

# Proposed budget cuts could drastically alter local services

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Homeless and low-income advocates, service providers, and policymakers were put on notice when the Republican-controlled – and Tea Party infused – House of Representatives released its budget last month.

The House budget plan would cut \$61 billion in discretionary spending (which does not include defense spending or entitlement programs, such as Social Security). That includes \$5.5 billion from the Department of Housing and Urban Development, or HUD, and more than \$1 billion, almost half the budget, for maintaining aging public housing units. Funding to Planned Parenthood and public broadcasting would be completely eliminated, and programs paying for substance-abuse treatment, mental-health care, low-income housing programs, education programs for the poor, and senior and disabled programs all are on the chopping block. The cuts being proposed are not snips and trims, but program-altering gouges that service providers say

will fundamentally change how the safety net operates and serves vulnerable populations.

The House's budget passed on Feb. 19, but failed to gain enough support in the Senate. However, President Barack Obama's proposed budget, supported by Democrats and cutting \$10 billion, hasn't garnered enough support to pass in the Senate, either. Meanwhile, stop-gap budgets passed in the House continue to chip away at funding. It could be months before a settlement is reached, and everyone with a dog in the fight is bracing for significant cuts to safety-net programs.

"It will be devastating," says Jean DeMaster, the executive director of the social service agency Human Solutions. "Huge numbers of people" will not be able to have their basic needs of food, shelter, and safety met.

"The problem is not going to show up today," DeMaster says. But consider a child in the first grade, who becomes homeless, and may not be able to participate in an after-school program that would help him or her keep their grades up. "They don't

graduate from high school, then they don't get jobs," DeMaster says. "(The problem) does show up eventually."

The work Portland and Multnomah County have done through the 10-year plan to end homelessness and other efforts to address homelessness and poverty has focused on creating a social-service system that does not duplicate services, is collaborative, efficient, and streamlined.

"We've done a lot of work over the last five years to try to align what we have in terms of support services," says Mary Li, Multnomah County's manager of community services.

Think of Portland and Multnomah County's social services as a Jenga puzzle. Each Jenga block represents a specific piece of the safety net – alcohol and drug treatment services, mental health counseling, case management, the shelter system, transitional housing, low-income rental housing, etc. Pull out an essential block, and the tower collapses. Advocates and service providers say the tower that is Portland and Multnomah County's social

safety net will become dangerously close to falling down if the federal government makes drastic cuts to even one piece making up the safety net.

"It creates this danger when one is radically defunded or changed, it changes the whole system," Li says. "It's the system now being jeopardized, not just a funding source."

City Commissioner Nick Fish, who oversees the Portland Housing Bureau, and Housing Bureau Director Margaret Van Vliet sent a letter to the White House on Jan. 5 asking that funding for Community Development Block Grants be preserved (see below). "This funding is essential to maintain the safety net," they wrote.

Here are seven programs that would be affected by the federal budget cuts, and in one case (the Temporary Assistance for Needy Families, or TANF), a program effected by Oregon Governor John Kitzhaber's budget.

In some cases, the programs would be

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## Proposed cuts to social services under the House plan

### Community Development Block Grants (CDBG)

Community Development Block Grants are federal monies given directly to local jurisdictions, such as the City of Portland. The block grants pay for a wide variety of services aiding low-income and homeless people. In 2010, the City of Portland and local jurisdictions received \$10.8 million. \$1.3 million is being used for homelessness and housing assistance programs, says Sally Erickson, the manager of the Portland Housing Bureau's ending homelessness program.

**Proposed federal budget cut:** \$2.5 billion

**Oregon's share:** \$24.8 million

**Impacts:** The money helped fund rent assistance and housing placement services, the shelters Transitions Projects, Inc. operates, Section 8 housing, and 211, Multnomah County's social services hotline. "Portland uses most of its Community Development money for housing," says Margaret Van Vliet, the director of the Portland Housing Bureau. Cuts in Block Grant money means there will also be less rent assistance, less housing rehabilitation, and development. "There will be more people experiencing homelessness," Erickson says.

### Program: Temporary Assistance for Needy Families (TANF)

TANF provides cash assistance to low-income families with dependent children. To qualify, families must have very few assets and little or no income. 30,000 Oregonian families are currently receiving TANF benefits. The current maximum monthly benefit for a family of three is \$506. The program requires that members of the family actively strive to be self-sufficient, whether that means they are seeking employment, obtaining job skills, in a vocational program, etc. The goal is to reduce the number of families living in poverty. Families can receive TANF assistance for a total of 60 months (or five years).

**State budget cut:** \$12 million by shortening the time limit a person can be on TANF to 18 months, effective October 2011.

**Impacts:** "That is a big change," says Gene Evans, the spokesperson for Oregon's Department of Human Services. "It would hit 7,000 families. TANF is available only to extremely low-income families. For many people, TANF is their only source of income. In some cases, there'd be households of families with dependent children whose income would go to zero."

### HOME Investment Partnership Funds

The Portland Housing Bureau uses these federal funds to build and rehabilitate affordable rental housing for low-income individuals and families, provide short-term rent assistance to prevent low-income families and individuals from being evicted, home ownership programs, transitional housing, and emergency shelter programs.

**Proposed federal budget cut:** \$175 million, or 9.6 percent.

**Oregon's share:** \$2.1 million

**Impacts:** Van Vliet thinks that if federal funding from the Housing Bureau's budget were cut as much as 20 percent, "we could absorb that." But beyond that, the Housing Bureau would have to severely scale back the number of future projects it undertakes, whether those projects are rehabs or existing buildings, or funding new rental housing development. "What always gets cut is rental housing development," Van Vliet says. "(But) that's what we need in the long run to make long-term, sustainable headway in the housing shortage."

### Program: Low Income Home Energy Assistance Program (LIHEAP)

LIHEAP is a federally funded program providing low-income families the cash assistance needed to pay utility bills—including heating, electricity, gas, and sometimes cooling bills. Multnomah County received a total of \$4.8 million dollars this year to provide utility assistance to approximately 20,000 people. In many cases, preventing utilities from being disconnected also means preventing eviction, as an increasing number of landlords are putting clauses in their rental agreements utilities have to be on in order to lease the apartment.

**Proposed federal budget cut:** All funding eliminated.

**Impacts:** If funding is completely eliminated, of course, no one will be able to receive utility assistance. If the budget is cut in half as the president's budget proposes, approximately 7,000 to 8,000 people will receive assistance, says Mary Li, Multnomah County's manager of community services. DeMaster says people without utilities, if not evicted, tend to light or heat their apartments with candles, meaning there is more danger of fires. "Having heat and electricity is a health and safety issue," DeMaster says. "It makes kids subject to getting colds or ear infections. It makes seniors more likely like to get serious illnesses like pneumonia. For kids in school, you can't do homework if you don't have light in your apartment."

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