

# DISTRICT 5 NEWS

NOVEMBER 2003

Greetings-

District 5 News is a newsletter designed to keep the residents of Alameda County Fifth District informed about local, state, and federal issues. The federal government's facing a ½ trillion dollar budget deficit, and the state government and the county government are also facing deficits therefore it is especially important for people to stay informed about important legislative issues that effect our communities in our attempt to build a stronger network of neighborhood support based services. We hope the District 5 News is a useful and engaging source of information about the issues that concern you the most.

## **FEDERAL GOVERNMENT/ LEGISLATIVE UPDATES**

### **Financial Privacy Act**

The Financial Institution Privacy Protection Act of 2003 is a bill which was passed by the Senate that requires all financial institutions to design, implement and maintain safeguards to protect customer information. This Bill is now before the House. This Bill reflects the interest of the over 40 million Americans who signed the national "Do not Call Registry" which took affect in October.

The original bill, The Financial Modernization Act of 1999, has been amended to provide for enhanced protection of nonpublic personal information, including health information and provisions to protect consumers' personal financial information held by financial institutions.

These regulations apply to "financial institutions," including banks, securities firms, and insurance companies. The bill also pertains to companies providing lending, brokering or servicing any type of consumer loan, transferring or safeguarding money, preparing individual tax returns, providing residential real estate settlement services, collecting consumer debts and an array of other activities. The legislation also applies to companies, whether or not they are financial institutions, which receive such information.

### ***Bush Signs Record \$87 Billion addition dollars for War in Iraq***

Despite polls showing most Americans opposed the White House's \$87 billion request, President George W. Bush signed a law on Nov. 6 that will provide \$87.5 billion to try to turn around the Iraq occupation after months of bloodshed.

The \$87 billion emergency package brings the cost of the War to the United States this year to \$166 billion. This requests adds to the record federal budget deficit of more than \$525 billion this fiscal year, a level that worries some White House economists. It has been predicted that American forces may have to be in Iraq in some capacity for eight years.

Critics say the biggest benefactors would be major construction companies and defense contractors, some of which have close ties to Bush and his Vice President, Dick Cheney. During the passage of the funding package debates in Congress, A number of Democrats took the floor to argue against the request, charging it gave Bush a "blank check" to spend

billions of dollars in a country without a government, lack of international support and no exit plan.

## **CALIFORNIA**

### ***Impact of the Recall***

Local advocates for low-income people are concerned that Governor-elect Arnold Schwarzenegger's administration will target social service spending, including health care, as part of efforts to balance the state budget. The state faces a budget deficit for next fiscal year of \$8 billion to \$10 billion, a figure that could rise to \$20 billion if courts rule that California cannot borrow money to balance this fiscal year's budget. Schwarzenegger has commissioned Donna Arduin, who currently serves as Budget Director for Florida Gov. Jeb Bush to identify spending reduction strategies to balance the budget while preventing reductions to spending for education services. However some were critical of the financial auditor's work in Florida, "Donna Arduin and the Republican Governor she represents have cut the budget to the bone, if not into it," said Florida state Rep. Doug Wiles, a Democrat. "Services are being starved." While Arnold has made claims to eliminate the \$4 billion vehicle license fee program and refrain from raising taxes advocates for low-income residents say this will leave room only for spending reductions for health care and social services programs.

Lois Wolk (D-Davis), The Assembly Committee on Human Services Chair, said she expects Republican and Democratic legislators to oppose such plans given their reluctance to make such cuts earlier this year in negotiations for the FY 2003-2004 budget. However, a spokesperson for Schwarzenegger's transition team quotes in the Sacramento Bee said it is "far from certain that social services and health programs are in for inordinate cuts," adding, "It is extremely premature" to make such predictions."

## **ALAMEDA COUNTY**

### ***Pressing Budget Issues***

The 50 States facing a total \$198 billion deficit, the State of California will begin 2004 with a rollover of \$8.9 billion from 2003's budget. It is unheard of for the state not to balance the yearly budget.

Local government including Alameda County receives 50% of their operating budget from federal and state finances. Thus local governments ability to deliver services is tied directly to the federal and the state budget; both also establish laws (mandates) by which local governments must follow to receive reimbursements, from the state and federal government for services provided.

To date the federal and state mandated services are clearly under funded. The increase need for services are rising throughout the County with unemployment at the highest level since Dwight D. Eisenhower's Administration. The cost of living, housing, transportation, food, and clothing are also the highest in 20 years.

## **Health Insurance Bill SB2**

SB 2 is a bill that Gov. Davis recently signed into law that would require businesses with 50 or more employees to offer health insurance or pay into the state fund that would provide insurance coverage. The bill, passed in September by the Legislature, would limit employee premium contributions to 20% and would require employers with 200 or more employees to provide health coverage to workers and their dependents by 2006.

The bill could cost between \$1.5 billion and \$6 billion but proponents say the bill would improve uninsured people's lives, relieve crowding in emergency rooms, improve the state's business climate, and keep employees healthy which is good for business. However, opponents say the bill could force businesses that cannot afford coverage for their employees to shut down or lay off workers. Opponents, many who are employers, say that the recently-enacted mandate will expand health coverage to one million state residents; but they "resent being forced by the state to foot the bill," according to the *Economist*.

Governor Elect Arnold Schwarzenegger, said he opposes the bill. A spokeswoman for Arnold said, "He recognizes there are a number of Californians who do not have health insurance and wants to close the gap," but thinks a new mandate on business is not the way to do it. Opponents have said they'll challenge it in court, saying that SB2 violates the 1974 Employee Retirement Income Security Act, a federal law that restricts what sort of benefits states can order employers to provide.

### **UPCOMING COUNTY EVENTS:**

**Alameda County Youth Leadership Forum 2003** will take place this year from November to March for junior and senior high school students to be involved in political and community leadership.

**Barbara Lee's Presidential Forums:** Dec. 11 Rev. Al Sharpton, Allen Temple Church 8501 International Blvd. Oakland, 7:00pm, Call (510) 663-1207

### **COMMUNITY CORNER**

#### ***Eastside Arts Alliance***

Committed to youth empowerment and community organizing the Eastside Arts Alliance in the San Antonio/ Fruitvale district is part of the Lower San Antonio Collaborative that works together to improve local schools, advocate for affordable housing and bring economic development to the community. The Eastside Arts Alliance is hosting a series of powerful monthly town hall meetings addressing community concerns with the rise in violence and incarceration, immigration issues, education and other social issues.

The next Town Hall focusing on Immigration Rights / Deportation Issues will be held on Friday December 5<sup>th</sup> from 6-8 p.m., at the Eastside Arts Alliance, 2595B International Blvd. The event, which will include refreshments and cultural performances, is free. Call Elena Serrano at ESAA: (510) 533-6629 for more info.

## **Inter-City Services, Inc.**

At a time when the unemployment rate is the highest in years the Inter-City Services is working over time to provide services for underemployed residents which include; vocational training, GED/ABE, computer training, repair skills, and the new phlebotomy certification program in which students learn how to draw blood. This hardworking non-profit community based organization assists clients who successfully complete their training with job placement assistance. Classes are free to clients who qualify. Inter-City Services is located in Berkeley on 3269 Adeline St. For more info call, 510-655-3552

Contact us with your feedback.

Alameda County Supervisor Keith Carson, 5<sup>th</sup> District  
1221 Oak Street, Suite 536  
Oakland, CA 94612  
Phone: (510) 272-6695  
Fax: (510) 271-5151  
Email: [district5@acgov.org](mailto:district5@acgov.org)