

President's Message

Chris Carson President LWVG/B

October 2003 Calendar

Tuesday
October 7
Recall Election
7:00 am to 8:00 pm

Saturday
October 25
**County Government
Update**
9:00 am to 10:30 am
Carleton Fellowship Hall
First United Methodist Church
134 North Kenwood Avenue
Glendale

DIRECTIONS:
We will be in the one-story brick Office/Education building on the corner of Wilson and Kenwood across from the Glendale Unified School District offices. It is the building between the old education building and the sanctuary. Park in the Wilson/Kenwood lot or along the alley between Wilson and Broadway

Wednesday
November 5
Board Meeting
Carson Home

Saturday
November 15
**COUNTY LEAGUE DAY
STATE AND LOCAL LEAGUE
FINANCE**
See flyer on page 2

FOR THE NEXT TWO months, League is going to be talking about government reform and finance. At this point, many of you will suddenly discover that your turtle has died and must be buried before the ground freezes over. But if you'll read on, perhaps I can persuade you to postpone the funeral services for a while.

County Government Reform – rates right up there with watching paint dry, doesn't it? Why on earth should anybody in Glendale or Burbank bother? What does the County mean to me? Even if you don't religiously read the monthly restaurant closings report as I do, you certainly pay attention to those Grades posted at the front door of every restaurant you enter. Would you pause if you saw a B? Or a C? And then there's vector control – think rats, meningitis and West Nile virus. Those of us who live in the hills are grateful for the County Fire Department which stands ready to back up our own departments in case of emergency. We all thought about the County's health care system when we were voting on saving the trauma network. And we're all going to the polls in a few days. The County handles the entire election operation and does an outstanding job. Think of what happened in another state not so long ago!

Then there are the "unseen" operations which you don't know

about unless or until you need them. The Court system, the largest in the country dispenses justice. The Health Department gives aid to all those who have no medical insurance. The Department of Children's Services monitors and protects all the abused, neglected and abandoned children in the County. The Sheriff's Department acts as the law enforcement agency for all the unincorporated areas as well as many cities. And they're policing the MetroLink on top of everything else.

So—it's working great and we don't have to worry. Not so fast. The government of Los Angeles County works, more or less, most of the time, under incredibly difficult circumstances, with inadequate and uncertain financing. But it could be much more. Some restructuring to make it more democratic, efficient and responsive to the taxpayers would go a long way towards improving matters. This month we're going to be discussing the restructuring and taking consensus about what we want done. If you've never been involved in a League study, join us. Give us 90 minutes of your time on Saturday morning, October 25th. We'll start at nine and be finished by 10:30. Have a cup of coffee, listen and join the discussion. Squeeze it in between your errands. You'll be glad you did.



Proposition 13: **Twenty Five Years After**

Saturday November 15th
9:30 am – 2:30 pm, with Lunch

**Regency Room, Pickwick Gardens,
1001 Riverside Drive, Burbank, CA**

**Registration & Coffee: 9:30 am, Program begins at
10:00 am.**

Morning Panel includes:

David Janssen, Los Angeles County CAO

Susan Rice, former President, LWV California

Fred Silva, Public Policy Institute of California

Lunch Speakers:

Edmund Edelman, former Supervisor, Los Angeles County

Joel FOX, former pres., Howard Jarvis Taxpayers Assoc.

**Cost: \$30, includes morning coffee, lunch and materials for regis-
trations received by October 31st; after that date, \$35 if space
available.**

(Check here _____ if you would like vegetarian option.)

***For background information on the topic, visit our website at
<http://lacilo.ca.lwvnet.org>.***

RSVP by October 31st to:

Gwen Cochran, 427 East Walnut Ave. Burbank, 91501

Checks payable to LWV/LAC

Name(s) _____

League _____

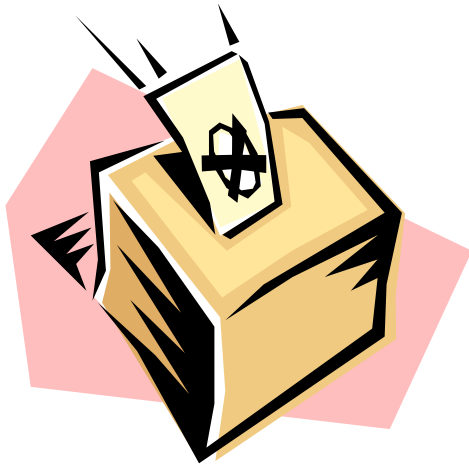
Phone _____



Voter Service Update

When it comes to VOTER SERVICE many League hands go to work in Glendale and Burbank. The following report gives an idea how our local League works to inform voters on election issues.

