



The Retiree **ADVOCATE**

a Publication of

PUGET SOUND ALLIANCE FOR RETIRED AMERICANS

Vol XXVIII, No 1



January 2012

Revolutionary spirit of
Dr. Martin Luther King, Jr.

-- See page 4

Will the legislature raise new revenue?

By Jeff Johnson

As 2011 draws to a close, the effects of what is a really a second "Great Depression" continue to ravage the Washington State economy, our public budgets, our critical social services, and our safety net. Unfortunately the legislature was able to do little in December to help.



Jeff Johnson

On December 14, after sending the Governor an administrative savings bill that reduces the \$2 billion budget deficit by 24 percent, the legislature adjourned. While many expected more from the Special Session because of pressure from advocacy groups and from the occupy movement, both in Olympia and in legislative districts, no new revenues were raised and no jobs bills were passed. The real showdown over jobs, revenue and services will confront us in January.

In November, Governor Gregoire put out a set of austerity options to cut \$2 billion from the budget. Then just before the start of the Special Session she announced a willingness to support a temporary one-half cent sales tax increase.

Dear Member:

Please check the address label on the back page of your Retiree Advocate. See the date on the label? **When that date is printed in red**, it's time to renew your membership. Your prompt renewal saves us the cost of mailing reminder letters.

Thank you!

Socialism for the rich: The Fed's secret bailout of the world's banks

By Mike Andrew

If you were outraged by the \$800 billion TARP bailout of US banks and investment houses, hold on to your hat – you ain't seen nothin' yet!

A GAO (General Accounting Office) audit of the Federal Reserve has revealed that between 2007 and 2010 the Fed bailed out US and foreign banks to the tune of \$16 trillion. Some independent estimates put the total as high as \$29 trillion.

The money was handed out at near zero interest, and some of it has reportedly been loaned back to the US government. In other words, the Fed not only "saved" the world's biggest banks, but also created an opportunity for them to make money at the expense of US taxpayers.

According to Sen. Bernie Sanders (I-VT) "This is a clear case of socialism for the rich and rugged, you're-on-your-own individualism for everyone else."

To put this huge sum into perspective, remember that the gross domestic product (GDP) of the United States is only \$14.12 trillion. The entire national debt of the United States government spanning the whole of its 223-year history is only \$14.5 trillion.

The budget that is being publicly debated with so much sound and fury in Congress only amounts to \$3.5 trillion, yet the bailouts authorized by the Fed were never publicly debated by anyone in any venue.

Continued on page 3



Mike Andrew

But no path to resolution was worked out between the Governor's office and the House and Senate.

The legislature can now do three things to increase revenue and create jobs.

First, a joint Senate and House proposal for an infrastructure bonding proposal could be passed with a 60% vote in the legislature. The House and the Senate differ in magnitude of the proposed bond offering and types of projects it would fund. But the common goal is to dedicate a portion of a capital revenue stream from which to bond in order to build or repair our infrastructure and at the same time help lift us out of this depressed economy.

With \$2 billion in infrastructure bonding we could create 15,000 construction jobs in storm water clean-up

projects, energy retrofits, repair of bridges and state park infrastructures, etc.; create another 15,000 induced jobs in other sectors; and generate \$30 million in sales taxes for our operating budget.

Thirty thousand jobs would lower our overall unemployment by more than 10 percent and our unemployment rate by 1%. Now this is something to write home about. At this writing the House is considering about \$1.8 billion and the Senate somewhere between \$850 million and \$1 billion in infrastructure bonds. We encourage both houses to consider \$2 billion.

Second, the legislature can securitize a small portion of operating funds through a simple majority vote (though there is still a legal question over whether it requires a 50% or 60% vote)

Continued on page 3

For up-to-date information about PSARA and issues important to all of us, go to the PSARA web site: **www.psara.org** Read the Advocate on line, post your comments on our blog, engage in discussions with other PSARA members or visit PSARA on Facebook.

Need to reach us?

Here's a directory of Puget Sound Alliance for Retired Americans email addresses:

PSARA or its President,

Robby Stern: president@psara.org

Administrative Vice President,

Maureen Bo: adminvp@psara.org

Community VP and Outreach Committee Chair,

Bette Reed: outreachvp@psara.org

Treasurer, **Edyth Koch: treasurer@psara.org**

Government Affairs Committee Chair,

Chuck Richards: legaffairs@psara.org

Retiree Advocate Editor,

Will Parry: pscsc@qwestoffice.net

Our web page: **www.psara.org**

Web Master, **Reed Wacker: info@psara.org**

Or phone our office at (206) 448-9646.

If necessary, leave a message and your phone number. We'll call you back.

The Retiree ADVOCATE

Published monthly by the Puget Sound Alliance for Retired Americans, 2800 First Ave., #262, Seattle, Washington, 98121. Phone (206) 448-9646.

PSARA is affiliated with the Alliance for Retired Americans and the Senior Citizens' Lobby.

