe that we kind of formed a coalition. We called ourselves the Health and Human Service Budget Coalition, and we all came together to try and support each other rather than being pitted against each other. Like, 'if we give you this, then it means we have to take more away from them.' We don't want that this year. This all happened so quickly. You know, we're

not in a recession per se and the original budget projections in January were not nearly as bad as what we wound up [with] in May. And we have like a month to now deal with all of this. So, you know, we're trying to support each other like we did before, but we're responsible for making sure everybody understands what's on the chopping block for our folks and then we'll try and support, you know, the childcare folks and the other communities as they do the same thing. But it's really hard and it's really unfortunate that the most frail in many cases, least able to deal with these cuts are the ones who face them.

Thank you Jodi Reid of the California Alliance for Retired Americans.

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