

May 3, 2023

Oregon State Legislature
900 Court Street, NE
Salem, Oregon 97301

Dear President Wagner, Speaker Rayfield, Co-Chair Steiner, Co-Chair Sanchez, and Members of the Ways and Means Committee,

As your local and state allies in Oregon's non-profit, safety net, and local public community, we ask you to look back on the serious cuts made to human service programs during the 2008 downturn and the resulting growth in homelessness, addiction rates, and child welfare and foster care struggles that ensued. We must not make that same mistake again.

We want to express our gratitude for the bipartisan efforts to meet the housing and homeless emergency. Passing HB 5019 and HB 2001 with urgency was unprecedented and these actions will bring critical resources to Oregon communities to establish local housing solutions for vulnerable populations.

However, homelessness may very well continue to soar among vulnerable populations who struggled during the height of the pandemic and now face the end of federal and state one-time benefits.

Prior to the pandemic, basic services were chronically underfunded. And now, with the loss of federal resources, we are heading backwards, leaving people at risk, especially in communities of color.

We respectfully ask you to consider the following:

- The 2.5% across the board cut will affect hiring in key positions. This will create stress on workers and clients and delays in services;
- Provider rates must be budgeted at adequate levels to ensure that we can support workers and expand the workforce to meet pressing needs;
- Continuing level caseloads must be maintained, as projected, and adequate caseload reserves established in the Emergency Board fund;
- Key Investments must be made to stave off dire consequences down the line.

For instance:

- TANF and GA benefits have eroded over time to less than 25% of the poverty level. Unless funding is allocated to shore them up, many more will become homeless.
- Care workers in many fields are underpaid and overworked and are leaving just as more people need their services. Medicaid provider rates need to be increased and stabilized, rather than cut by 15%.
- The Oregon Health Plan redetermination required at 100,000 per month will need additional staff to prevent many families from losing their benefits, putting their families at health risk.
- Public Health Modernization funding is essential to eliminate health disparities and establish health equity.

The Human Services Coalition of Oregon (HSCO) has been involved in tax and revenue issues for decades, noting that additional revenue for health, housing, and human services is of utmost importance. The revenue principles HSCO has established are worthy of your consideration as you craft a final budget for 2023-25:

- Progressive: Oregonians with more wealth should contribute a larger share.
- Adequate: Sufficient for the health, education, and wellbeing of Oregonians.
- Equitable: Fostering more equitable outcomes based on race, ethnicity, gender, and ability.
- Fair: Existing tax and revenue issues, ranging from property taxes, to tax expenditures, to the kicker must be reformed with an eye toward creating a tax structure that works for Oregonians, particularly those who are most vulnerable.

The considerable gap in additional revenue proposed by the Governor (\$765 million) compared to the Ways and Means Co-Chairs (\$90 million) is a cause of concern for us. For all the reasons stated above, we urge the Co-Chairs to embrace the Governor's proposal and add to it.

Thank you for your consideration. We look forward to engaging in additional discussions as the 82nd Legislative Assembly finalizes a budget that works for Oregon, particularly for those most in need.

Respectfully,

