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services across the board – programs for seniors, safety net services, TANF (Temporary Assistance for Needy Families) – all those things that have taken significant cuts. It's the usual – how do we do it all with the little dollars we have?

What I'm hoping we're going to be able to do is a balanced approach to the budget that does make some changes to PERS, not probably to the depth some people are asking for, but we have a problem with PERS, so we have to fix some of that.

We still have problems in our tax system. And the biggest issue for us is tax credits and tax giveaways. We just had the Nike conversation, and we're frustrated about that. But how do we look at our tax credits and make them more fair?

So we have to do more around tax credits and tax loopholes. And we need to look at government efficiencies. Until we do comprehensive tax reform, we're never going to have all the dollars we need.

J.Z.: *Who's going to be the winners and losers at the end of this session?*

T.K.: Middle-class Oregonians are going to win. And by middle-class I think working folks, I think it's schools and kids and seniors.

J.Z.: *And who antes up?*

T.K.: I don't think it's an either/or. I think there are plenty of tax credits right now for businesses. It's not about taking away from business; it's about reinvesting in people. Because that helps business, it helps everybody.

We've all been losing. We've all been suffering. Businesses complain. People have been out of work for three years. If we don't have good livable communities where people have access to jobs, we're in trouble. That's where we have to focus.

J.Z.: *These programs – TANF, for example – they're not just cut-a-check assistance programs. They're helping the person who takes care of their grandmother so she doesn't have to go into a nursing home, for example. Are we going to see these services restored?*

T.K.: Even though we're in a steady recovery, there's still a lot of need out there. So if you look at how we prioritize dollars, the answer has to be yes. The caseload in TANF – these are parents with kids who have basically no income – is going up and up and up. They're not going to succeed well in schools. They're going to have a hard time getting back into the workforce. They can't stay on the caseload forever.

J.Z.: *And it adds pressure to the schools ...*

T.K.: It adds pressure to the schools. People want government to spend the dollars wisely, and prioritize, but they also get prevention. That if we spend the money to get the family back to work, then they're not going to be on assistance any more.

Everybody for the last five years has either suffered from the economic downturn or knows somebody who did. So I like to think that that's a new understanding of what the role of the public system is in terms of helping people when they're down and out. I'd like to think that people have gone through this, they're a little more sympathetic, they get that we have to help each other because they know what it's like.

J.Z.: *That we're a little wiser because it touched more people.*

T.K.: I would hope so. Because I do think we are in our own little worlds. Until you are living next to the foreclosed property, you didn't realize there was a problem. That's a rude awakening for people, even if it's not you. Or you've had family members couch surfing at your place because they didn't have housing.

That's why I think the next two years are

critical. We can all go back to our little silos and talk about 'I've got mine, everything's fine.' Or we say, what do we want the state to look like for everybody, and how do we build to a different future. We finally have some money, we're not going to have enough, but more money to build again, and not just protect.

J.Z.: *Calls for tax reform permeated this last election cycle. Are we going to see real tax reform come out of this session?*

T.K.: Probably not out of this session but the discussion is going to start. To do comprehensive reform, you've got to go to the voters. And the governor is sitting down with business leaders and labor leaders and pretty much the people who will bankroll anything that goes. He's trying to figure out if there is an agreement between those groups.

There will probably be a conversation about property taxes. Since we did property caps 15-20 years ago, we're looking at how they're affecting services and public schools. We'll continue to review tax credits. All the tax credits now have expiration dates so every two years a group of new tax credits has to get reapproved. One of the biggest ones this year is the Earned Income Credit. It's a good credit, but it costs money, so the question is, can we afford to re-up it.

I think whatever goes forward will have to have a proposal that both business and labor can get with. If there's going to be a plan, it won't happen until 2014. Because it has to go to the voters. It's got to be something that can survive on the ballot if someone refers it.

J.Z.: *What will this legislative session produce that will alleviate homelessness and improve access to affordable housing?*

T.K.: I've been doing poverty and social justice work for decades in this state. I don't think the state has really been 100-percent focused on the housing issue. A lot of that is done locally, but I understand that if individuals don't have access to good housing, quality, affordable housing, if they're ill they won't get better, if they're students and they're homeless, they can't learn in school. And yet we talk about health care and we talk about education, we talk about all these things and we forget housing. So, my goal is to talk more about housing, so that's why you see that we now have a Human Services and Housing committee. We've never really had a committee where we know where housing bills are going to go. We do now in the House.

The governor has put a renewed emphasis on poverty, which I really appreciate. In his budget, the one agency that handles housing at the state level, the Oregon Housing and Community Services, is now going to go through an evaluation. They're starting a public conversation on what the agency should look like. Right now they do the affordable Housing Trust Fund and some of the safety net services through community action agencies. Over the next two years, people are going to be talking about what is the role of state in housing. Should it be in one agency? Should it be divided up? What's the goal? It's a really big deal and one of the biggest conversations that's going to happen over the next couple of years.

J.Z.: *And you introduced your Housing Choice bill on Monday.*

T.K.: To me, if you're going to provide housing choice – and by choice we mean the ability of individuals to live close to where they work, to where they want their kids to go to school, closer to where they can afford the services that they need – than we have to make sure there's more choice. And one of the ways we do that is the Section 8 Housing Choice Voucher program. It's not our program, but it's the largest housing program in the state, that the state has nothing to do with it.