President: Robby Stern

Administrative Vice-President: Maureen Bo

Community Vice President: Bette Reed

Treasurer: Edie Koch

Secretary: Frieda Takamura

Board Members: Mary Anderson, Tim Burns, Rick Erickson, Jim Grayson, Steve Kofahl, Frank Irigon, Vivian Lee, Susan Levy, Gene Lux, Tom Lux, Mark McDermott, Mac McIntosh, Anita Nath, Bonny Oborn, Will Parry, Chuck Richards, Magdeleno Rose-Avila and Michael Warren.

Editor, Retiree Advocate: Will Parry,

Associate Editor: Mike Andrew

Editor Emeritus: Max Roffman

Layout and Printing: Trade Printery

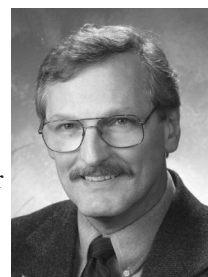
We welcome three to the Board!

The following three new members were elected to the Executive Board at the December meeting of the Board:

Susan Levy is a retired professor of economics and labor relations at Shoreline Community College and former president of AFT Washington. She currently serves as vice president of the Retiree Chapter of AFT WA and as their representative to the Social Security Works WA Coalition.



Susan Levy



Tom Lux

Tom Lux, a 35-year member of the Machinists Union, was on the union staff for eight

years. He currently serves as a member of the Aerospace Joint Apprenticeship Committee. He is on the visiting committee of the Harry Bridges Chair at the U.W. and is the WA state vice president of the Pacific Northwest Labor History Association.



Mark McDermott

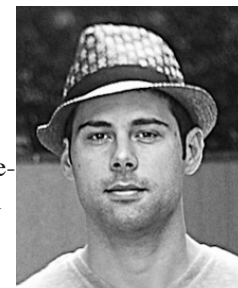
Mark McDermott is a 40-year activist in labor, anti-poverty, economic justice, immigrant rights and faith-based social justice movements. He currently serves on the board of One America and on the Advisory Committee of the Faith Action Network. He is doing popular justice education with a number of unions and community-based organizations.

Reed Wacker, our new webmaster

Reed Wacker, a recent graduate of the Web Design program at Seattle Central Community College and a 1998 graduate of Seattle's Roosevelt High, becomes PSARA's new webmaster this month.

Lorraine Pozzi, who brought us into the 21st Century by creating PSARA's excellent web page, has requested to be relieved of her duties. She has been a stalwart volunteer, whose skills and insights have been a superb resource for our organization.

"Reed brings skill, enthusiasm and commitment to this important assignment," PSARA President Robby Stern said. "He is creating a new web page design, which will be posted in March. Until then, our web page will continue in its present form."



Reed Wacker

New target for growth in 2012

Happy New Year! We wish for all our members good health – and an abundance of political activity throughout Election Year 2012!

If you were with us for our Membership Meeting and Holiday Party, you know that we set for ourselves an ambitious goal for growth in 2012. *Two hundred and seventy-five new members* – a significant step up from the 250 we added in 2011. Ambitious – but achievable.

As you read each new issue of *The Retiree Advocate*, make a mental note of the articles your friends and political associates will find stimulating. Then stick the newsletter in your purse or pocket. Keep it with you all month long!

Use *The Retiree Advocate* as a conversation opener – then invite your new friend to join PSARA, the activist, leading-edge organization for retirees – and for all who hope to retire.

On to 275 new members! On to a people's victory in November!

The Fed's secret bailout of the world's banks

Continued from page 1

Some of the Fed's transactions were already known – the so-called “Maiden Lane Transactions” whereby the Fed created a new financial vehicle to purchase the assets of Bear Stearns and AIG, for example.

Many of the Fed's deals remained secret, however, until the first-ever GAO audit was completed in December.

Since the global financial crisis began in 2007, Fed Chairman Ben Bernanke has worked overtime to save Wall Street's biggest banks while concealing his actions from Congress behind an alphabet soup of special facilities designed to transfer funds to Wall Street.

It literally took an act of Congress to get Bernanke to release information detailing the Fed's actions. Progressive Democrat Alan Grayson (D-FL) joined with Libertarian Republican Ron Paul (R-TX) to amend the Dodd-Frank Wall Street Reform Act to require an audit of the Federal Reserve.

Bloomberg News also filed a

Freedom of Information Act lawsuit to acquire documentation of the Fed's lending.

Based on those documents, economics professor and Bloomberg contributor Randall Wray estimated that even the GAO's \$16 trillion figure is far too low. According to Wray, the real amount distributed by the Fed is closer to \$29 trillion.

As you might expect, the biggest US banks and investment houses took away the biggest haul, with Citigroup, Morgan Stanley, Merrill Lynch (now a division of Bank of America), and Bank of America leading the pack.

However, British, Swiss, German, French, Belgian, and South Korean banks also got a piece of the action. Besides the sheer volume of money the Fed handed out, the GAO report also revealed that the Fed helped many financial institutions to make money off the bailout.

According to the GAO report, the Fed outsourced most of its emergency lending programs to private contractors, many of which were also getting extremely low-interest secret loans.

