

Analysis

Item 48: Department of Human Services

Emergency Food

Analyst: Laurie Byerly

Request: Allocate \$2,900,000 from the Emergency Fund to the Department of Human Services for distribution to the Oregon Food Bank for emergency food purchases.

Analysis: Through the Department of Human Services (DHS), the Oregon Food Bank (OFB) is requesting funding to purchase food over the remainder of the 2019-21 biennium. Donations and food supplies normally coming into Oregon's food bank system through public and private partnerships have been sporadic and/or limited during the COVID-19 pandemic. While the federal government provided supplemental food funding earlier this year under The Emergency Food Assistance Program (TEFAP), some orders for food through that program have been cancelled.

Through June 30, 2021, OFB currently projects the amount of food available in the food bank system will be 7.6 million pounds lower than the level of food previously anticipated. Replacing this expected shortfall is estimated to cost just under \$5.8 million, based on pricing of \$0.763 per pound. The requested allocation would cover food purchases through the first quarter of 2021 and also provide time for DHS and OFB to seek reimbursement of costs from the Federal Emergency Management Agency (FEMA). With FEMA participation, the amount of state General Fund ultimately needed may end up being lower than initial estimates.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends that the Emergency Board allocate \$2,900,000 from the Emergency Fund to the Department of Human Services for distribution to the Oregon Food Bank for emergency food purchases.

**State of Oregon
Legislative Fiscal Office**

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Ken Rocco
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December 3, 2020

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
Oregon Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

Nature of Request

On behalf of legislative leadership, the Legislative Fiscal Office (LFO) requests that \$2,900,000 be allocated from the Emergency Fund to the Department of Human Services (DHS) to provide funding for additional emergency food purchases for the Oregon Food Bank.

Agency Actions

Due to lower than expected food donations and cancelled orders from The Emergency Food Assistance Program (TEFAP), the Oregon Food Bank (OFB) is expecting to be at least 7.6 million pounds of food below what was expected to be received for the fiscal year ending June 30, 2021. The overall average cost of food per pound is \$0.763, for a total projected need of \$5,798,800.

The funding would be used by OFB to centrally purchase large volumes of food (60% of the total) and to distribute to regional food banks for local purchases (40%). Earlier provisions of emergency food funding by the state was eventually reimbursed at 75% by the Federal Emergency Management Agency (FEMA) after the state fronted the General Fund. It is not certain that FEMA will follow the same pathway for this additional funding. The provision of \$2.9 million now would ensure the continued provision of emergency food through the first quarter of 2021 at which time the Legislature should know if FEMA reimbursement has occurred or will be authorized. This information will help determine how much additional General Fund might be needed.

Action Requested

Allocate \$2,900,000 from the Emergency Fund to the Department of Human Services to provide funding for additional emergency food purchases for the Oregon Food Bank.

Sincerely,

Ken Rocco
Legislative Fiscal Officer