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LOBBYIST NEWSLETTER-- April 13, 2000

POLITICAL UPDATE:

So far the newly found spirit of friendship and cooperation among the legislators seems to be genuine and firmly in place. I expect, at least on the surface that will continue, throughout the session. As time goes by, however, and issues heat up, tempers will fray and fights will break out. Because of the lack of the overriding partisanship of last session, hopefully, these will be temporary and be not debilitating.

It is too early to tell what hold the leadership has over its members. My guess is that their hold is very tenuous and they have to lead by consensus. Consequently, some of the more senior members are taking the lead on budget matters, taxation and so on. This could also lead to an efficient session with an early adjournment in late June or early July.

CO-CHAIR BUDGET:

Last week the Co-Chairs of the Joint Ways and Means Committee (Sen. Lenn Hannon R- Ashland – St. Rep. Ben Westlund R- Bend) issued their budget plan, the Co-Chair Budget. Note that the Co-Chair Budget has no legal significance, it is only a plan and can be changed by the Co-Chairs at their whim. The final budgets have to be approved by the full legislature.

The Co-Chair budget was very interesting and very disheartening for human services.

The Co-Chairs were able to identify an additional \$85.9 million in new resources, thereby partially stabilizing a shaky Governor's budget. The problem is that very little of these new resources found their way to fund human services. The Co-Chairs restored all funding for Type B hospitals (+6.7 million) and restored one half of the Oregon Project Independence program (+6.6 million). At the same time the Co-Chairs eliminated funding for a tobacco cessation program (-7.0 million),

Eliminated funding for a mental health infection-tracking program (-2.5 million) and cut the Governor's new Oregon Children's Program (- \$10.0 million).

The Co-Chairs allocated most of the new revenues to higher education (+29.3 million, public safety (+\$20.0 million) and all others (+\$27.2 million).

The Co-Chairs made only minor adjustments to the K-12 Education Budget. The education budget seems to be pegged at \$5,190.9 million. See that accompanying chart) What really galls me, that the chart asserts that the Co-Chairs added \$13.8 million for human services. This is only so if you ignore the \$19.5 million that they cut.

**Co-Chair 2001 – 03 Budget
2/1/01
(Millions of Dollars)**

	Governor	Co-Chair	Difference
K-12 Education	5,190.9	5,190.9	-
Education Operations	340.8	328.1	(12.7)
Community Colleges	474.4	480.8	6.4
Higher Education	767.6	796.9	29.3
OHSU	114.7	114.7	-
Student Asst Comm	<u>40.1</u>	<u>40.1</u>	<u>-</u>
 Total Education	 6,928.5	 6,951.5	 23.0
Human Services	2,742.4	2,756.2	13.8
Public Safety	1,729.1	1,749.1	20.0
Natural Resources	261.1	263.0	-
All Others	<u>510.4</u>	<u>537.6</u>	<u>27.2</u>
 Total	 12,171.6	 12,257.4	 85.9

DHS BUDGET HEARINGS:

Tuesday the Human Resources Subcommittee of the Joint Ways and Means Committee, chaired by St. Rep. Jackie Winters, began its review of the Department of Human Resources 2001/03 budget. This review process will extend over months and finish up sometime in mid-May.

As you all know the Governor proposed program reductions in the DHS budget in excess of \$130 million. (Actually because of the manner in which the Governor constructed the budget the cuts are more in the magnitude of \$180 million). This Ways and Means process is the only real viable mechanism for the legislature to review the implications of these cuts. A few weeks ago you got papers detailing these cuts. It is critically important that you review these reductions, determine the impact that they have on the people you serve and insure that the members of the Subcommittee know.

The Subcommittee members are:

Senate Members

Verne Duncan R- Milwaukie
Tom Hartung R- Portland
Mae Yih D- Albany

House Members

Jackie Winters R- Salem
Alan Bates D- Ashland
Janet Carlson R- Salem
Rob Patridge R- Ashland
Kurt Schrader D- Canby

Copies of your letters should be sent to the Co-Chairs, Sen. Lenn Hannon and Rep. Ben Westlund.

All can be reached by writing them at : State Capitol, Salem Or. 97310.

HCS BUDGET HEARINGS:

Last week the Transportation / Economic Development Subcommittee held its hearings on the Department of Housing and Community Services. The hearings seem to go well, but a recent rumor indicates that budget cuts in housing are being contemplated.

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Again, its is critically important that you review these reductions, determine the impact that they have on your clients and insure that the members of the Subcommittee know.

The Subcommittee members are:

Senate Members

Bev Clarno R- Bend
Mae Yih D- Albany

House Members

Tom Butler R- Ontario
Betsy Johnson D- Scappoose
Rob Patridge R- Medford
Charlie Ringo D- Beaverton
Greg Smith R- Molalla

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