



Advocacy Alert

OREGON FOOD BANK
OREGON HUNGER RELIEF TASK FORCE

December 2000
Volume 7 Issue 2



take five

(actions that take five minutes or less)

Background: The state is facing a budget crisis. Some tough decisions will need to be made to maintain a balanced budget. Human services may face severe cuts.

Action: Call the Governor and your state legislator. To find out who your legislator is, go to: <http://www.leg.state.or.us/findlegsltr/findset.htm>.

Message:

- Stable, healthy families are the foundation for a strong K-12 education.
- Maintain funding for human services as much as possible.
- Dedicate tobacco settlement money to health services, especially the Oregon Health Plan.
- Consider new sources of revenue for long-term solutions.

Legislative Yellow Pages

Governor Kitzhaber

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Federal Legislative Contacts:

Rep. Wu (District 1)

(503) 326-2901

Rep. Walden (District 2)

(541) 776-4646

Rep. Blumenauer (District 3)

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Rep. DeFazio (District 4)

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Rep. Hooley (District 5)

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Senator Smith

(503) 326-3386

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Legislative Access Line

(202) 224-3121

Most ballot measures rejected, but \$900 million state budget deficit still looms

Oregonians concerned about education and human services breathed a sigh of relief after the election. While (as of press time) we still have no declared President, we do know that voters defeated most ballot measures with large fiscal impacts. Measure 91 (eliminating the cap on deducting federal taxes), Measure 93 (requiring votes on all taxes and fees), Measure 8 (limiting state spending), and Measure 2 (voter review of administrative rules) all were given the thumbs down by voters.

Two measures, however, will expand the already large state budget deficit as we head into the next state legislative session in January 2001, and one limits our ability to deal with these short-falls.

Measure 88, the legislatively referred ballot measure to raise federal tax deductibility from \$3,000 to \$5,000 did pass and will reduce state revenue by an estimated \$130 million.

Measure 7, requiring compensation from taxpayers for lost speculative value of real estate attributed to land use regulations, could incur the highest cost of all ballot measures put before voters this November. If court challenges fail and policy makers don't get the measure back on the ballot and ensure defeat, costs will surely mount.

Measure 86 enshrined the "kicker" tax refund law into Oregon's constitution, making it nearly impossible to use income taxes collected beyond 2% of revenue projections for necessary state ser-

vices that will be cut due to the large budget deficit.

Why such a large deficit?

In addition to the costs of implementing Measures 88 and 7, and our inability to use income taxes collected beyond revenue projections (the "kicker"), the state faces other budgeting foes:

- **Inflation:** the increasing costs of doing business such as cost-of-living raises for state employees, increased costs of services and supplies, and the particularly dramatic rise in cost of prescription drugs over the last two years, which raises the cost of the Oregon Health Plan.
- **Population growth:** particularly of Oregonians with children enrolling in

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New rules mean food stamps for more Oregonians

Beginning December 1st, food stamps will be available to all Oregonians at or below 185% of the federal poverty level (up from 130%). This means that all families who receive free or reduced-price meals and all families on WIC (Women, Infants, and Children Program) will now qualify for at least \$10 worth of food stamps per month.

In addition to the income limit change, household assets such as cars, bank accounts, and other resources will no longer be counted.

Starting December 1, the new income limits are:

Family of 1: \$1287 per month

Family of 2: \$1735 per month

Family of 3: \$2181 per month

Family of 4: \$2628 per month

Family of 5: \$3076 per month

Family of 6: \$3522 per month

As in the past, a family's income will be used to figure out the amount of food stamps a household can receive. However, all people will be eligible for a minimum of \$10 per month in food stamps, regardless of their deductions.

Adult and Family Services (AFS) is making these changes based on a provision in federal law that allows

states the option of offering people a TANF-funded service, thereby making them "categorically eligible" for food stamps.

Outreach fliers are being designed to spread the word. Please help us get the message out! For more information, call Nancy Weed, Food Stamp Outreach Coordinator, at (503) 998-6194 or email at nancyjweed@aol.com. Your local AFS office will also have details, or call the Food Stamp Toll-Free Hotline at 1-800- SAFENET (723-3638).

High housing costs are a root cause of hunger

Escalating housing costs are one of the primary reasons Oregon is first in the nation for the prevalence of hunger. People do not eat well or often enough when most of their income goes to rent or mortgage.