The Fed outsourced virtually all the operations of their emergency lending

As you might expect, the biggest US banks and investment houses took away the biggest haul, with Citigroup, Morgan Stanley, Merrill Lynch, and Bank of America leading the pack.

programs to huge financial corporations like JP Morgan Chase, Morgan Stanley, and Wells Fargo, while giving the same firms trillions of dollars in loans at near zero interest rates.

“Many Americans are struggling to understand why banks deserve such preferential treatment while millions of homeowners are being denied assistance and are at increasing risk of foreclosure,” Rep. Elijah Cummings (D-MD), the ranking member of the House Oversight and Government Reform Committee, said in a letter to Bloomberg News.

Will the legislature raise new revenue?

Continued from page 1

allowing the legislature to borrow money to pay for healthcare services and jobs now. This would be bridge financing until Washington receives the federal dollars from the implementation of The Affordable Care Act in 2014.

Third and finally, the legislature needs to raise new revenue. During the past three years \$15 billion in budget deficits has been closed through \$10 billion in service cuts and jobs cuts and approximately \$5 billion in federal stimulus money. Now it's time to raise revenue. Although the legislature could raise revenue by creating new taxes, raising existing tax rates, or by closing tax loopholes, it is unlikely that they will be able to meet the supermajority require-

ment imposed by I-1053. With supermajorities, politics and ideology trump good policies.

So the question is: *Will the legislature put a comprehensive revenue package out to the public for a spring vote?* A comprehensive package could close tax loopholes benefiting banks and corporations that have not paid their fair share over the years, create a wealth tax on our state's highest income residents, create a state capital gains tax, and fund a working families tax rebate, returning a large portion of sales tax payments to workers in low-income employment. Any of these ways of raising or adjusting revenue would address both the grievances and the needs of the 99%.

The Governor and many senators

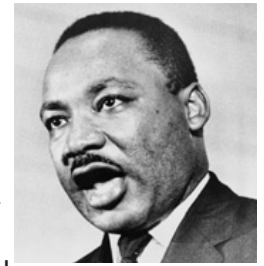
are talking about raising the sales tax by ½ cent over the next three years. This is the simplest and quickest way to raise revenue. But since it is primarily the working class that will have to foot the bill, will the people vote for it?

Finally we need to watch out for any trades the Governor and legislative leadership are willing to make to send a revenue package of any sort to the people for a vote. Demonizing state employees, privatizing government functions, and attacking collective bargaining rights are all shortsighted and unacceptable.

The 2012 legislative session and political season will test the mettle of the 99%.

Jeff Johnson is president of the Washington State Labor Council, AFL-CIO, and a member of PSARA.

Recapturing the revolutionary spirit of Martin Luther King, Jr.



By Larry Gossett

This year will mark the thirtieth year the MLK Jr. Celebration Committee has organized a broad based, grassroots community salute to the legacy of the Reverend Dr. Martin Luther King Jr. in the greater Seattle area. We are involving hundreds of people from the Black, Latino, Native American, Asian, Pacific Islander, labor, faith based, environmental and progressive white neighborhoods located in every part of the Puget Sound Region.

In order to celebrate and focus most accurately on what Dr. King was fighting for in the last three years of his life, our committee has selected the theme "Recapturing Martin Luther King's Revolutionary Spirit!"

During the years 1966-68, Dr. King significantly expanded his dream for America. He was organizing a Poor People's March with the aim of closing down the United States Congress until legislation was passed to eliminate poverty in our nation. He spoke out uncompromisingly against the war in Vietnam. And he was brutally murdered standing up for sanitation workers in Memphis.

Dr. King was killed because he was advocating for a

radical political and economic democracy in our country.

We will highlight this more truthful reflection of Dr. King's legacy as we mobilize thousands of people to celebrate Dr. King's birthday at Garfield High School on Monday, January 16th, 2012. Check out the website at www.mlkseattle.org.

As usual we have organized a great array of workshops, covering such topics as "Mass Incarceration in a Color Blind Society", "How to Redistribute Wealth in a Corporate Economy," "Closing the Achievement Gap in the Public Schools," and many more. These workshops will take place from 9:30 a.m. until 11:00 a.m. in classrooms inside Garfield school. At 11:00 a.m., we will host a community rally inside the Garfield gymnasium. At 12:30 p.m., we will begin our annual march from Garfield to the Federal Building on 2nd and Madison.

Please join us.

Larry Gossett is a member of the Martin Luther King County Labor Council, chair of the MLK Jr. Celebration Committee, and a member of PSARA.

Ryan-Wyden scheme would wreck Medicare

By Rich Trumka
President, AFL-CIO

The Ryan-Wyden proposal cripples Medicare in order to give the Republican Party a political boost and to earn Senator Wyden praise from powerful people who care more about the appearance of bipartisanship and insurance industry profits than the health of America's seniors.

The basic idea is to have private for-profit insurance companies compete with traditional Medicare. But we already know this does not work since Medicare is more cost-effective than private plans and for-profit insurance companies "compete" by cherry-picking healthier patients and making it harder for their sicker patients to get the care they need.

