



Advocacy Alert

OREGON FOOD BANK
OREGON HUNGER RELIEF TASK FORCE

September 2005
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take five

(actions that take five minutes or less)

Action:

Take the Poverty Tour and share with your friends and family:

<http://www.nccbuscc.org/cchd/povertyusa/tour2.htm>

Message:

The causes of poverty are complex. Yet, there is much we can do, as individuals and as community groups, to work with other Americans to address the root causes of poverty. The first step to solving any problem is understanding it – educating ourselves and others about poverty. (The numbers are staggering. More than ever before.)

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Spending limit proposals threaten state services

Guest Article from
Our Oregon. <http://www.oureregoncoalition.org/>

In November 2006 it is virtually certain that a “state spending limit” will be on the ballot, sponsored by Freedomworks, formerly Citizens for a Sound Economy, which as you may remember referred Measure 30 (the temporary tax increase) to the ballot. The spending limit will take the form of either a flat percentage limit on the increase in state spending from biennium to biennium (8%, 10%) or a requirement that state spending cannot increase by more than the rate of inflation (the consumer price index or a

similar measure) plus the rate of population increase.

The limits that have been filed apply to virtually all state spending other than Federal funds. Thus, education (higher and K-12), health care, and even transportation would all be thrown into the same pot and would have to fight it out for room under the spending cap. Fee-funded spending would be treated the same as tax-funded spending; thus, higher education, for instance, could not evade the spending cap by raising tuition – spending tuition dollars would count against the cap.

Practically speaking, either kind of limit would dramatically reduce the scope of government services over time. A flat percentage limit would, of course, mean that if (or when, many economists would say) inflation ever returns to late ‘70’s levels, real government spending would immediately collapse. An inflation rate of 13%, as in 1979, would mean that a flat limit of 8% every two years – approximately 4% a year – would translate into a 9% real cut in government spending.

An inflation-plus-population limit, such as

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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

State legislative session ends with several victories

The 2005 State Legislative Session ended with two strong victories: passage of the refundable state Earned Income Tax Credit (EITC), and a bill that provides 5 cents a lunch for Summer Food Programs.

The EITC was amended into a larger tax bill, SB 31. The credit reduces the amount of tax an individual owes, and now will be refundable for any amount over a family’s tax liability, helping the lowest wage working families the most. The tax credit is

refundable beginning in 2006; increases to 6% in 2008; and expires in 2010.

SB 467, expansion of state support for Summer Food Program, coupled with the new federal “Lugar” pilot in Oregon, which simplifies administration of the program, is expected to add many new summer food programs to serve children in the next two years. The expansion of the Summer Food program and the EITC will give relief to Oregonians who are currently struggling to make ends meet.

Another, victory was maintaining state funding for the Oregon Food Bank Statewide Network General Fund Allocation. The Governor’s recommended budget sought to maintain the

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SAVE THE DATES

- October 16 - 22, 2005
Governor’s Harvest Week
 - October 18 - in Medford
Governor’s Hunger Summit
(Focusing on Housing as a hunger issue.)
- For more information contact Kim Thomas,
kthomas@oregonfoodbank.org

Proposals threaten state services (continued from page 1)

Colorado has had since 1992, would also, over time, dramatically reduce the scope of government services. Since adopting its spending limit, known as "TABOR," Colorado has seen state support for higher education plummet to 48th in the nation as a percentage of personal income; the percentage of low-income children without health insurance skyrocket from 15% in 1991-92 to 27% in 2002-03; and the ratio of teacher pay to private sector pay fall to 50th in the nation. Colorado now ranks 47th in overall K-12 funding as a percentage of personal income. Colorado has also, since 2001, cut Medicaid hospital reimbursement by nearly 5 percent, and reduced general fund support for alcohol and drug

abuse by 15 percent.

Why does "population plus inflation" fail to keep up with the real cost of providing government services? Part of the reason is that some of the major *populations* the government deals with are growing faster than the general population. In the immediate future, the senior population and the prison population are both expected to grow twice as fast as the general population.

The *cost* of many of the services the government provides (health care being a prime example) is also rising faster than CPI - which is largely based on housing and food. And, for CPI purposes, the housing index does not

reflect the recent surge in home prices in much of the country; the CPI looks at rents, which have not gone up nearly as fast.

A final point to keep in mind when considering a "population plus inflation" limit is that over time (in the past and hopefully in the future), society gets richer, and real wages go up. Lawyers, doctors, and teachers all make more, adjusted for inflation, than they did in 1940. From 1978 to 2003 in Oregon, for instance, inflation was 175%, Oregon population increased 40%, but total personal income increased 400%. If you decide that public sector spending will only be adjusted for inflation, then over time, teachers will fall farther and

farther behind doctors and lawyers, making it harder and harder to convince ambitious young people to become teachers.

Two organizations, the national *Center on Budget and Policy Priorities* and the *Colorado Bell Policy Center*, have prepared detailed issue briefs on TABOR. CBPP's memo on TABOR's effect on public services can be found at : <http://www.cbpp.org/1-13-05sfp2.htm>; its memo on why 'population' is a poor gauge for the cost of public services can be found at: www.cbpp.org/1-13-05sfp3.htm. Bell's memos on TABOR's impact on specific services can be found at: <http://www.thebell.org/CoTaborWatch.html>.



Session ends with several victories (continued from page 1)

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

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General Fund Food Grant of \$771,144 in FY 2005-07 with a small inflationary increase to \$795,000. The General Fund Allocation remained fully funded with the small cost-of-living increase.

Despite these hard fought battles, three of Oregon Food Bank's legislative

priorities failed to pass. 1) General Assistance (GA), a small living stipend to the poorest of the poor – people who are disabled and who have almost no income while they are awaiting SSI or SSID benefits; 2) SB 545, legislation to strengthen rules on payday loans and 3) SB 289, increased

funding for WIC/Farmers Markets. While SB289 was passed by both houses and signed by the Governor, legislative budget negotiators cut \$49,000 in base funding from the program late in the session so there will be no expansion even with the passage of SB 289.

The August 2005, C-SNAP Research Brief, ***Pediatricians Say Food Stamps are Good Medicine for Kids*** shows food stamps reduce food insecurity for children and any program cuts will harm their health according to a group of pediatricians in a research brief released this month by the Children's Sentinel Nutrition Assessment Project (C-SNAP). Based on more than 5,000 interviews in six major cities with families with children under three, C-SNAP concluded that "Families whose food stamp benefits are terminated or reduced have increased odds of food insecurity. Protecting funding for the Food Stamp Program is 'Good Medicine' for our infants and toddlers." C-SNAP produces informative, evidence-based policy decisions that prevent child hunger and promote children's health. To read the August 2005 Research Brief see: http://dcc2.bumc.bu.edu/csnappublic/Food_Stamps_8-05.pdf.