The Department of Housing and Urban Development (HUD) has consistently defined "affordable housing" as rent or mortgage payments that consume no more than 30 percent of a family's income.

Oregon Food Bank's recent Hunger Factors Survey 2000 found that 50 percent of emergency food box recipients pay more than 47 percent of their income on housing. 30 percent of respondents pay over 70 percent of their income on housing.

We need to work together in the legislative session to make affordable housing a priority. In this strong economy, people should not have to choose between food and shelter.

The Advocacy Alert is published jointly by the Oregon Food Bank (OFB) Advocacy Department and the Oregon Hunger Relief Task Force (OHRTF).

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Budget deficit still looms *continued from page 1*

elementary and middle schools. Maintaining what the state's budget writers call "current service levels" will cost an additional \$12.15 billion over the next budget period — that's \$250 million more than the state's revenue estimates.

- **Lawsuits:** settlements against the state for developmentally disabled families who've been waiting for state services for as long as 10 years (\$45 million); overtime for state-salaried managerial employees (cost still unclear); payments to federal retirees (\$100 million).
- **Prisons:** Measure 11 and other mandates by voters require construction of more prisons and funds to employ prisoners.
- **Oregon Health Plan:** rising prescription drug costs, less people smoking (less tobacco tax revenue), and reduced federal matching funds for Medicaid.

What gets cut?

We do know that voters and policy makers on both sides of the aisle want to ensure that Oregon's K-12 public education system does not sustain any more cuts. We also know that with the passage of Measure 1, the state must adequately fund schools to meet Oregon's school reform goals or explain to the public why it can't. That puts enormous pressure on other parts of the state budget to absorb the huge deficit.

Because we have legislative mandates to fund prisons, all budget-cutting eyes are landing on the Department of Human Services (DHS), home to state programs that help Oregon's most vulner-

able citizens.

Any good news?

Voters rejected two measures (Measures 4 and 89) that would have locked up Oregon's share of tobacco settlement money with only small interest payments available each biennium. This leaves roughly \$300 million by 2002 that could be applied to health-related services (including smoking cessation and prevention, long-term care, and the Oregon Health Plan -- all cornerstones of quality health care in Oregon) and significant portions of the DHS budget. How the Governor and the Legislature will decide to use the tobacco settlement dollars remains to be seen.

What do we know, and what must we tell lawmakers?

A hungry child cannot perform in school and will not meet state education benchmarks.

A child living in a crisis-ridden, unstable home will not perform well in school and will not meet state education benchmarks.

Parents who are scrambling to keep a roof over their families' heads and maintain low-wage jobs, which probably require long hours with few benefits, will not be able to adequately nurture their children so they can perform well in school and meet state education benchmarks.

No, we must not decimate our schools, but we will make no progress if a handful of children per classroom are facing poverty, hunger, and homelessness. We must challenge lawmakers to seek solutions that do not pit education against human services and that ensure Oregon's most vulnerable citizens don't end up on the cutting room floor (see the *Take Five*).

Food stamp changes signed into law

Persistence and grassroots efforts have paid off. On October 28th, President Clinton signed legislation that enacts two key provisions of the Hunger Relief Act and a major portion of the Food Stamp Outreach and Research for Kids Act (FORK Act). These changes were included in the fiscal year 2001 Agriculture Appropriations bill during end-of-the-session budget discussions.

The **Hunger Relief Act** provisions that were passed will increase food stamp benefits to more than two million people nationwide. Starting March 1, 2001, the cap on the shelter deduction will increase to \$340 per month and will be adjusted each year for inflation. This change will provide more benefits to families who spend a very large share of their income on housing costs and therefore have less money available to purchase food.

Starting July 1, 2001, states will have the flexibility to raise the food stamp vehicle asset limit. This change allows states to use the more generous limit established by their TANF-funded assistance programs. Currently, to get food stamps, a household cannot have a car worth more than \$4,650 — an amount that has increased by only \$150 since 1977. In Oregon, the expansion of "categorical eligibility" for food stamps (see page one) will allow households to own cars and still be eligible for food stamps.

From the **FORK Act**, the appropriations bill provides \$9.5 million to expand local food stamp outreach efforts and to improve access to the Food Stamp Program at the state level.

THANK YOU to everyone who wrote or called their representatives. We did it!