This zombie idea has already been tried and has already failed. We tried it before with Medicare Advantage, which failed to reduce costs or deliver quality care. Medicare Advantage's costs were

13 percent higher than traditional Medicare.

Rep. Ryan spent 2011 on the defensive, defending his politically deadly proposal to replace traditional Medicare with vouchers for private insurance. The Congressional Budget Office already found that plan would increase overall health care costs by \$34 trillion over 75 years and increase out-of-pocket costs by \$6,000 per senior per year.

Ryan-Wyden is not about cost containment, and even its authors admit that vouchers would not be more cost-effective than traditional Medicare. So as a fallback they propose a budget cap, but they neglect to provide the necessary details about how their failsafe mechanism would work or who would pay the price for failure.

The Ryan-Wyden plan betrays a fundamental misdiagnosis of the problem of health care cost growth. We agree that if America fails to bring health care cost

growth under control, health care costs will eventually bankrupt families, private businesses, state governments, and the federal government. But Medicare, which is more cost-effective than private insurance, is not the problem, it is the solution to runaway health care costs.

It is the height of irony that the Ryan-Wyden plan destabilizes the most effective tool we have to control health care cost growth, which is Medicare. Under Ryan-Wyden, private for-profit insurance companies will cherry pick the healthiest seniors and stick Medicare with sicker and more costly seniors, driving up costs for Medicare, fragmenting and destabilizing the Medicare risk pool, and leaving traditional Medicare to wither on the vine.

In the end, the answer to the problem of health care cost growth is for more people to use Medicare, not fewer. The Ryan-Wyden zombie proposal takes us in exactly the wrong direction.

Say NO to Social Security office closure!

By Steve Kofahl

PSARA will participate in a community meeting to oppose the neighborhood Social Security field office closures being planned by the Social Security Administration (SSA).

At 1:30 p.m. Friday, January 13, we will gather at the Chinatown/International District Community Center at 719 8th Avenue in Seattle, to demonstrate our opposition to SSA's harsh, bureaucratic decision to close its long-established International District and Belltown community field offices, in favor of a new "Metro" office in the Jackson Federal Building.

SSA Regional Commissioner, Stanley Friendship met with community representatives December 19 to hear their concerns about his decision. Meeting with PSARA President Robby Stern; Minority Executive Directors Coalition Co-Chair Sharyne Shiu Thornton; Seattle NOW representative Thalia Syracopoulos; and Seattle Community Law Center Executive Director Alex Doolittle, Commissioner Friendship made it clear

his decision is "set in stone." The commissioner said SSA's main motive was to save money in the face of shrinking budgets..

The delegation learned that a search for space for a consolidated office was limited to Seattle's Downtown core between Yesler Street and Lake Union. Confining the search in this way excludes the International District and South Seattle, exactly the areas where an accessible neighborhood office is most acutely needed.

Friendship suggested that if they could meet the needs of 90 percent of their clients at the new location, the needs for personal service of the other 10 percent could be sacrificed.

The Agency is determined to compel Social Security beneficiaries to rely more on telephones and computers and less on person-to-person service. But many beneficiaries cannot use internet self service, and many, for language and other reasons, cannot communicate effectively by telephone.

Many poor and homeless persons

lack photo ID and can't afford to pay for it. They should not be turned away. Disabled individuals should have adequate disabled parking available. Language should not be a barrier to service.

Commissioner Friendship asserted that security would be improved at the new site. He denied that SSA's office move would be out of compliance with Department of Justice guidelines that recommend against co-location of high security (ATF, IRS, FBI) and low security (like SSA) agencies.

In fact, the new Seattle Federal Building office would not necessarily be more secure. The 1995 Murrah Building bombing in a comparable facility in Oklahoma City cost the lives of 16 SSA employees and 24 of their clients.

Populations that require face-to-face service are concentrated in central and south Seattle. To make their access more difficult, or impossible, is to deny equitable service. This is simply unacceptable.

Please call your elected representatives to register your objections. Please join us at the public meeting in the International District on January 13.

Confronting the growing need for long-term care

PSARA members are invited to participate with the broader community at the Seattle Care Congress from 11 a.m. to 2 p.m. Saturday, February 11, at the Greenwood Community Senior Center, 525 N. 85th Street in Seattle. Lunch will be provided.

Our country and region are facing a severe and growing "care gap." The number of persons needing long-term care services is expected to reach 27 million by 2050, while the current direct care workforce is only 3 million. PSARA has joined a national campaign to address this ticking time bomb. No one wants to age in an institution if it is possible to receive the necessary care in one's own home.

Today individuals and families across the country are struggling to find dependable, affordable quality care that meets the full range of their needs.

Today, nearly half the direct care

workforce earns less than 200 percent of the federal poverty level. In addition, there are neither uniform training standards nor a meaningful career ladder to provide opportunities for advancement.

Moreover, many direct care givers are immigrants who lack documentation. Without a pathway to citizenship, these care givers are pushed into the underground economy, where they live in constant fear of deportation.

