



Service Employees International Union, Local 503, OPEU

TO: Senate Finance and Revenue Committee Members
FR: Arthur Towers, Political Director, SEIU Local 503
RE: Senate Bill 301
February 15, 2011

Dear Members of the Committee:

I am writing to express our union's concern regarding Senate Bill 301. The Governor's Recommended Budget contains vast shortfalls in services to vulnerable Oregonians. Cuts to services are unavoidable and sacrifice will need to be shared by all Oregonians including those who receive and provide services.

As you consider reductions in revenue, please take into consideration the impact of lost federal matching funds. For example, in the area of long term care for seniors and people with physical disabilities, the shortage of General Fund will result in a loss of \$232M in matching federal funds. Based on an EcoNorthwest study conducted in late 2008, roughly 32 jobs are lost in Oregon for each \$1M in federal funds we fail to invest in long-term care.

This would mean that as a result of this failure to invest in the long-term care sector, more than 7,000 jobs would be lost in our state. This is disproportionately felt in rural Oregon where as much as 6% of the workforce is employed in the long-term care industry. Note that many of these jobs are in small businesses like assisted living facilities, skilled nursing facilities, residential care facilities, and the vendors that supply them.

While our union is well-known as a union of public employees, we represent 15,000 long-term care providers (10,000 homecare workers, 2,000 nursing home workers, 3,700 adult foster home operators, and a handful of workers in assisted living facilities).

The federal matching rate for local funds invested in Medicaid programs like long term care is currently \$2.66 in FF to \$1 in GF. As of July 1, 2011, that rate drops to \$1.66 FF to \$1 GF.

As you calibrate the economic impact of the provisions of Senate Bill 301, we urge you to account for the ripple effect of the loss of federal funds in important programs like in-home care for seniors, adult foster care, and skilled nursing care.

Thank you for your consideration.

MEASURE: SB301
EXHIBIT: 5
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SUBMITTED BY: Arthur Towers

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