

# Jericho trumpet

*Bringing Down the Walls of Injustice*

*March, 2003*

## Budget Continues to Heighten Legislative Debate

*It will take a two-thirds vote of the legislature to fill California's budget gap of somewhere between \$26.1 and \$34.6. To understand some of the complexity of the budget and the relatively small percentage which constitutes the General Fund, we offer this overview.*

Historically, California has depended on three separate sources to finance the state: property tax, income tax and sales tax.

### *Property Tax*

In the early 1970's there was a large increase in property values for single family residences. This increase in valuation increased property taxes. Families saw their taxes rise dramatically without an increase in their income. This imbalance resulted in Proposition 13 that fixed property taxes for those who owned property as of that date and limited property tax increases for the future.

This revered initiative has skewed the financing of local government because property taxes went to fund local government. State government stepped in to fill in the "funding shortfall" at the local level. Now the State is also seriously strapped for funds.

The governor is proposing significant cuts to local government as well as passing more State programs to the local government. One "fix" is to address the basic issue of inequities within Proposition 13 but traditionally politicians fear touching this issue.

*(Continued on page 4)*

## Being Uninsured Takes Toll on Families

41 million Americans are living without health insurance coverage—that's almost one in every seven people—and the number is growing. One in five Californians are not covered. With health care costs rising, even more Americans are likely to become uninsured as people and employers increasingly are unable to afford coverage.

### *Working Families are Impacted*

Not having health insurance has serious consequences for families. Eight out of 10 uninsured Americans are in working families. Oftentimes, these people are not eligible for public programs and cannot afford coverage on their own. More than eight million uninsured are children. One in five parents of uninsured children delayed or skipped their child's needed medical care over the past year because they could not pay for it.

### *The Community is also Impacted*

When people have no way to pay for their health care, everyone pays. Because the uninsured tend to wait longer to seek treatment, they are often sicker when they finally receive care. And when they do seek medical attention, they frequently turn to the nearest hospital emergency room, an expensive and inefficient way to get care

By utilizing the ER, uninsured patients may run up huge medical bills that can take years to pay off. In fact, medical bills are cited as the reason for half of all personal bankruptcy filings. In many cases,

*(Continued on page 2)*

# Editorial

By Sister Simone Campbell

It is difficult to consider California issues when the national and international scenes are so disturbing. However, our State is the governmental entity that is closest to our daily life. So in these unsettling times we need to stay aware of the issue of the State budget, a matter not likely to be resolved soon. Thus, I have set out in the lead article of this issue some of the California budget issues that we are facing.



JERICHO is working in coalition with others to find revenues that will continue to support those most in need at the margins of our society. Only by understanding these complex issues and acting to address the inequities can we embody what faith teaches us—to care for women and orphans and not turn our backs on our own.

**JERICHO trumpet** is published quarterly for members of JERICHO: A Voice for Justice and JERICHO: Education for Justice.

JERICHO: Education for Justice is a statewide interfaith organization that educates and involves members of congregations, religious groups and clergy about California public policy as it affects poor people. This education serves as a springboard for advocacy on key issues of economic justice at the state level.

JERICHO: A Voice for Justice maintains a registered lobbyist in Sacramento to actively engage in the development of legislation that promotes economic justice.

JERICHO provides on-line bill tracking, a legislative alert system, newsletter, current issues material and ongoing education in public policy.

JERICHO Statewide Office  
926 J Street, Suite 410  
Sacramento, CA 95814  
Phone: (916) 441-0387 Fax: (916) 441-0388  
www.JERICHOforjustice.org  
JERICHO@JERICHOforjustice.org

(Continued from page 1 - Health Insurance) -

hospitals, businesses, insurers and taxpayers are left to shoulder the costs that uninsured patients are unable to pay.

## *National and Local Efforts to Insure the Uninsured*

Former Presidents Gerald Ford and Jimmy Carter are co-chairing *Cover the Uninsured Week*, a weeklong series of national and local events—from March 10 to March 16, 2003. Organizers, including The Robert Wood Johnson Foundation and a diverse group of statewide and local organizations, are planning health fairs, town hall meetings, campus discussions, interfaith events to help people learn about the issue, find local resources and share their stories.

The week will include an interfaith breakfast in each region. Please note the following events that will be held on March 14 at various locations.

### ***Sacramento***

Sheraton Grand Hotel  
9 a.m.—10:30 a.m.

For information and RSVP: 916-447-2636

### ***Los Angeles***

Cathedral of Our Lady of the Angels  
555 West Temple  
9 a.m.—11 p.m.

For information call: 310-475-4199

### ***San Francisco***

Cathedral Hill Hotel  
9 a.m.—10:30 a.m.