RECALL, RECALL, RECALL – it seems that we’ve been busy with the Recall forever although it’s only been about two months. The State League did not take a position on the Recall Election, choosing instead to focus on Voter Education efforts. Local Leagues worked with the LWVC Education Fund to educate voters about the unprecedented election.



Easy Voter Guides distributed

We distributed 3000 Easy Voter Guides throughout the Glendale/Burbank area. Many people participated: **Connie Wilson, Joylene Wagner, Nancy Kent, and Chris Carson.** **Arline Ames** became involved with a project with the faculty of Glendale Community College that took on a life of its own. We were contacted through the website with a request for materials suitable for use in the college classes. The first request expanded exponentially, with more and more faculty members asking for Voter Guides. Arline took over 1500 to the College for use in classes and the library.

Voters registered

In Burbank **Connie Wilson** and **Dorie Beaumont** registered voters at John Burroughs High School. **Chris Carson** worked at Providence High School and Monterey Continuation School. Voter Guides were also distributed. Voter Guides

and Recall information brochures were available at our Patriot Act Forum. Arline Ames handled the League phone, answering questions about the Recall. Our website also received requests for information and comments on how useful the website information was.

Compiled by Arline Ames, Connie Wilson and Chris Carson

Patriot Act Forum

AFTER ALMOST FOUR MONTHS of planning, the evening of our Patriot Act and Civil Liberties Forum arrived. Careful planning and lots of hard work culminated in an outstanding program attended by over 70 people. Speakers from the FBI, ACLU and CSULA gave lively and informative presentations followed by a spirited free flowing question and answer period. Many people stayed after the forum to talk to our speakers personally. Everyone was impressed with the dedication of the presenters and their willingness to engage in substantive discussion about this vital public policy issue. It took many people to make it all happen:



Timers: **Mary Dickson, Dionysia Rodriguez;** Question Sorters: **Georganne Thomsen, Gwen Cochran; Joylene Wagner, Barbara Paul, Nancy Kent, Tom Carson** worked the room, answering questions, assisting people and gathering the written questions. **Chris Carson** was the Moderator.

A very special thank you to **Nancy Kent** who found two of the speakers, obtained the videographer, **Ralph Cole**, and spent countless hours publicizing the event all over Glendale and Burbank. The event happened because of her dedication.

Health Care Reform

THE LEAGUE OF WOMEN Voters of California supported two significant health care reform bills during the 2003 Legislative session. SB 921 (Kuehl), a universal health care bill based on a single payer financing system, was passed by the Senate this year and will be taken up in the Assembly in 2004.

Amendments are expected to include tax rates for employers and individuals that are being ascertained by the Franchise Tax Board. The LWV of California favors a universal health insurance plan financed through general taxes in place of individual insurance premiums and a plan that provides every California resident with access to a basic level of quality care.

SB 2 (Burton), an employer mandate to expand insurance coverage to workers, was passed by the Legislature on September 12. If the governor signs SB 2, it would be implemented in phases by January 2007 and could expand coverage to more than a million uninsured workers and dependents. This expansion of coverage builds on the current multi-payer insurance system of health care financing. The LWV of California finds this method of progression toward universal health care acceptable. However, this legislation does not address many of the problems that have contributed to the state's health care crisis.

Based on strong position support, the League expects to continue active support of SB 921 next year. If the Health Insurance Act of 2003 (SB 2) becomes law in 2004, the League will keep a watchful eye on its progress.

On a positive note, SB 2 calls for stakeholder oversight during the implementation of the act. In the ensuing years, however, the state could face insurance market pressures with unknown impact for both employers and employees who would be regulated under this act.

