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MEMORANDUM

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TO: CADO Members

FROM: Jerry Bieberle
Tom Schraw

RE: CADO Strategy Status Report

Since it is less than three months before the Oregon Legislature convenes, now is a good time to take a look at the CADO goals and see how we are doing. As you are sure to recall, CADO has adopted five goals it wishes to accomplish during the 1999 Legislature.

HOMELESS ASSISTANCE AND EMERGENCY HOUSING

GOAL: Seek a \$1,286,970 increase in the State Homeless Assistance Program (SHAP) and a \$2,320,500 increase Emergency Housing Account (EHA).

STATUS: The CS agency budget request includes a policy package that asks for these increases in the SHAP and EHA programs. The Governor has not yet made a decision if he will include this policy package in his Recommended Budget. Much of his decision will be based on two factors: 1) how much money will be available during the 1999/2001 Biennium; and, 2) what kind of information he gets as to the need for these programs and the need to increase funding. Much therefore depends on the November 1998 Revenue Forecast. The current worldwide fiscal chaos has caused the state economist to be much more conservative. It is doubtful that a budget deficit will develop, but there may not be much of a surplus either. That is why what kind of information the Governor gets will be critical in determining what level of priority he places on homeless assistance and emergency housing activities. Both HCS and the Social Support Investment Strategy process are making strong statements supporting the need for housing and homeless assistance programs. Though this is good but by themselves it probably isn't enough to completely convince the Governor.

WHAT NEEDS TO BE DONE? The Governor needs to hear from his local partners as to need to increase funding for homeless assistance and emergency housing activities. Each CAP should work with their local partners, especially city and county government, asking them to contact the Governor expressing their support for these programs. Some items they might include in their communication include; with federal devolution much of the cost of dealing with housing problems is shifting to the local level and state government needs to be a financial partner in meeting this need; as his own work group has said, the successes of all other social service programs are greatly hindered by homelessness; and, though the economy in Oregon may be strong, it has left a large number of working Oregonians behind.

AFFORDABLE HOUSING AND THE TRUST FUND:

GOAL: Support the proposal to appropriate \$160 million to the *Housing Trust Fund*.

STATUS: The HCS agency budget request includes a policy package that asks for this \$160 million allocation to the Trust Fund. In addition to the normal affordable housing advocates (CADO, AOCDO, OCHH and Association of Housing Authorities) two other affordable housing coalitions have been working on this issue. Again, much depends on the amount of money the Governor has to budget (ie, the November Revenue Forecast). There have been a number of indications from the Governor and his staff that indeed they intend to allocate as much funding as they can to the Trust Fund. It may not be the \$160 million asked for, but it will probably be sizable.

WHAT NEEDS TO BE DONE? Clearly the Governor has gotten the message on the need for funding affordable housing. The only question he has left to answer is how much will he put in his budget. In the meantime each CAP should take any opportunity it gets to talk to legislators about the need for affordable housing. It is now likely that the big battle will be to keep the legislature from reducing funding for housing in the Governor's budget.

STATE SUPPORT FOR COMMUNITY ACTIONS PROGRAMS:

Goal: Seek state funding support for the expanding obligation Community Action Programs have had to assume to assist Oregon's working poor.

STATUS: This goal has been very hard to articulate and as a consequence it has been hard to generate support and make connections. Some progress is being made however, and there are some positive signs.

Some examples.

- The Governor's comments about the Social Support

Investment Strategy and the increasing problem of poverty in Oregon indicate a new recognition that there is a problem.

- The Oregon Center for Public Policy's recent study on the persistence of poverty despite declining welfare rolls got substantial media coverage.

- DHR and AFS have proposed a Budget Initiative that would provide additional services to employed and former TANF clients which focus on helping clients retain employment and progress in their careers.

WHAT NEEDS TO BE DONE? CADO needs to continue to remind policy makers, both within state government, local government and the Legislature, about the mission of CAPs, their 30+ years of experience, and how well they are positioned in the community to reach and work with poor people. They need to be reminded that CAPs are the primary vehicles to address the causes and conditions of poverty in their community. As some result decision makers (particularly those in DHR and AFS) should see that it is a far better option for them to look to CAPs for implementation at the community level rather than have them try to reinvent and reformat themselves to fill this function.

ENERGY DEREGULATION:

GOAL: Support the proposal for a meter charge on all electric utilities that will help fund a \$20 million annual energy assistance fund, and a 3% public purpose charge that will result in \$8 million in new low-income weatherization funds.

STATUS: Attempts at the Public Utilities Commission to form a consensus of all major parties on electric restructuring have failed so far. However, a moderate faction including both the Public Utility Commission staff and the Oregon Intervenor Coalition (PacifiCorp, Northwest Natural Gas, Fair and Clean Energy Coalition) are close to consensus on a proposal that includes CADO's key interests. The other two factions are 1) publicly-owned utilities, who oppose any restructuring, 2) Enron/PGE and industrial interests, who despite some compromises will still only support restructuring proposals that eliminate residential rate protection. Our meter charge proposal for energy assistance was submitted in CADO's formal testimony and appears to have the support of PUC/Office of Energy as well as PacifiCorp and Enron/PGE. In addition, PUC/Office of Energy has submitted their own testimony supporting the three percent public purposes fee, including weatherization, which PacifiCorp and Enron/PGE continue to support. Industrial interests are complaining, increasingly loudly, that the three percent fee is too high. One critical question at this point is whether Enron and industrials will compromise so that a restructuring proposal that is reasonable to most parties can be agreed on this year. The other critical question is whether publicly-owned utilities, who are organizing their members effectively at the grass roots level,

have the power to block any compromise restructuring proposal that might emerge.

WHAT NEEDS TO BE DONE? CAP agency staff and allies have been meeting in local round tables with legislators and candidates. This process has been effective both in educating legislators about our interests and in building support for our specific proposals. In addition, OEP is training agency staff on holding public meetings and organizing postcard campaigns with legislators this Fall and Winter. Continued intensified contact between our agencies and legislators, ranging from informal face-to-face discussion, to public meetings, to postcards from clients, will be critical to building support for our agenda. In particular, contacts in areas that are primarily served by public utilities is critical, since these legislators have primarily heard a one-dimensional, anti-deregulation message.

FOOD AND NUTRITION:

GOAL: Support the proposal to seek a \$2,000,000 increase in funding for food and nutrition programs, as well as future recommendations to come forward from the Oregon Food Bank and the Oregon Hunger Relief Task Force.

STATUS: The HCS agency budget has a policy package that asks for \$2,000,000 increase for food and nutrition programs.

In addition, at the same time the Oregon Hunger Relief Task Force is still finalizing its legislative agenda. Some of the issues they intend to tackle in 1999 include restoration of food stamps to all remaining legal immigrants, making the State Earned Income Credit refundable, allocate state dollars for child nutrition expansion including outreach, staffing, and supplemental funds for meals, allocate new dollars to help the Food Bank Regional Network to expand its capacity, clearly define the Gleaning Tax Credit to include harvested products, and allocate state dollars for the expansion of WIC/Farmer's markets.

WHAT NEEDS TO BE DONE? Representatives from CADO's Legislative Committee need to meet with representatives of the Hunger Relief Task Force to figure out ways that CADO can effectively support their activities.

CADO has adopted a fairly ambitious agenda and has good reason to be optimistic about its ability to achieve it. A word of caution, however, is in order. If indeed the Oregon economy continues to slow down, then competition for state funding will greatly increase. This means each CAP needs to be even more diligent in making sure that the people in their communities understand how important they are to their communities well being.