



Advocacy Alert

OREGON FOOD BANK
OREGON HUNGER RELIEF TASK FORCE

July/August 2001
Volume 7 Issue 9



take five

(actions that take five minutes or less)

Action:

Call your U.S. Representative and ask him or her to contact Rep. Larry Combest, chair of the House Agriculture Committee. *See Food Stamps article on page 2.*

Message:

Please send this message to Rep. Combest:

Food stamps are important! A minimum of \$11 billion is needed for the Food Stamp Program in the Farm Bill to ensure that the program can serve people who need it, particularly working families and seniors.

Legislative Yellow Pages

State Legislative Information
1-800-332-2313 (outside Salem)
(503) 986-1000 (in Salem)

Governor Kitzhaber
(503) 378-3111

Federal Legislative Contacts
Rep. Wu (District 1)
(503) 326-2901
Rep. Walden (District 2)
(541) 776-4646
Rep. Blumenauer (District 3)
(503) 231-2300
Rep. DeFazio (District 4)
(541) 465-6732
Rep. Hooley (District 5)
(503) 588-9100
Senator Smith
(503) 326-3386
Senator Wyden
(503) 326-7525

Editor's Note: This edition of the Advocacy Alert covers July and August. We will resume our monthly schedule in September.

Summary of 2001 Oregon Legislature The victories, the mixed news, and the problems ahead

The 2001 Oregon State Legislature adjourned in the early morning of July 7th. Here's our take on the session's business.

Good news

After achieving none of their new legislative priorities in the 1999 state session, the Oregon Food Bank Network and the Oregon Hunger Relief Task Force can claim three victories from the 2001 session:

- Expansion of the Working Family Child Care Tax Credit by making it refundable. The lowest-wage working families will get some much needed tax relief starting in 2003 (HB 2716);
- Expansion of the Crop Gleaning Tax Credit to cover donations of already-harvested crops. Now farmers who donate produce they have already harvested or failed to sell at farmer's markets can also receive the tax credit (HB 2718); and
- \$100,000 appropriation for statewide food stamp outreach. This state money will be matched dollar for dollar by the federal government, for a total of \$200,000 over the next two years.

A number of human services cuts proposed in the Governor's budget were restored by the Legislature, including cuts to the Employment Related Day Care (ERDC) program (co-pays

and income levels remain the same, but children are only covered below age 12, instead of below age 13), the \$5 cut to monthly TANF cash grants, the JOBS program (including support service/job retention payments and partial restoration of JOBS Plus), and senior programs, including Oregon Project Independence and nursing homes.

Funding for School-Based Health Clinics was restored. The Governor's Oregon Children's Plan, a new voluntary infant health screening program, passed. The legislature also increased funding for Oregon's Child Care Resource and Referral system and added money to the Student Day Care Program, allowing the state to serve 433 families per month versus the 1999-01 number of 251 families. Finally, the domestic violence emergency assistance program saw an increase of \$1.8 million.

Trade offs and compromises

While advocates are happy about successful passage of House Bill 2716 (the refundable Working Family Child Care Tax Credit), the refundable credit doesn't go into effect until 2003. In the last weeks of the session, the bill's passage was also tied to a tax cut for corporations, House Bill 2281, which also doesn't take effect until 2003 but could cost the state general fund an extra \$65 million per biennium.

The **Oregon Health Plan** (OHP) also experienced some changes that will bring good

news for pregnant women and children up to 185% of poverty who will now be eligible for full OHP benefits (to be called OHP Plus), but bad news for other adults who will see their OHP benefit package reduced to pay for the expansion. Those who aren't pregnant, elderly, disabled or children will receive less than the current benefits package, elements of which are yet to be determined by the Health Services Commission.

The Governor took on the pharmaceutical industry and successfully negotiated the adoption of a **prescription drug formulary**, which will establish a commission to review the cost and effectiveness of prescription drugs, and establish a list of drugs available through OHP, based on the commission's findings. While the Governor had to give up some ground (drugs for major illnesses such as AIDS, cancer and mental illness are exempt and the legislature negotiated more oversight and a program expiration date), winning a formulary for OHP puts Oregon in the forefront of government attempts to control ever increasing drug costs. Some consumer groups, however, are unhappy with the formulary, fearing it will lead to poorer quality medical care for low-income and disabled Oregonians.

The legislature and Governor also passed funding for a **Senior Prescription Drug Assistance Program** that will subsidize prescription pur-

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Legislature *continued from page 1*

chases for persons aged 65 or over who have incomes not greater than 185% of the federal poverty level. Enrollees in the program will be able to purchase covered prescriptions at discounted prices that do not exceed the Medicaid (OHP) price. Funding for this program will come from savings resulting from the prescription drug formulary.