The first phase of the act would be implemented in 2006 and would require employers with 200 plus employees to provide individual and dependent coverage for their employees. To be eligible for coverage an employee must work for one employer

at least 100 hours per month for at least three months. The second phase to be implemented in 2007 requires employers with 50 to 199 employees to provide individual coverage to employees. Employers with 20 to 49 employees would be required to provide individual coverage if tax credits to offset their cost of providing employee coverage are enacted prior to 2007.

The act would create the State Health Purchasing Program that would be managed by the Managed Risk Medical Insurance Board. The board would administer the program and determine the amount of the annual fees to be assessed for each employer based on the number of their eligible employees and, if applicable, dependents and the cost of coverage. Collected fees would go into a purchasing pool.

The act would require the program to provide a prescription drug benefit and at least the basic level of health care coverage required by the Knox-Keene Health Care Services Plan of 1974. Knox-Keene does not require coverage for mental health, dental or vision care or prescription drug benefits.

Employers who provide proof of existing health care coverage for their employees and, if applicable, dependents would be entitled to a credit and would have their fee waived. Employers who do not provide health care coverage would be required either to self-insure, purchase insurance coverage or pay a minimum of 80 percent of the fee assessed by the board to provide coverage. They would be allowed to shift a share of the total fee up to a maximum of 20 percent to their covered employees and would be required to collect the share through payroll deductions.

The board would establish the required deductibles, coinsurance or co-payment levels for specific benefits, including total out-of-pocket cost for eligible employees and dependents. The act would limit cost shifting by employers to a maximum of five percent of annual earnings for families and individuals with earnings of less than 200 percent of the federal poverty level. Contingent on federal financial participation, cost assistance programs

Health Care continued on page 5

Health Care Reform

Continued from page 4

would be developed for Medi-Cal and Healthy Families recipients. The board would be required to negotiate contracts with health care service plans and health insurers and to cover total program cost through fees and out of pocket expenses. Employees who would not be eligible for relief through a cap on earnings would have little recourse but to pay their required cost share and out of pocket costs as long as they remain with an employer who opted to provide coverage through the program. How would market pressures affect the future of this mandated employer insurance program and what could be called a mandated employee insurance program as well?

The board would be required to develop and utilize appropriate cost containment measures to maximize the cost-effectiveness of health coverage offered through the program. Health care service plans, health insurers, and providers would be encouraged to find ways to deliver cost-effective health care that is responsive to the needs of enrollees. AB 1528 (Cohn), a companion bill to SB 2, has been passed by the Legislature and would establish a commission to examine and address specified health care issues.

The commission would be required to issue a report to the Legislature and the Governor by January 2005 that would make recommendations for quality improvement and cost containment.

The board would be required to pay the state share of financial participation for the cost of Medi-Cal and Healthy Families enrollees covered under the program. This share would be matched by federal funds and could save the state budget an estimated \$620-900 million.

Approximately four million of the state's uninsured would not receive coverage under this act. Ninety-five percent of California businesses are exempt from the act. The largest number of California employers have 19 or less employees. The bill also excludes the growing number of self-employed individuals. With projections of ongoing annual double digit premium increases and state budget deficits, what are the prospects for future legisla-

tion to increase employer based coverage for the uninsured not covered by this act?

The trend of double digit increases in health care premiums is an industry wild card. Larger purchasing pools have greater negotiating clout and obtain lower premiums than smaller pools or individuals. CALPERS is one of the top three largest pools in the United States, and they now are reeling from the effects of premium increases that they have had little choice but to accept. How will increasing premiums affect the much smaller pool created by this act?

Another wild card trend is employer cost shifting. The employee share has jumped from the 15 percent of past years to 25-35 percent and is projected to increase to 50 percent in the near future. How will this affect the employers who already offer coverage to their employees outside of the program? Will they choose to shift more of their costs for health coverage to their employees? Will they decide to opt out of the private market and opt in to pay a fee to the program?

And, how will the act affect the future of SB 921, a bill which could result in universal coverage, richer benefits than most plans now offer including prescription drugs, effective cost controls, lower cost to individuals and employers through health care taxes which many think would be fairer for everyone and less than most are now paying for premiums and out-of-pocket costs, and savings in the billions of dollars for the state?

Some advocates have suggested that if more employers do opt into the program's purchasing pool, they also would be more inclined to support SB 921. This bill calls for all health care dollars to be in one large single payer pool that would pay for everyone's health care at an affordable cost.

