



**TESTIMONY ON HB 3041
HOUSE COMMITTEE ON REVENUE
SUBMITTED BY PHILLIP KENNEDY-WONG
MAY 1, 2017**

Oregon Food Bank supports HB 3041, which increases the crop donation tax credit from 15 percent to 25 percent of the wholesale price eligible as a tax credit for Oregon growers that donate their crops for charitable purposes. The increase would run the course of the existing sunset of 2019. Oregon Food Bank originally sought a 25 percent crop donation tax credit. In 2014 the Legislature passed SB 1541 unanimously, reinstating Oregon's crop donation tax credit by increasing the credit from 10 percent to 15 percent. HB 3041 would increase the amount of fresh Oregon produce the Oregon Food Bank Network's could distribute to 950-plus local agencies across our state. Imagine what this would mean to the many working families and seniors on fixed incomes who struggle day to day to just to meet basic human needs like food and housing.

In the 2017-19 Oregon Tax Expenditure Report showed the crop donation tax credit generating \$300,000 in tax savings to Oregon growers. We estimate that each dollar generated 10.75 pounds of donated fresh Oregon produce.

Why does Oregon need to increase the crop donation tax credit?

Oregon has a hunger crisis that is persistent. Despite 50 consecutive months of job growth, Oregon had the highest rate spike in hunger in the nation over the last three years. Oregon's food insecurity rate rose to 16.1 percent as compared to the national average of 13.7 percentⁱ from 2013 to 2015. The average number of Oregon households in that period unable to secure all of their nutritious needs was over 250,000.ⁱⁱ

- About 644,000 Oregonians are food insecure, of those 223,480 are children.
- About 90,000 single-mother households in Oregon are food insecure. In half of those households, the mothers were employed.
- While the economy is improving for some, about 72% of the people who receive food have incomes below the federal poverty level.
- Of households utilizing food pantries, about 80% of them are able to meet their food needs for the month with the help of a pantry.
- Hunger hurts children, families, seniors, veterans and the disabled.
- Children who are hungry get sick more often and have more trouble learning. Approximately 34% of those eating food received from a local pantry are children.ⁱⁱⁱ

Unfortunately this crisis could get worse unless the Legislature acts. The Governor's Recommended 2017-19 budget reduces General Fund support dramatically for food assistance programs, much of this is not continuing one-time funds adopted for the 2015-17 biennium (see table). This is why strengthening Oregon's crop donation tax credit is needed and as well as funding food programs at the necessary levels to fight hunger successfully.



Throughout the economic recovery, the Oregon Food Bank Network has continued to distribute recession levels of food across the entire state. The network worked overtime to go from distributing 72 million pounds in 2009-10 to over 90 million pounds just last fiscal year. We rely on private sources for the majority of our costs. Roughly 86 percent of our combined \$38 million annual operational costs of the 20 regional food banks come through the generosity of private supporters.

All of this is saying that food banks can't fight hunger alone. The public sector can't fight hunger alone and neither can the private sector. HB 3041 makes it easier for Oregon food producers to donate fresh and nutritious food to many Oregonians. Defeating hunger requires every segment of our society to work together, each playing to their unique assets: from private citizens, business contributions, philanthropy, to government. It requires the Legislature to consider HB 3041.

Thank you for your consideration.

State of Oregon Food Assistance Programs

Program	Agency	2015-17 LAB		2017-19 GRB		2017-19
		State General Fund	One-time State General Fund	State General Fund	One-time State General Fund	Food Bank Recommendations:
OR Hunger Response Fund*	DHS	\$2,813,438	\$400,000	\$2,854,423	\$0	\$4,000,000
Food Assistance: TEFAP	DHS	n/a	n/a	n/a	n/a	n/a
OR Hunger Task Force	DHS	\$0	\$150,000	\$0	\$0	\$150,000
SNAP (Employment & Training state match)	DHS	\$701,925	n/a	\$701,925	\$0	\$701,925
Home Delivered Meals	DHS	n/a	n/a	n/a	n/a	n/a
Congregate meals	DHS	n/a	n/a	n/a	n/a	n/a
Farm Direct Nutrition - Senior	OHA	\$38,519	\$200,000	\$38,519	\$0	\$434,000
Farm Direct Nutrition: Women, Infant, Children (WIC)	OHA	\$219,558	\$100,000	\$219,558	\$0	\$3,300,000
School Breakfast	ED	\$1,692,086	n/a	\$1,692,086	\$0	\$1,692,086
Lunch/Snack Reduced Price Subsidy	ED	\$0	\$2,395,593	\$0	\$0	\$2,395,593
Milk	ED	n/a	n/a	n/a	n/a	n/a
Summer Food	ED	n/a	n/a	n/a	n/a	n/a
Child/Adult care food	ED	n/a	n/a	n/a	n/a	n/a
After School/At Risk	ED	\$556,693	n/a	\$556,693	\$0	\$556,693
Farm to School*	ED	\$1,429,549	\$3,300,000	\$0	\$0	\$4,500,000
Farm to School*	Agriculture	\$228,864	\$0	\$228,864	\$0	\$228,864
Crop Donation Tax Credit*	Revenue	\$300,000	n/a	\$300,000	\$0	n/a
Total**		\$7,680,632	\$6,545,593	\$6,292,068		\$17,901,161
Combined Total		\$14,226,225				\$17,901,161

All programs include federal funds except *
Crop donation tax credit not calculated into total.**

¹ Food Insecurity in Oregon: Considering the Role of Housing. Oregon State University School of Public Policy and the Rural Studies Program. October 2016

² Profile of Hunger, Poverty, and Federal Nutrition Programs. Oregon. Food Research & Action Center. 2016

³ Hunger Factors 2015: Hunger and Poverty in Oregon and Clark County, WA. Oregon Food Bank. (2015). Retrieved from <http://www.oregonfoodbank.org/understanding-hunger/hunger-factors>