The Caring Across Generations campaign is based on the principle that all members of our society deserve a dignified quality of life and dignified quality jobs. To achieve that goal, we must:

- Create sufficient jobs to meet the growing demand for direct care.
- Transform the quality of today's direct care jobs by ensuring fair wages, access to health insurance, and protection of health and safety.
- Create a rewarding career path

and linguistically and culturally relevant training programs for undocumented care workers and their families.

- Create training and certification programs that provide a path to legal status and citizenship for undocumented care workers and their families.
- Support individuals and families who hire direct care workers by providing access to Medicaid/Medicare and by creating tax credits to assist with the costs of direct care.
- Support individuals and families who are providing unpaid kin care by establishing Social Security care-giving credits, paid family leave, and childcare subsidies.

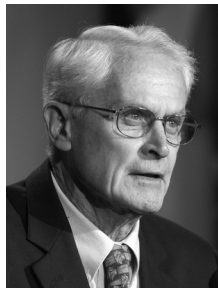
This multi-year national campaign recognizes that caring for the aging and for people with disabilities is a national responsibility. Please join us on February 11 as we launch this campaign in the Puget Sound region.

-- Robby Stern

Massey GUILTY! in Upper Big Branch tragedy

By Will Parry

The verdict is in. Massey Energy and its parent company are guilty of multiple violations of mine safety regulations that caused the horrific underground deaths of 29 miners at Massey's non-union Upper Big Branch Mine in West Virginia on April 5, 2010.



Will Parry

For these corporate murders, not a single Massey honcho faces prison. The company bought its way out of criminal prosecution and prison terms with a \$209 million settlement.

The explosion apparently occurred when a spark from the friction caused by cutting coal ignited an explosive accumulation of methane, causing a fireball. The fireball in turn ignited coal dust that had been allowed to build up. The coal dust explosion raged throughout more than two miles of mine passages. And 29 men died.

A 972-page Labor Department report confirmed that "unlawful policies and practices" were the "root cause of the tragedy." The report identified 369 violations of the federal Mine Safety and Health Act (MSHA), including twelve flagrant violations that contributed directly to the fatal explosion.

Massey even kept two sets of books – one logging safety hazards, the other, for the eyes of mine inspectors, with the hazards edited out. The company also illegally warned their supervisors of impending inspections, and created an environment of fear to prevent whistleblowers from reporting violations.

The Labor Department's findings were basically confirmed by a team of experts in coal mining, mining law and occupational safety who conducted a six-month independent study ordered by West Virginia Governor Joe Manchin.

Responsibility for the explosion "lies with the management of Massey Energy," Manchin's experts reported. "By frequently and knowingly violating the law and blatantly disregarding known safety

practices, Massey exhibited a corporate mentality that placed the drive to produce coal above worker safety."

Despite the size of the fine, the families of the men killed in the accident consider the settlement to be justice denied. They want the responsible executives tried and convicted. But weak mining laws give prosecutors a steep uphill battle to convict. And legislation to toughen the act has thus far been blocked by the coal industry's intense lobbying.

"Even though you have the biggest mine disaster in 40 years, there's been absolutely no federal legislation flowing from it," said Tony Oppgaard, a Kentucky attorney who represents miners.

"Until someone goes to jail, there will be no justice done here," said Cecil E. Roberts, president of the United Mine Workers.

The statistics are cruel: Three hundred and sixty-nine safety violations. Twenty-nine working miners hurled, choked or crushed to death in the airless dark a thousand feet down.

We need to feel, even if only vicariously, the searing anguish of the families. The report from Governor Manchin's team quotes Leo Long, an elderly retired miner testifying at a Congressional field hearing one month after the explosion. Long's grandson, 31-year-old Ronald Lee Maynor, the father of two, was one of the 29 who lost their lives.

"It just tore us apart, broke our hearts," Long said. "I cry every day and every night. I can't help it." He then pleaded with the members of the committee. "I beg you. Please do something."

Pipeline jobs are pipe dreams

The Keystone XL pipeline "will put tens of thousands of Americans to work immediately." So says House Speaker John Boehner, to thunderous applause from Big Oil. The Wall Street Journal, no friend of labor, promises 13,000 union jobs. The website of the American Petroleum Institute proclaims: "Jobs for the 99 percent!" Not to be outdone, the U.S. Chamber of Commerce foresees the creation of "more than 250,000 permanent jobs!"

The U.S. State Department sings a different tune: Its sober estimate found that at most, the project would create 6,000 temporary construction jobs, very few of which would go to local hires. Similarly, a detailed study by the Cornell University Global Labor Institute, which had no axe to grind, concluded that the project would temporarily employ between 2,500 and 4,650 construction workers.

Working with data provided by TransCanada, the company with the pipeline contract, the Cornell institute said most jobs would be temporary and non-local. Workers capable of performing sophisticated pipeline tasks would be brought in from outside the region, the Cornell study predicted.

Even Robert Jones, TransCanada's vice president for pipelines, could offer only a muted forecast of "hundreds" of permanent jobs.