For certain, the debate on these issues will continue. The League's role will be to do what it does the best: educate, educate and educate.

Barbara Storey
LWVC Program Director, Health Care (off board)



What About Tax Expenditures?

Tax expenditures were instigated as a special tax treatment to achieve particular social purposes. They may serve worthy goals and in California currently include the deduction for mortgage interest expense, sales tax exemption for food, bank and corporation tax exemptions for employer contributions to health plans, and rate reductions for small corporations.

A tax expenditure is defined as a revenue loss which occurs because of deductions, credits, exclusions and preferential rates in a tax code. Tax expenditures shrink the tax base, and several other aspects of tax expenditures are also problematic to the budget process.

Tax expenditures are enacted with a simple majority vote of the legislature. To repeal a tax expenditure, however, requires a two-thirds majority vote, in that repeal is considered a tax increase. Rarely is a tax expenditure put in place with a sunset clause; with little review no one really knows if the expenditure's desired effects are being reached.

Money not collected is not a part of the budget, so once in place, tax expenditures no longer appear as part of any budget document—they are “off budget.” Yet, they account for more than \$20 billion in taxes not collected.

The November 2004 ballot may have an initiative measure known as the *Corporate Tax Accountability Act* that will address some of the more egregious components of California's tax expenditure practices.



State and Local Finance Quiz

- T F** 1. Personal income tax accounts for half of the money raised by the state.
- T F** 2. A regressive tax affects low-income families more than those with higher incomes.
- T F** 3. CalWORKs (California Work Opportunity and Responsibility to Kids) payments are about 25 percent of the state budget.
- T F** 4. The Home Mortgage Interest Deduction is a tax subsidy.
- T F** 5. The state shares the cost of child welfare programs equally with counties.
- T F** 6. Kindergarten-12 education funding from the state grows every year.
- T F** 7. If California mandates a program, it pays for it.
- T F** 8. Fees for services have traditionally been a way for local government to raise revenue.
- T F** 9. Revenue the state can spend comes from bonds, federal aid, state taxes and state fees.
10. The three most important services for state and local budgets to finance are:
- a)
 - b)
 - c)

1. False. Sales tax, fees, bank and corporation taxes and others account for about 60% of the total budget. 2. True. When everyone pays the same percentage or dollar amount in taxes, it widens the gap between high and low-income earners. 3. False. Less than 10% of the budget goes to CalWORKs. 4. True. This tax deduction costs the state about \$3 billion each year. 5. False. The state pays about 70% of the non-federal dollars for child welfare services. 6. True or False! The dollar amount grows due to enrollment growth, but the dollar per student amount may decrease in some years. 7. False. 8. True. However, fees are becoming an ever increasing way to fund programs. 9. True. Federal aid is about 30% of the budget, bond sales about 5% and state taxes and fees account for the rest of the state budget. 10. It's tough to list just three things, isn't it? The governor and legislature have the same problem: there are many needs but a limited amount of money.



CIVIL LIBERTIES ARE CORNERSTONE OF AMERICAN VALUES

Statement by Kay J. Maxwell, President, League of Women Voters of the United States

WASHINGTON, DC - Yesterday, the President proposed an expansion of the USA Patriot Act's law enforcement powers. This expansion of power would significantly undermine the fundamental liberties guaranteed to all citizens in the Constitution. The League of Women Voters calls on Congress to reject the Administration's attempt to limit Americans' freedoms.

We are deeply concerned with the Administration's plan, which would allow subpoenas to be issued without obtaining approval from judges or grand juries, and make it legal to hold suspects without bail.

It is up to Congress to keep close watch over the Patriot Act's implementation and continue to address instances where citizens' freedoms have been abused.

On this second anniversary of September 11, 2001, the League memorializes those who lost their lives in the attacks two years ago. We must stand together to protect and strengthen the American way of life and our democratic system of good government that our adversaries would so like to destroy.

We call on the Administration and Congress to protect our homeland through means that protect our civil liberties, rather than chipping away at the basic values for which America stands.

League Lingo

COALITION - An action coalition is usually a temporary alliance (for the duration of a campaign) that brings together organizations for joint action toward a limited and well-defined goal. A coalition has a formal structure and established guidelines; member organizations are committed to action in the name of the coalition. In addition, organizations may form a voter service coalition or an information coalition to develop and exchange ideas and materials on their common goal.

