



Advocacy Alert

OREGON FOOD BANK
OREGON HUNGER RELIEF TASK FORCE

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Volume 11 Issue 3



take five

(actions that take five minutes or less)

Action:

Contact Senators Smith and Wyden. Ask them to oppose any budget that cuts basic services now or sets rigid caps.

Call 1-202-224-3121 (Capital switchboard)

Message:

- Reject the cuts to domestic programs in the President's proposed budget.
- Americans need a budget that is FAIR, RESPONSIBLE and SUPPORTS OPPORTUNITIES FOR FAMILIES.
- Rescind tax cuts for highest income Americans, scrutinize defense and homeland security spending.
- Help average Americans make ends meet, and sustain local economies and communities.

Federal Budget Update

Opposition to the President's FY 2006 budget is growing as the impact on Oregon becomes clear. A growing coalition of organizations representing seniors, children, food programs, housing and health care advocates is calling on Senator Smith and Senator Wyden to pass a budget that is fair, fiscally responsible, and supports opportunities for families.

Program cuts and tax cuts

The President has called for massive cuts to domestic human needs programs while also proposing additional tax cuts for the extremely wealthy. For example, the President's

proposal to change personal exemptions and deductions for high-income households would be a boon to households with income over \$200,000. However, these two additional tax breaks carry a hefty price tag, topping \$146 billion over 10 years. All told the price tag for extending the 2001 and 2003 cuts will reach \$1.8 trillion by 2015, a figure that far surpasses the cost of the deep cuts to domestic human needs programs.

Do tax cuts cost money?

Tax cuts reduce the amount of money available to pay for government services like human needs programs or military defense. This

loss can be paid for through an off-set such as trading one tax cut for a tax increase. The revenue loss can also be paid for through a spending reduction or the loss can be financed through the federal deficit.

Some proponents of extending the 2001 and 2003 tax cuts argue that tax cuts don't really cost money. Proponents of new tax cuts argue that the tax cuts will pay for themselves because the cuts will trigger large economic growth which will lead to increased revenues. However, this argument has never been validated. Even the current chairman *(continued on page 2)*

Legislative Yellow Pages

State Legislative Information
1-800-332-2313 (outside Salem)
(503) 986-1000 (in Salem)
www.leg.state.or.us/citizenguide

Federal Legislative Contacts
Rep. Wu (District 1)
(503) 326-2901
Rep. Walden (District 2)
(541) 776-4646
Rep. Blumenauer (District 3)
(503) 231-2300
Rep. DeFazio (District 4)
(541) 465-6732
Rep. Hooley (District 5)
(503) 588-9100
Senator Smith
(503) 326-3386
Senator Wyden
(503) 326-7525

The Forgotten Issue: TANF reauthorization

COMMENTARY
Cassandra Garrison,
Public Policy Manager,
OFB

The Subcommittee on Human Resources held the first of many hearings in Washington, D.C., on February 20 regarding the reauthorization of the Temporary Assistance to Needy Families (TANF) program. The Committee is charged with considering proposals to reauthorize the welfare cash assistance program, which will impact the plight of roughly 36 million Americans who live in poverty.

Reducing poverty should be the standard by which we measure the success of welfare reform, not caseload reduction. Unfortunately, by using poverty reduction as a measure, we still have considerable work to do. The number of poor Americans has climbed steadily in recent years...and we are essentially back where we started in 1996. There are still 36.5 million people who are poor according to the Center for Community Change. Rising poverty, particularly the growth in extreme child poverty, is evidence of the failure of

the TANF program to help protect low-income families from financial hardship and economic instability.

The primary paradigm of welfare in 1996 was "Get a job, any job." But, the economic downturn in recent years has revealed the fundamental shortsightedness of this theory. The employment boom of the late 1990s is officially over. Our nation has come out of the recession of 2001 with a jobless recovery that has left 12 million unemployed or underemployed. The current reality for most states *(continued on page 2)*

Federal budget update

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of the President's Council of Economic Advisers has asserted that there is "no credible evidence" that tax cuts can pay for themselves. See "Extending the Tax Cuts Would Cost \$2.1 Trillion Through 2015," *Center on Budget and Policy Priorities*, February 9, 2005 (www.cbpp.org).

In other words, all evidence points to the fact that tax cuts do cost money and do have to be paid for somehow. Unfortunately, for thousands of low- and middle-income Oregonians, if Congress takes the President's lead, they will be left holding the bill.

Impact on Oregon

Thanks to the committees

our state's two Senators sit on and Senator Smith's leadership on hunger and health care, Oregon advocates are in a unique position to influence this debate. By working with Senator Smith and Senator Wyden and highlighting the positive impact federal human needs programs have on the lives of Oregon's elderly, children and disabled, we can avert many of the cuts outlined in the President's budget.

Under the Administration's budget, Oregon would lose \$769 million over the next five years for important programs like K-12 education, Head Start, housing, and veterans' health care. The impact on people's

lives would be considerable. For example, by 2010, 8,400 Oregon women, infants, and children would lose access to nutrition assistance through WIC. Oregon's efforts to invest in families by supporting work would be further compromised with cuts to child care assistance impacting 3,400 children from low-income working families.

The cuts would be achieved by setting a legally binding cap on domestic discretionary programs. Funding for discretionary programs is set through the annual appropriations process. Cuts would be locked in and grow larger over time. Under this type of cap, if

Congress approved funding above the cap level, across-the-board cuts to the broad array of domestic human needs programs would automatically happen.

Senator Smith and Senator Wyden need to hear from everyone who cares about the outcome of this debate. Specifically, we are asking the Senators to communicate their opposition to domestic discretionary caps to the Senate leadership, including Senator Judd Gregg, the chair of Senate Budget Committee. Timing is critical as Congressional leaders have indicated they would like to have the committee work on the budget completed by early March.

Take Action with ease...

www.oregonfoodbank.org
(click on)

ADVOCATE

The Advocacy Alert is published jointly by the Oregon Food Bank (OFB) and the Oregon Hunger Relief Task Force (OHRTF).

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The forgotten issue

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is families are being removed from the welfare rolls, but many of those families are now failing to find or keep paid employment.

Even for those people fortunate enough to have a job, that job does not guarantee the most basic standard of living for workers and their families. According to the Center for Community Change, three out of four poor children lived in families with full-time year-round workers in 2003. Recent statistics show the number of children in poverty increased to nearly 13 million in 2003, and the number of children in extreme pov-

erty (in families with incomes of one-half of the poverty level or lower) grew at almost twice the rate of increase for child poverty overall from 2002 to 2003 (22.5 percent compared to 6.0 percent).

The primary paradigm of welfare in 1996 was "Get a job, any job."

During this time of Federal Budget debates and reauthorization of important domestic programs, we should focus on the economic well-being of our children when evaluating the success of welfare reform. We should be asking our Congressional delegation tough questions: "Why is the TANF caseload de-

clining when poverty is rising? Why cut funding to proven programs like childcare, nutrition assistance, health insurance and other critical safety net and critical work support programs when child poverty is on the rise?"

Now, more than any other time, we need to use the opportunity provided by the federal budget debate and the reauthorization of TANF to examine the entire range of work and family supports needed to move families out of poverty...permanently.

For more information:
www.communitychange.org