The bottom line: The Cornell economists found that overall, the pipeline project would be a job killer, because it would kick down the road the infrastructure investment urgently needed to switch to clean and economical renewable energy. That's where the real jobs are: Carpenters weatherizing homes in Ohio, steelworkers building wind turbines in Indiana, tool and die makers manufacturing parts for electric cars in Michigan, etc.

Let's give the Cornell researchers the last word: "Keystone XL will not be a major source of U.S. jobs, nor will it play any substantial role at all in putting Americans back to work."

Amen. And all the wind from Speaker Boehner won't turn a single energy-producing turbine.

-- Rap Lewis

Toward national long-term care insurance

By Will Parry

The late Senator Edward Kennedy recognized the need for an insurance program that would provide services and supports for those Americans, millions in number, who become functionally disabled.

Kennedy directed his staff to work on the issue. The result was legislation that became the CLASS Act – for “Community Living Assistance Services and Supports.”

When President Obama signed the Patient Protection and Affordable Care Act into law on March 23, 2010, the CLASS program was established as a national, voluntary insurance program for the purchase of long-term services and supports.

As the name indicates, the intent of the legislation is to enable persons with disabilities to live out their lives in their own homes, or in another community setting, rather than in a nursing home.

The program would be open to any working adult who makes voluntary premium payments every month for at least five years.

Eligible adults would receive a cash benefit of no less than \$50 a day. The actual daily amount would depend on the degree of impairment or disability. The money could be used to purchase non-medical services and supports – in-home care, for example – needed to maintain residence in the community.

The program would be financed entirely by premiums paid voluntarily by those persons who elected to enroll. The law specifically prohibits any taxpayer subsidy.

Unfortunately, the voluntary nature of enrollment has sidetracked the program in its present form. Healthy individuals would be unlikely to enroll. Those who elected to pay the monthly premiums would be persons most likely to incur a major and costly long-term disability.

Either mandatory enrollment by all working adults or a substantial tax subsidy would solve the funding problem. Kathleen Sebelius, secretary of

Health and Human Services, says the law clearly gives her the authority to make the necessary changes without Congressional intervention.

Republicans are seeking repeal of the CLASS Act in pursuit of their goal of destroying the Affordable Care Act piece by piece.

Senior and disability advocates are calling on Congress to place the program on hold while workable funding mechanisms are explored. The program is urgently needed now. As the population ages, the need for the program will explode.

The White House opposes repeal. Obama’s 2012 budget seeks \$93.5 million for a vast “information and education” campaign with the goal of having 7.7 million people in the program by 2015.

More than 50 senior and disability rights groups, unions and other advocacy

organizations have sent a joint letter to House and Senate leaders calling on them not to repeal the legislation.

“We urge continued dialogue and development of a viable path forward,” the groups wrote. Their letter states that 70 percent of persons older than 65 will need long-term care services, which are not covered by Medicare.

Modest as it is, CLASS provides a framework for a universal insurance program that could protect every American against being impoverished by the costs of long-term care. It could stand alongside Social Security and Medicare as one of the nation’s hallmark social programs.

Senator Kennedy’s foresight has placed affordable, community-based long-term care on the national agenda. Clearing away the obstacles to implementation of the CLASS Act would make his vision a reality.

Bring war billions home, mayors urge

The nation’s mayors have called on President Obama and the Congress to stop squandering human lives and \$126 billion a year in Iraq and Afghanistan and “bring those war dollars home to meet vital human needs.”

Overwhelmingly approved at the annual meeting of the U.S. Conference of Mayors in Baltimore, a resolution introduced by Mayor Kitty Piercy of Eugene, Oregon, called for the billions being spent in the two wars to be used instead to “rebuild our infrastructure, aid municipal and state governments, develop a new economy based upon renewable, sustainable energy, and reduce the national debt.”

“Mayors call on our country to turn war dollars back into peace dollars, to bring our loved ones home and to focus our national resources on building security and prosperity here at home,” Mayor Piercy said. “Our children and families long for and call for real investment in the future of America. It is past due.”

Being in daily contact with the sentiments of their constituents, the nation’s mayors, as a group, are often politically in advance of their representatives at the federal level. In 1971, for example, they called for an end to the Vietnam War. And at their 2009 meeting, they unanimously endorsed the enactment of a single-payer health care system.

Speaking in support of this year’s resolution, Los Angeles Mayor Antonio Villaraigosa said “that we would build bridges in Baghdad and Kanduhar and not in Baltimore and Kansas City boggles the mind.”

Mayor Dave Norris of Charlottesville, Virginia, noted that “it is our citizens who are being asked to fund these wars with their tax dollars. And it is our communities that struggle when huge sums of money are being diverted from local priorities to military adventurism and ‘nation-building’ activities abroad.”

-- Rap Lewis

Dems win payroll tax cut as Republicans cave

By Mike Andrew

Congressional Republicans caved to political pressure and passed the two-month payroll tax cut extension favored by Democrats on December 23. Pres. Obama signed the bill into law the same day.

