

Responding To State Budget Crisis

By now we've seen the headlines and read some of the hype around the 30% state budget cuts released Friday afternoon. Those cuts remove about \$150 million from community DD services in state general funds. That translates into throwing away an additional \$200 million in federal funds, for a total loss of \$350 million. The cuts include a 10% reduction in DD Residential Rates, abrogating the Staley settlement, and eliminates all DD Vocational/Day Services, DD transportation, COLA, and Family Support (and more, see attached detail for all DD cuts). In short, they are unthinkable.

Everyone, including the Ways and Means Committee, agrees the cuts contained in this 30% reduction budget will not be imposed as presented. They requested this budget to demonstrate what could be on the line if significant revenue is not forthcoming. Some of the cuts will be restored with Federal Stimulus funds; however that still leaves Oregon over \$2 billion short of a balanced budget. That's about 11% of the overall budget, unless the May revenue forecast (due mid-May) is even worse, as that's the projection the legislature must use for the 09-11 budget.

The Ways and Means Committee will release their initial budget April 17th. Like the Governor's budget we've already seen, it will contain serious cuts to many human services, including DD, because it will likely be based on cuts alone, instead of a combination of revenue increases and reductions. To gather public input into this approach, and to bolster the community argument for increased revenue, the Ways and Means committee will host six community town halls. While final details are yet to be released, those town halls will be April 20st in Lincoln City, April 21st in Portland, and April 23rd in Salem, with further meetings in Bend, Ashland, and Eugene.

Legislators must hear from our communities that we oppose serious cuts to human services, especially those that impact Oregon's most vulnerable citizens whom we serve, AND that we support raising revenue to avoid these harmful cuts. There are a host of proposals for increasing Oregon's revenues (sin taxes, corporate tax increase, one-time income tax bump, etc.). This quote from the Speaker of the House makes our responsibility clear: "This will be a very open and transparent process, with multiple opportunities for citizens to weigh in," said Hunt. "Oregonians will see the scope of the cuts. They will see how the state reserve funds and federal stimulus dollars will fill some of the budget hole. And they will see the gap that must be filled with a balanced approach to budget cuts and additional revenue."