

CONFIDENTIAL

CADO 1999 LEGISLATIVE STRATEGY
(2/20/98)**I. Background:**

For the first time in twenty years, as the Governor prepares his budget he will have enough money to fund existing state services at their continuing service level, and have money left over. Though state agencies will probably be instructed to identify potential budget reductions, in actuality this is the time to invest extra revenues to address outstanding problems, and to prepare for future challenges.

The make up of the Oregon Legislature will not be completely known until the ballots are counted in November. However, it is certain that the Republicans will continue to dominate the Senate. Because only one half of the senate seats are being contested, it is numerically impossible for the Democrats to regain control. Neither the size or the makeup of the Republican majority of the Senate can yet be predicted. It is mostly likely that the Senate Republican Caucus will continue to be dominated by the tension between socially conservative members and the more moderate ones.

Currently no one is willing to predict whether the House Republicans will remain in the majority in 1999, or if the House Democrats will make enough gains to assume the leadership. In any event it is doubtful that either party will be able to accumulate an overwhelming majority. Assuming that the House leadership will have only a narrow majority, compromise and moderation will be the norm.

II. CADO Objectives:

CADO adopt three objectives for achievement during the 1999 legislative season, all of which are money related. They are:

- **Seek significant increases in the funding levels of the *Emergency Housing Account (EHA)* and the *State Homeless Assistance Program (SHAP)*. Currently EHA is funded at \$4,927,670, and the goal should be to increase its funding level to \$10 million (ie, double the 1991 appropriation). SHAP is funded at \$2,538,588, and the goal is to increase its funding to \$5,546,000 (again double the 1991 appropriation).**
- **Support the proposal to appropriate \$160 million to the *Housing Trust Fund*.**
- **Seek state funding support for the expanding obligations *Community Action Programs* have had to assume to assist Oregon's working poor. So far CADO's Legislative Committee has been unable to fix a dollar amount to this proposal.**

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III: STRATEGY:

The first two objectives will require action by the Legislature (ie, appropriate money). The third objective could be achieved by reaching agreements with the *Oregon Department of Human Resources (DHR)* and not require the involvement of the legislature.

- **Seek significant increases in the funding levels of the *Emergency Housing Account (EHA)* and the *State Homeless Assistance Program (SHAP)*. A two part strategy is envisioned.**

First, CADO will request that the *Oregon Department of Housing and Community Services (OHCS)* include sufficient funding in its *Agency Budget Request* to both a) restore EHA and SHAP to their 1991 historical high funding levels; and, b) account for the growth these accounts would have seen if they would have been awarded the normal cost of doing business increases that DHR programs received. (See attachments).

Starting in 1993 the Governor's budgeteers maintained that there was not enough money available in the state coffers, and reductions were required. Consequently, during this intervening years, based on the need to pay more for the same service, many DHR programs grew, while both EHA and SHAP were reduced. Then EHA and SHAP were consigned to stagnation. If funds were scarce in the early 1990's, they aren't now. The 1999/01 *Governor's Recommended Budget* is the place to make up for the past.

Second, depending on the level of funding for EHA and SHAP HCS is able to get included in the Governor's budget, CADO needs to work through the SWWIG planning process to seek the remaining amount of funding needed to achieve the overall goal. Since SWWIG has already identified housing and homelessness as outstanding issues, such an approach seems to be viable.

- **Support the proposal to appropriate \$160 million to the *Housing Trust Fund*. After experiencing a functional fragmentation during the 1997 Legislative Session over the Real Estate Transfer Tax, the numerous housing advocates are starting to coalesce around the idea of asking the Legislature to appropriate \$160 million to the *Housing Trust Fund*. Though there are still a few hardcore "free market" conservatives who do not see the need for public participation in solving the affordable housing problem, most reasonable groups are lining up.**

Ideally, the \$160 million request would be part of the HCS 1999/01 budget. To that end, CADO needs to support both the efforts of the *Coalition to Fund Affordable Housing (COFAH)* and the *Housing Lobby Coalition (HLC)*.

COFAH is still being formed and intends to be a grass roots organization focused on affordable housing. So far the participants in its formation have been the CAPs, CDCs, Housing Authorities and other local advocates. Many CADO members have been

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/ or will be asked to make contacts with their local legislators. For this strategy to work it is important that these contacts are made. Thankfully, many of the splits and wounds within the other housing advocacy group, the Housing Lobby Coalition, have been healed, and the CADO lobbyist will work with the HLC to exert pressure for the \$160 million appropriation.

It is anticipated that the combined efforts of the HCS Department, COFAH and the Housing Lobby Coalition can get the request included in the 1999/01 Governor's Recommended Budget and agreed to by the Legislature. This scenario has a high likelihood of success. If on the other hand the \$190 million is not in the Governor's Budget, we will have to revert to asking the Legislature for a "handout", and this approach does not have a very good prognosis.