Very similar to the plan passed by a bipartisan 89-10 vote in the Senate on December 17, the measure Obama signed extends the 4.2% payroll tax, continues expanded unemployment benefits, and heads off a reduction in Medicare payments to doctors through February.

Without a deal, the current tax cut would have expired December 31, reducing take-home pay for 160 million workers by an average of \$1000 per year.

"This is some good news, just in the nick of time for the holidays," Obama said. "When Congress returns I urge them to keep working without drama, without delay, to reach an agreement" on extending the tax cut for all of 2012.

It was a political victory for the president and his party, but the success was tempered by the compromises built into the legislation.

The deal calls on Obama to decide within 60 days whether to approve or reject the controversial Keystone XL pipeline from Canada. The President will be under intense pressure both from the oil lobby and from the environmental community.

No one really wanted a mere two month extension. Both parties agreed that if the payroll tax was going to be cut at all, it should have been cut for the entire year of 2012.

The sticking point was the "pay-fors" – how to increase revenues and/or cut other spending to offset the estimated \$200 billion cost of a year-long payroll tax cut.

Pres. Obama proposed to cover the costs by imposing a surtax on those earning more than \$1 million annually.

Republicans wanted to use the payroll tax cut as an excuse to cut social safety net programs.

Rather than tackle this issue, the Senate voted for a two-month extension that could be paid for with relatively minor cuts around the edges of the federal budget.

Although House Speaker John Boehner (R-OH) had previously

agreed to pass the Senate compromise bill, he backed out of the deal at the last minute under pressure from Tea Party supporters in his own caucus who hoped for a showdown on budget issues.

Republicans once again found themselves in the position of defending low taxes for the rich, high taxes for working people, and cuts to programs benefiting seniors and low income workers.

Even the Wall Street Journal warned them that their position was politically untenable.

"[W]e wonder if they might end up re-electing the President before the 2012 campaign even begins in earnest," the WSJ wrote in an editorial.

In the end, the political pressure

forced House Republicans to reach a compromise.

Tea Party Republicans weren't the only ones opposing the payroll tax cut, however.

Progressive Sen. Bernie Sanders

Republicans once again found themselves in the position of defending low taxes for the rich, high taxes for working people, and cuts to programs benefiting seniors and low income workers.

(I-VT) was skeptical of using money intended to fund Social Security for tax relief, no matter how welcome it might be.

"My concern is diverting hundreds of billions of dollars from the Social Security trust fund into that immediate tax relief," Sanders said. "So I would love to see tax relief, but done in a different way."

Sanders had previously announced he would introduce a bill to "scrap the cap" – in other words, to apply the same payroll tax already paid by more than nine out of 10 Americans to those with incomes over \$250,000 a year.

This, he said, would guarantee that Social Security would remain solvent for the foreseeable future and that the tax used to pay for it would be fair.

More drilling, despite BP disaster

Ignoring the lessons of the Deepwater Horizon disaster, House Republicans are calling for a massive expansion of offshore oil-and-gas leasing, including opening the way for drilling rigs in the fragile Arctic National Wildlife Refuge (ANWR).

Rep. Steve Stivers (R-Ohio) has a plan to open areas off the Atlantic and Pacific coasts for drilling, and to lift the congressional ban on oil-and-gas leasing in most of the eastern Gulf of Mexico.

Washington State's own Rep. Doc Hastings, Fourth District Republican, has introduced legislation that would authorize drilling for oil and gas in the ANWR. Hastings chairs the House Natural Resources Committee.

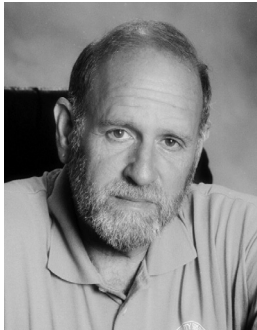
The Republicans argue that expanded energy production will create jobs, reduce U.S. reliance on foreign oil and generate revenue for improving the infrastructure. Democrats too want the infrastructure restored, but want the improvements funded by higher taxes on the wealthy.

Strengthen Social Security in 2012

By Robby Stern

At its final 2011 coalition meeting, the Social Security Works Washington Coalition adopted

priorities for protecting and strengthening Social Security in 2012. PSARA has embraced these priorities as our priorities for Social Security.



Robby Stern

Over the past year, the Coalition successfully fought efforts to weaken Social Security through the application of the chained CPI formula that would reduce the annual cost of living increases and the proposal to raise the age of eligibility. We have been unsuccessful in our efforts to stop the cutting of the pay roll deduction that is likely to be extended into 2012.

Also in 2011, the Coalition embarked on an educational campaign and particularly made efforts to reach out to young people with the goal of fighting the propaganda that Social Security will not be there for them when they are ready to retire. Besides releasing the video "Just Scrap the Cap" which has been viewed by more than 63,000 people, we held well-attended educational events at Everett Community College and University of Washington.