Advocates for energy conservation and **low-income energy assistance** worried that the energy restructuring bill (Senate Bill 1149) passed in the 1999 session would be derailed by legislators fearing California-like impacts of energy deregulation in Oregon. A compromise was reached that delays the implementation of SB 1149 for five months (until March 2002), long enough to allay fears but not long enough to cripple the compromises worked out in SB 1149, including more money for low-income energy assistance.

The Department of Human Services (DHS) **reorganization plan** was approved by the legislature, eliminating any legislative obstacles to this fall's roll-out plans. Advocates will be watching the reorganization

process closely, particularly around issues related to access and confidentiality.

The bad stuff

While most cuts to the Adult and Family Services (AFS) budget were eventually restored, during the last few weeks of the session, the Emergency Assistance (EA) Program was cut by \$4 million (out of a total of \$6 million). This program serves the poorest of the poor, providing one-time emergency assistance grants.

AFS administrators will be drawing up guidelines for the remaining \$8 million in job support funds, tightening eligibility to an already vulnerable group of Oregonians trying to stay housed and employed. The legislature acknowledged the potential for rising TANF (cash assistance) caseloads by setting up a \$4.3 million Emergency Board allocation to cover possible caseload increases over the next two years.

AFS saw significant staff reductions this session. The Governor's budget cut 127 positions and legislators cut an additional 93 positions. Plus, the 185 new staff needed to handle rising food stamp caseloads were not approved. AFS administrators hope to handle the cuts through attrition and unfilled vacancies, but the total staff cut is significant.

There was **no action** on three important anti-hunger bills:

- Establishing a state-only food stamp program for legal immigrants not currently covered by the federal program;
- \$1 million emergency set aside money to cover shortfalls in the federal Women, Infants and Children (WIC) program; and

- \$60,000 additional state funds for the WIC Farmer's Market program, which would have brought in a 70 percent federal match of \$140,000 over the biennium to support small farms and allow WIC participants additional access to fresh, nutritious, locally-grown produce.

While attempts to cut the Housing Trust Fund were held at bay and farm worker housing received a modest boost, **the state put no significant new resources into affordable housing**, which is becoming the number one drain on low-income household income and a large contributor to Oregon's number one ranking in hunger. In Multnomah County alone last year, over 23,000 requests for housing assistance came in to county-contracted agencies. Housing is a crisis issue in Oregon, and this legislature chose not to deal with it in any significant way.

Ultimately, the real legacy of the 2001 Legislature may be its passage of tax cuts that do not go into effect until after the current budget cycle, allowing the current legislature to take credit for tax cuts but delaying the financial impacts to another biennium, which will result in more cuts in services or tax increases.

While implementation of a refundable Working Family Child Care Tax Credit was delayed until 2003, its \$16 million cost to the general fund is minor compared to the total of \$430 million in tax cuts passed this session. As Representative Chris Beck says, there is now an "inevitable budget train wreck awaiting the 2003 Legislature" — a wreck, if advocates aren't outspoken and diligent, in which low-income people will be the inevitable victims.

Food stamps need action now!

In Washington, D.C., the House Agriculture Committee is considering a new Farm Bill to authorize spending for agricultural interests over the next ten years. Reauthorization of the federal Food Stamp Program is part of this Farm Bill. The new Farm Bill isn't scheduled to go into effect until October 2002; however, House and Senate leaders are putting the Farm Bill on the fast track, holding hearings and "marking up" the bill as early as this month.

Anti-hunger advocates are extremely concerned that in this fast-track process, the Food Stamp Program will not receive its fair share of the roughly \$73 billion in new money to be authorized in the Farm Bill over the next ten years. A recently released "concept paper" by the House Agriculture Committee lists only \$2 billion over the next ten years in additional Food Stamp Program funding.

By comparison, the Nutrition Assistance for Working Families and Seniors Act (S. 583/H.R.2142) costs \$11 billion to do some basic things, such as simplify the food stamp program, remove barriers, and expand access for working families and seniors. See the special insert for more information.

Oregon has no members on the House Agricultural Committee (Rep. Rick Larsen from Washington is on the committee). But you can still take action to help make sure the Food Stamp Program has some new money. **See the "Take Five" for the action and the message!**

For more information, contact Tina Kotek at Oregon Food Bank, or Patti Whitney-Wise at the Oregon Hunger Relief Task Force.

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

OFB Advocacy Staff:

(503) 282-0555 [Portland area]
1-800-777-7427 [outside Portland]

Kim Thomas X206
Tina Kotek X204
Cassandra Garrison X210
<http://www.oregonfoodbank.org>
advocacy@oregonfoodbank.org

OHRTF Staff:

Patti Whitney-Wise, (503) 963-2290
patti.ww@hcs.state.or.us

Holly Wilkalis, (503) 963-2292

Nancy Weed, (503) 998-6194
nancyweed@aol.com