



Testimony in Support of House Bill 2070 -1

House Committee on Revenue
Phil Bentley, Sr. Vice-President of Government Relations
April 9, 2015

Chair Barnhart, members the committee, my name is Phil Bentley with the Oregon Health Care Association.

OHCA represents more than 700 long-term care providers throughout Oregon that employ more than 40,000 Oregonians.

These small business employers don't receive local property tax breaks.

OHCA supports the -1 amendments to HB 2070 and appreciate the leadership of Speaker Kotek and Senator Burdick in bringing this reform to the Gain Share program.

The -1 amendments reforms the Gain Share program in a fair and sustainable manner that is consistent with the original intent of the program approved in 2007 without doing harm to the state budget.

Tax expenditures through programs such as Gain Share have a direct impact on the resources available to fund critical services. And reforms to the Gain Share program should be considered as a reflection of budget priorities.

Our concern as we look at the 15-17 budget being prepared this session based on the framework the co-chairs released before session there is at least a \$140 million hole in human services, and we are hearing indications that amount could be growing due to increased caseloads.

The co-chairs framework didn't include even the most modest of inflation increases for caregivers and service providers serving low-income seniors and people with disabilities.

Therefore, at a time when our economy is growing we could fail to meet basic inflationary costs for those caring for our seniors.

And cuts to federally matched programs such as community based care takes 3 dollars out of the economy because these programs received 2-1 federal matching funds. And the vast majority of costs in community based care are spent on employees thereby creating their jobs.

So, in effect, some of the dollars spent as tax expenditures through gain share can cost the State budget twice as much through lost matching Federal Funds.

Thank you for your consideration.