



We Must Choose to Protect Our Communities

In Oregon, we work hard to create strong communities and pull together to overcome challenges. The recession has placed enormous challenges upon us. Many new hardships will follow the close of this legislative session for families across the state. Letters to families and individuals will announce new cuts to services they depend upon. When those letters, marked with the seal of our state, are opened, we will all share the hardship they bring.

During the 2011 legislative session, the **Human Services Coalition of Oregon (HSCO)** recommended budget solutions to minimize cuts to services that keep our communities healthy. Some proposals were adopted, and a few of the worst cuts were avoided. Many solutions, however, remain on the table at the end of this session.

We look to our legislators to continue their dedication through the interim. We must craft a plan of action for the February session to protect our communities. We must write a budget that reflects Oregon's true priorities.

The Budget

As we entered into the session, Oregon faced a \$3.5 billion gap. The Governor changed protocol by asking agencies to work from a "current spending level." While this refocused the conversation, it did not alter the fact there were big gaps in critical services. After the May forecast, we were pleased when \$109 million was added back to health and human services. However, numerous cuts remain intact. Here are some of our major ongoing concerns:

Department of Human Services (DHS)

Seniors and People with Disabilities - We are concerned the Emergency Board reserve funds may not be enough to meet the need. Cuts to Instrumental Activities of Daily Living will reduce in-home services and lead to hardship and safety issues for vulnerable clients. *Notices for these reductions go out in December.*

Children Adults and Families (CAF) - This session Oregon avoided having the nation's shortest lifetime limit for the Temporary Assistance to Needy Families (TANF). However, cuts in the JOBS program are substantial and will lead to the loss of services for TANF clients, as well as the loss of an estimated 322 jobs.

DHS agency wide issues - We are concerned about the staffing levels in CAF and SPD. Although there is now flexibility to fill vacant positions, key areas like adult and child protective services will reach 70% of workload standards. This may translate in delays in service and will likely result of health and safety problems for at-risk populations.

Oregon Health Authority (OHA)

Considerable time and effort led to the passage of Health Care Transformation (HB 3650). However, we are deeply concerned about risk of assuming \$239.2 million in savings for year two of this biennium.

HSCO also followed the creation of the Health Insurance Exchange, embodied in SB 99. It should be noted that four agencies now oversee health care: OHA, DHS, the Department of Consumer and Business Services, and the new exchange. From a provider and consumer perspective, we want to see strong collaboration, along with public transparency and accountability.

While important discussions, the exchange and transformation have obscured underlying reductions. These include the elimination of treatments for clients due to prioritized list cuts as well as a 70% reduction for Safety Net clinics. These clinics provide a valuable community presence and serve a high percentage of children without insurance. Even with state and national reforms, we will have large gaps in coverage.

Legislative Successes

Management to staff ratios, line item reductions to services and supplies, and other improvements to government efficiency. The Better Way Report efficiencies and goals outlined by DAS Executive Director Michael Jordan are signs of improvement in the way our state does business.

Improvements at Department of Revenue (DOR). The first step to revenue adequacy and stability is collecting taxes owed to the state. In the past this has been a challenge, however, some recent changes at DOR suggest we're moving in the right direction.

Improved prioritization of tax expenditures in relation to program expenditures. The legislature took meaningful steps in making tax and program expenditures compete on a level playing field. While we applaud the work done on HB 3672, to curb several unsustainable tax expenditures, we remain very concerned about SB 817. The inaptly named Low Income Community Jobs bill is not sufficiently targeted to assist low-income people, has no requirement of job creation, and was rushed through in the final days of session.

Still to be Done

Senior Medical Deduction. A large coalition of senior groups achieved consensus on a set of principles that would modify this unsustainable tax expenditure. Unfortunately, these agreed upon amendments were never heard in committee. As our population continues to age, this expenditure will continue to grow at an unsustainable rate.

Tobacco Tax. Despite demonstrating broad public support, the legislature never seriously considered an increase to the tobacco tax. With pending crunches on our health and human services budgets, we must consider this opportunity supported by public health and low-income advocates.

Public Safety: We must shift our focus from incarceration to treatment. Investing in treatment on the front end to reduce prison system costs on the back end is common sense. Prison is no substitute for a mental health system stretched to the breaking point.