CONCURRENCE - Substantial member agreement preferably reached through group discussion based on information presented by a study committee or through other methods of member response. Members are asked to concur, or agree with, a statement rather than to answer a question as with consensus. A concurrence statement may be a position held by another League or a decision statement recommended by a League board or study committee. The statement must be approved or rejected as written.

CONSENSUS - Substantial member agreement preferably reached through group discussion. Consensus is the sense of the group rather than a majority opinion. Discussion is based on information prepared by a study committee and is guided by consensus questions.

CONSENSUS QUESTIONS - Specific questions prepared by a study committee to stimulate interaction, focus discussion and facilitate conclusions by the group. Questions vary in style from open-ended to multiple choice. Questions are approved by the appropriate League board.

CONVENTION - A biennial meeting held by LWVC, LWVUS at which delegates make decisions affecting League goals and operations. The LWV of Los Angeles County holds an annual convention. The convention elects officers, amends bylaws, adopts a budget, positions and studies.

Membership Application

It is easy to join the League of Women Voters of Glendale/Burbank. All citizens of voting age are welcome.

YES! I want to add my voice to yours by joining the League of Women Voters as part of your voice for citizens and force for change. I enclose: (please check one or more of the following)

- \$50.00 for a one-year individual membership (includes a copy of our VOTER, nine times per year)
- \$70.00 for a one-year household membership for two members who share the same address (includes a copy of our VOTER, nine times per year)
- I am unable to join League at this time, but enclose a contribution of \$ _____

Name/Names _____

Address _____

City, State, Zip _____

Telephone _____

- I would like to receive my VOTER by email. My email address is _____

Make check payable to League of Women Voters. Mail to Vera Naylor, 7714 Via Capri, Burbank CA 91504.

Gifts made payable to "LWV Education Fund" are tax deductible.

Coming Attraction

We've got a Four Star
program for you in
November.



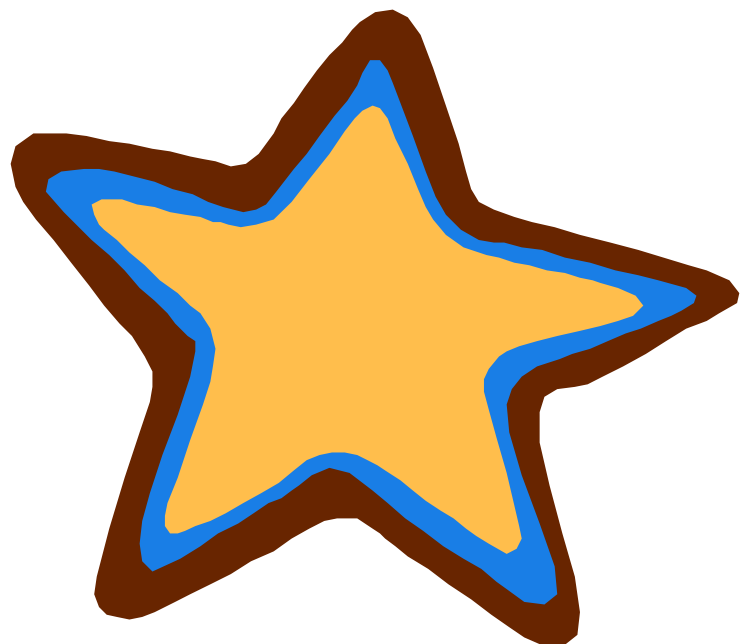
A program and lunch at Pickwick

Gardens with outstanding speakers talking about

“the” topic: Proposition 13. A morning panel of experts

will update us on the impact of Prop. 13 on state, county and local government. Then at lunch Supervisor Ed Edelman and Joel Fox will debate the impact of Proposition 13.

What else could you ask for, other than fireworks? Read the flyer on page 2 for details and make your reservations today. **You won't want to miss this one!**





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The League of Women Voters

is a nonpartisan organization open to citizens—women and men—of voting age. The purpose of the League is to promote political responsibility through informed participation of citizens in government, and to act on selected issues.



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League web sites:
LWV Glendale/Burbank
<http://www.gb.ca.lwvnet.org>

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