At the event at Everett Community College, Rep. Rick Larsen committed to supporting the elimination of the cap when it comes before the House for a vote. We now have that commitment from Rep. McDermott and Rep. Larsen, but we can and must do better.

This year, our Congressional allies introduced in the House and the Senate legislation to eliminate the cap on contributions. The 2012 elections will be very important in determining whether this goal can be achieved in the near term.

In 2012, PSARA will work with our Coalition partners to make elimination

of the cap a major election issue. We will tie scrapping the cap to the interests of the 99% rather than the 1%, pointing out that the elimination of the cap should result in much needed improvements in Social Security. These improvements include raising the benefits received by low income earners, increasing survivor benefits, restoring funding for child survivors up to age 22 to assist them in paying for higher education and expanding survivor benefits to include domestic partners.

Our local coalition is urging the national campaign, led by the Strengthen

Social Security Coalition, to adopt a similar program around the country. Social Security Works WA will also expand our educational outreach with plans presently in the works for an educational event at Highline Community College in early 2012.

We anticipate further attacks on Social Security and will be responding as necessary.

Be on the lookout for "Scrap the Cap" buttons as we work to popularize this effort. Wear them proudly and explain to people when they ask, what we are doing and why!

Home-like care? Or a nursing home?

Economic status is compelling many elderly persons in the Latino, African American and Asian communities to exhaust what resources they have and end their lives in often inferior Medicaid-supported nursing homes.

Between 1999 and 2008, the number of elderly Latinos living in U.S. nursing homes increased by 54.9 percent; Asians increased by 54.1 percent; and African Americans increased by 10.8 percent. Over the same decade, the number of white nursing home residents decreased by 10.2 percent.

Research has shown that in communities of color, nursing homes are often of lower quality and are more likely to close. In predominantly white areas, where residents have higher incomes, home-like assisted living facilities are more likely to be available.

"We know those alternatives are not equally available, accessible or affordable to everybody, certainly not to many minority elders," said Zhanlian Feng, assistant professor of community health at Brown University, who published a study on the issue.

As policymakers work to shift the emphasis in long-term care facilities from nursing homes to home and community-based services, they should address the existing racial and economic disparities, Feng said.

-Rap Lewis

To Subscribe, go to . . .

<http://www.psara.org/membership.pdf>

Meetings and Events

PSARA Government Relations Committee: 12 noon – 1:30 p.m., Tuesday, January 10, Room 226, Seattle Labor Temple, 2800 First Avenue. Help plan PSARA's participation in the 2012 legislative session. All PSARA members welcome.

Community Meeting to Fight Closure & Consolidation of Social Security Field Offices: 1:30 p.m.– 3 p.m., Friday, January 13, Chinatown/International District Community Center, 719 8th Avenue South, Seattle. Join with diverse communities as we organize to prevent the consolidation of the Seattle Social Security Field Offices into the Jackson Federal Building.

30th Anniversary Martin Luther King Jr. Celebration: Join with PSARA on Monday, January 16, at Garfield High School, 23rd Avenue at East Jefferson, Seattle. Workshops at 9:30 a.m., rally at 11 a.m. and march at 12:30 pm. The theme: **"Recapturing MLK Jr.'s Revolutionary Spirit!"**

PSARA Executive Board Meeting: 1 p.m. – 3 p.m., Thursday, January 19, Central Area Senior Center, 500 30th Avenue S., Seattle. All PSARA members are welcome.

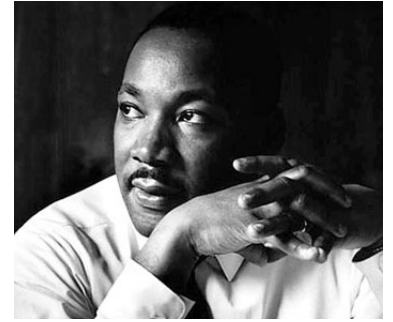
Seattle Care Congress: Join with PSARA and other allies as we launch the local version of the national Caring Across Generations campaign, from 11 a.m. to 2 p.m. Saturday, February 11, at the Greenwood Community Senior Center. Lunch will be provided.

Senior Lobby Day: 8 a.m. registration, 9 a.m. program begins, Thursday, February 23, United Churches, 110 11th Ave. SE, Olympia. Join with PSARA members and others from across the state to make our priorities known to our legislators. PSARA will be organizing car pools for our members. Please contact Chuck Richards, legaffairs@psara.org or call the PSARA at (206) 448-9646 office if you can drive or if you need a ride.

Overheard

"A riot is the language of the unheard."

--Martin Luther King, Jr.



Puget Sound Alliance for Retired Americans
2800 First Avenue, Room 262
Seattle, Washington 98121
(206) 448-9646

As we tackle...

...this newest revenue shortfall, instead of telling 6,000 elderly and disabled people to buck up and take care of their own needs, thousands of poor people to endure their dental pain, thousands of school children to learn as best they can in larger and larger classes, and thousands of workers to apply for unemployment benefits, we should first look at repealing a long list of tax breaks that have been won by the powerful in Olympia.

-- Jerry Reilly, Eldercare Alliance