- Seek state funding support for the expanding obligations Community Action Programs have had to assume to assist Oregon's working poor. The strategy for achieving this objective is not as clear cut as the first two were.

Mainly because of the changing nature of the economy, it is not unusual at all to encounter situations where people are employed and are still suffering from the conditions of poverty. Ongoing welfare reform efforts have greatly compounded this phenomenon. Often by default, the burden of providing assistance and services to what has been term "the working poor" has fallen upon Community Action Agencies. Though this is not a responsibility individual CAPs relish, it is clearly within the community action mandate. Unfortunately increasing funding has not accompanied the increasing need.

Because of the flexibility granted by the federal welfare block grant (*Temporary Assistance to Needy Families - TANF*) and the provisions of the special agreement Oregon has with the federal government (the *Oregon Option*), Oregon Department of Human Resources and its *Adult and Family Services Division* have the ability to chart new paths, and work out agreements with new community partners. Many advocates believe that DHR and AFS has been slow to recognize the effects that their policies have had on the working poor, and has been equally slow to recognize the great opportunity they have to chart new directions.

Recent statements from DHR are promising, in response to questions from the Senate Interim Budget Committee DHR said:

Self-sufficiency continues to be a major goal of the department and further investments will be made to insure the current success with public clients may continue. Special emphasis may be placed with those clients who have found the first job to get off "welfare", but need continued support to move toward higher paying employment to insure self-sufficiency.

Who better to help DHR/AFS to do this than Community Action Agencies?

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Once the CADO completes and compiles its *Welfare Reform Survey* a series of strategic meetings need to be scheduled. The first would be with Bob Repine, Director of HCS in which the survey results are discussed, what the survey data mean, how CAPs can be a mechanism for a response, how CAPs fit with the DHR vision, the need for resources to do it, and seek Mr. Repine's support in asking DHR to share resources.

The second meeting would be with Sandy Hoback, Administrator of AFS, with a similar agenda. Finally, CADO needs to meet with Gary Weeks, Director of DHR, to show him how CAPs can be very effective partners in making his vision real.

IV. Conclusion:

CADO can, and should also work on other legislative objectives, as well as support the worthy goals of other groups such as AOCDO, OCHH, the Oregon Food Bank, the Oregon Law Center and OECA, but it should not lose sight of its three major objectives. (Once an energy deregulation proposal is developed, CADO can add a fourth major goal).

1998/1999, is the time we need to discard the mentality that says that times are tough, and we have to cut programs and restrict budgets. Instead we should be talking about how times are good, we need to make up for lost time and invest in the future. Warning, such a dialogue could easily come into conflict with those who want a smaller government, less spending and tax rebates / cuts. We have to be careful about how we say it, but there is no reason to be bashful about what we are saying.

COMMUNITY ACTION DIRECTORS OF OREGON
(CADO)

STATE GENERAL FUNDS IN HOUSING AND COMMUNITY SERVICES DEPARTMENT
SUPPORTING COMMUNITY PROGRAMS

	State Homeless Assistance (SHAP)	Emergency Housing Account (EHA)	Food/ Nutrition
97/99	2,538,588	4,927,670	750,835
95/97	2,548,145	4,917,400	750,835
93/95	2,548,145	4,917,400	400,000
91/93	2,773,045	5,000,000	200,000
89/91	2,679,365	-----	-----
87/89	2,500,000 ¹	-----	-----
85/87	2,410,000 ²	-----	-----

1 - Don't know exact amount of this year's appropriation (funds were in AFS budget & I don't have that budget report - \$2.5 m is close.

2- 1985 Legislature appropriated \$2 million even, later E-Board added \$410,000 to allow for a statewide program.

1991 Baseline Year
(all dollars in millions)

5% INCREASE PER BIENNIUM

	EMERGENCY HOUSING ACCOUNT EHA	STATE HOMELESS ASSISTANCE PROGRAM - SHAP
91-93	5,000,000	2,773,045
93-95	5,250,000	2,911,697
95-97	5,512,500	3,057,282
97-99	5,788,125	3,210,146
99-01	6,077,531	3,370,653
	+ 1,077,531	+ 597,653

7% INCREASE PER BIENNIUM

	EMERGENCY HOUSING ACCOUNT EHA	STATE HOMELESS ASSISTANCE PROGRAM - SHAP
91-93	5,000,000	2,773,045
93-95	5,350,000	2,967,158
95-97	5,724,500	3,174,859
97-99	6,125,215	3,397,099
99-01	6,553,980	3,634,896
	+ 1,553,980	+ 861,851

10% INCREASE PER BIENNIUM

	EMERGENCY HOUSING ACCOUNT EHA	STATE HOMELESS ASSISTANCE PROGRAM - SHAP
91-93	5,000,000	2,773,045
93-95	5,500,000	3,050,350
95-97	6,050,000	3,355,384
97-99	6,655,000	3,690,923
99-01	7,320,500	4,060,015
	+ 2,320,500	+ 1,286,970