For information call: 415-584-7675

JERICHO's newly designed website will be online beginning March 15. Access to JERICHO's bill folders and other legislative information will be accessed through the MEMBERS ONLY Log in. Members will type in their last name, first initial, e-mail address and use the password JUSTICE.

The website will also allow for our Action Alerts and give you the ability to respond online to legislators through the website. *If you have any trouble, call or e-mail.*

## **California's Health Care Crisis: *How do we respond as communities of faith?***

- One in five Californians are without healthcare coverage
- Many others are at risk of losing their coverage
- Insurance for those who have it doesn't guarantee services are available

### ***Participate in a workshop in your area!***

<p>March 29 <b>Sacramento Area</b></p> <p>Ss. Peter &amp; Paul 4450 Granite Drive Rocklin</p> <p>10 a.m.—3 p.m.</p>	<p>April 5 <b>Los Angeles Area</b></p> <p>RSHM Center 441 N Garfield Ave Montebello</p> <p>10 a.m.—3 p.m.</p>	<p>April 26 <b>Orange County</b></p> <p>St. Joseph Center 480 S Batavia Orange</p> <p>10 a.m.—3 p.m.</p>	<p>May 3 <b>Fresno</b></p> <p>St. Agnes Medical Center Fresno</p> <p>10 a.m.—3 p.m.</p>
---	---	--	---

***What will be covered?*** The workshop will outline the current problems for the seven million people in California who are uninsured and those whose health insurance is threatened; explore the underlying values that should guide a delivery system; involve participants in reflecting on the current reform options in light of faith-based values, and present ways to actively engage in the renewed and growing movement towards health care reform.

***Who should attend?*** Members of various faith communities, parish leadership, members of religious communities, parish nurses, health care professionals, and people who have been affected by the health care crisis or are concerned for others who have been affected.

Registration \$15 (JERICHO members-\$10)  
Lunch will be served for those who RSVP

**For further information and to RSVP, call JERICHO at 916-441-0387**

### **Bay Area Workshop Kicks Off Series**

Two abbreviated health care reform workshops will be held on **Wednesday, March 19** at the Mercy Center, 2300 Adeline Drive in Burlingame. There will be an afternoon workshop from 2—4 p.m. and a repeat in the evening from 7—9 p.m. Call JERICHO for more information.

We have redesigned our database and have been working diligently to update it with more correct and complete information. Please contact the office if we don't have your **current e-mail address** or **fax number** so that you will get timely Alerts in the 2003 legislative session.

We have found that some people are receiving **more than one newsletter** because of the way in which names were entered in the past. If you are still getting too many newsletters, please let us know.

(Continued from page 1 - California Budget)

### *Income Tax*

Almost one half of the State's revenue in 2003-04 is generated by income tax. During the "dot com" boom, revenues soared, and the State quickly adjusted to the "boom reality" with increased spending and tax cuts. It is projected that personal income tax revenue will drop \$11 billion between 2000-01 and 2003-04. Additionally tax cuts from the 1990's are estimated to cost \$7.8 billion in 2003-04. One "fix" the governor proposes is to reinstate the two upper end tax brackets that were repealed in the boom time.

### *California Sales Tax*

One of the highest in the country, this tax has grown over the years to attempt to make up for the loss of revenue from property taxes. Sales tax is considered a "regressive tax" because everyone, regardless of level of income, pays the same amount for each purchase. Some items are exempt from taxation (food and prescriptions) and some items have added taxes (cigarettes and alcohol). The "fix" the governor is proposing a 1 cent increase in the sales tax.

### *State Spending*

During the "boom times" the largest spending increases were on education and health care. These

exemplify the funding challenges.

### ***Mandated Programs***

Much of California's Budget has line items that have been passed by the voters through initiatives. These mandate the use of a specific percentage of the general fund revenues be used on a specific program, e.g. Proposition 98 mandates education spending. This trend to "budget by initiative" limits the amount of discretionary money in the general fund and therefore limits the legislature's ability to manage the budget.

### *Federal Programs*

Many federal programs that are passed on to the States require a "state contribution." This is true in much of federal education and health care dollars. While this increases the State's ability to meet the needs of its citizens, it further restricts the areas in which reasonable cuts can be made in budget expenditures.

### *General Fund*

The remaining uncommitted general fund dollars are approximately \$35 billion (1/3 of the general fund). Most of these funds get spent on Health and Human Services. This makes programs such as Healthy Families and financial programs for the poorest in our state the most vulnerable to budget cuts.

**JERICHO**  
926 J Street, Suite 410  
Sacramento, CA 95814  
(916) 441-0387

**RETURN SERVICE REQUESTED**

<p>NON-PROFIT ORGANIZATION U.S. POSTAGE PAID SACRAMENTO, CA PERMIT NO. 1598</p>
---

**TIME LIMITED-Please Expedite**