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**AJR-8 Public social services: Social Security, Medicare, and Medicaid.** (2017-2018)

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**Assembly Joint Resolution No. 8**

**CHAPTER 96**

Relative to public social services.

[ Filed with Secretary of State July 05, 2017. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AJR 8, 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, Medicare insures these people, who represent the part of our population with the highest health care costs, at a fraction of the administrative costs of private health care plans; and

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

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

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

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

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

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

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

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

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature opposes cuts to and proposals to privatize Social Security, Medicare, and Medicaid and calls on our state's Representatives in Congress to vote against cuts and proposals to privatize and to support legislation to improve and expand these systems to strengthen their protections; and be it further

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

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