



OREGON LEGISLATIVE ASSEMBLY

**OFFICE OF THE SENATE PRESIDENT  
OFFICE OF THE HOUSE SPEAKER**

## **NEWS RELEASE**

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## **Legislature Prevents Cuts to Senior In-Home Care and Services to People with Disabilities**

- *Emergency Board Will Restore \$17 Million out of \$158 million in DHS Cuts*
- *Thousands of Vulnerable Oregonians will Continue to Receive Services*
- *Oregon Project Independence; Other In-Home Care Programs Restored*

The Legislative Emergency Board is expected to restore \$17.1 million in services to seniors and people with disabilities at an E-Board meeting Thursday, protecting vital programs that serve over 16,000 Oregonians and their families. E-board Co-Chairs Senate President Peter Courtney and House Speaker Dave Hunt say restoring critical services impacted by the \$158 million in cuts to the Department of Human Services budget will protect thousands of elderly and vulnerable Oregonians and allow the state to retain over \$14 million in federal funds.

The E-board meeting Thursday will focus only on the Department of Human Services budget. Other cuts that go into effect later in the year are still being analyzed. Thursday's restorations – to Oregon Project Independence, other Medicaid-based in-home care projects, and programs that provide in-home assistance for people with disabilities and mental health issues – will fix cuts that were set to go into effect within the next 45 days.

“We simply refuse to allow elderly people to be forced out of their homes and into more expensive nursing homes. We refuse to allow those suffering from physical and mental illness, and their families, to fall through the cracks in the state budget caused by this global recession,” said Hunt (D-Clackamas County). “These are the worst of the cuts set to go into effect right

away. Our actions on Thursday will protect those Oregonians while continuing on the path of carefully rebalancing the state's budget."

"We've known all along that it is imperative to proceed carefully and cautiously, keeping our eye on the goal of protecting the most vulnerable and avoiding higher costs down the road," said Courtney (D-Salem/Woodburn/Gervais). "These will continue to be our guiding principles as the Legislature works to find ways to meet both our responsibility to maintain a balanced budget and our moral obligation to protect Oregonians who rely on state services."

Some of the restorations will protect services through the remainder of the biennium, ending June 30, 2011. Others will be protected until March 1, 2011. For the latter, restoring these services into next year will allow the Legislature to get at least three more revenue forecasts, determine the level of federal aid that may be available, and immediately ensure the safety of thousands of Oregonians receiving assistance. (See Attached documentation for specific items being restored).

Included in the restored cuts list are:

- Oregon Project Independence, a state-based program offering in-home assistance to seniors and those diagnosed with Alzheimer's (2,000 people served last year)
- Medicaid In-Home Care programs for seniors, people with disabilities and mental health issues (over 11,000 clients in three different programs)
- Community Mental Health programs for people without Medicaid assistance (1,462 clients)
- Developmental Disabilities Family Support Program offering assistance with extraordinary costs associated with raising a child with developmental disabilities (1,140 families)

Thousands of seniors and people with disabilities have received notices from the Department of Human Services in the past two weeks telling them cuts had been made to their services. The E-board action will restore the worst of those cuts.

"The size of our budget shortfall is staggering. Without significant action from Congress, we are best served by continuing to confront the most pressing needs in small bites -- agency by agency, program by program," said Courtney. "The E-Board is the most effective tool we have for managing this crisis. It was created for this exact purpose -- to respond to changing circumstances by rebalancing individual budgets."

"As we analyzed the proposed cuts, we found broad agreement from E-Board members of both parties that we should act to mitigate the worst of the cuts; that too many Oregonians in need would be harmed by these severe cuts," said Hunt. "By restoring these services, we are protecting thousands of seniors and people with disabilities. This is a careful, conservative approach that protects core services while continuing our constitutional mission to balance the budget."

The E-Board will use just under \$15.4 million of a \$30 million special purpose appropriation for DHS that is under E-Board control. That fund was set up by the Legislature to

manage expected case load growth. DHS has identified an additional \$1.7 million in savings, mostly from a federal drug rebate program, to reach the \$17.1 million in restorations.

“This was one of the areas where we set aside funds for emergency action,” said Hunt. “Using a portion of those funds to protect our seniors and people with disabilities is important to the long term health of our state.”

“We can’t do it all and we’re still not out of it. We’re moving forward carefully. Just as we did in addressing the shortfall in the Oregon University System in June, we will use the Emergency Board later this week to do the best we can to deal with the worst of the cuts in DHS,” said Courtney.

Hunt and Courtney said they expected further legislative action following the next revenue forecast in late August.

“We are not going to tie our hands when it comes to addressing this budget crisis,” said Courtney. “By restoring these cuts now, we’re avoiding higher costs down the road and retaining federal dollars. As we move ahead, we’ll continue to look at these factors along with our priority of protecting the most vulnerable amongst us.”

“From the moment we received the last forecast and learned of the \$577 million deficit, we said we would approach these cuts thoughtfully and carefully; that we would act when we had plans in place to protect Oregonians and that we would be guided by a set of principles that protected the most vulnerable Oregonians and protected our long term investments in the future of Oregon. Thursday’s E-board action is the next step along that path,” said Hunt.