J.Z.: *Other than it allows a landlord the*

right to refuse leasing to a Section 8 voucher recipient.

T.K.: Right. We allow for a landlord to say "I don't want to take someone with a voucher."

We want to make the program work as well as it can for landlords. We're trying to push housing authorities to make the program as flexible as possible so they want to be a part of the program. But on the other hand, you can't just routinely discriminate against someone just because they have a voucher. You at least have to take the application.

The other thing the bill is going to do is recognize that there is a connection between the housing authorities and the state. The housing authorities are going to have to report to the state on how their Section 8 program is working. They don't do that now – there's no connection. They report to the feds. No one at the state has any idea what the housing authorities are doing. They get money from HUD, and then they run their programs.

We're not trying to make it difficult on the housing authorities, but I think the state should know: How's your voucher program going? How many people are renting? How many are returning them? If it takes three people to use one voucher in your program, there's a problem in your program. We want people to get housed right away when they get a voucher.

Hopefully, we're going to put some new money into a new fund so that when people are in a crisis, we keep them housed – before they become homeless. There is a very, very limited pot of money for emergency rental assistance. So maybe somewhere down the line we talk about having a state voucher program, similar to Section 8, but before we get there, we need more emergency rental dollars. It's a lot cheaper to keep them in the house they have than let them become homeless.

J.Z.: *And studies show that families with children are a rapidly growing population among people experiencing homelessness, here and nationally.*

T.K.: The big piece for me is the homeless population among students. If your family is in crisis and you're going to lose your housing, you're not going to show up to school the next day. People say that there are all different kinds of populations, but I think we need to focus on families right now, and keep them stable so their kids can stay in school. To me it's a connection with the success we want to see in schools. And I represent North Portland – I have a very high poverty set of schools. They're not going to graduate if they're not in school, and that's the goal. So the housing piece is an educational goal, keeping kids housed and families stable.

J.Z.: *The previous legislature set up the new Medicaid delivery system with coordinated care organizations. How much control do you have to tweak those organizations to incorporate housing and other supportive services?*

T.K.: If I'm a coordinated care organization handling the Medicaid population, and I haven't talked about housing, than I'm going to have a problem. If you want to keep your person on the health plan with a chronic condition and get them healthier, you make sure they're housed, which is a really big issue for the folks here.

We said we're going to give you an integrated pot of money, both physical and mental health, and go serve your population. In prenatal care for example, only about 30 percent of the women who are on the Oregon Health Plan who are pregnant, only 30 percent have had prenatal care their first trimester. We've got to fix that because we deliver half the babies in this state through the OHP. If only 30 percent are getting prenatal care, what's wrong with that picture?

CCOs: we're going to give them a budget. If I'm the head of a CCO, and the population

that's showing up in my emergency rooms is homeless individuals, maybe I should get them housed. If they're housed and they have supportive services, they're not going to show up in the emergency department, which is very expensive.

So we've given CCOs the flexibility to say, "What I don't need are emergency rooms, but what I need is housing." They could spend their money on housing.

If they're thinking ahead, they're going to come back to social workers, or housing or getting people to their appointments.

J.Z.: *It's a labor issue sweeping the nation: Are we going to become a "right-to-work" state anytime soon?*

T.K.: If there was a different majority in the house, I'm sure it would happen. It's not going to happen with a democratic majority in the House.

The whole right to work movement is a political attempt to undermine the power of labor unions. Plain and simple. I'm a big believer in labor unions. I believe in collective bargaining because it's about having a right at the table to talk with your employer. In some cases it's not even about how much you get paid, it's about how you get treated in the work place. And I'm very supportive of continuing efforts to organize the private sector, there certainly most of the labor unions are public sector employees. But the real challenge is in the private sector. The work that SEIU Local 49 does to organize janitors and facility people here is really, really important. And it's not an "us vs. them." Business has a role. Labor has a role. I'd like to see more workers unionized. I think it's beneficial – it trains more leaders, there's more engagement.

J.Z.: *The National Mortgage Settlement delivered \$29 million to the Oregon state government. It hasn't all been spent, and in fact only \$12 million was put toward mediation and related foreclosure efforts. What do you say to affordable housing advocates who want to see this spent on affordable housing?*

T.K.: There was the money going back to homeowners and the money that the state got. So when we were finalizing the budget, we did put some of it into housing counselors and foreclosure legal assistance. I think some went back into the General Fund. I understand that advocates were upset that not all of it went to housing.

J.Z.: *Is that money gone from affordable housing concerns at this point?*

T.K.: I don't know.

J.Z.: *And the mediation bureau hasn't been as engaged as expected.*

T.K.: The banks have refused to participate in the program. The goal of the foreclosure legislation was to give people the opportunity to have a face-to-face conversation with their lender – if they're pursuing a foreclosure outside the court system. And then the MERS ruling came down, and the simultaneous fact that we're saying you need to meet with people and that MERS ruling that if you had a house through MERS, you had to go to the courts. So the banks said, fine, they're all doing judicial foreclosures in the courts.

J.Z.: *Which is an end-run around the mediation.*

T.K.: Yes. So the banking industry wants some changes on the mediation bill. They say a few changes to make it more feasible for them to participate. I haven't seen the changes yet, but I'm open to having it changed so more people can get the non-judicial process. I am not going to give up with the fact that people should have a right to be face-to-face with their agent. The banks should be sitting down with their homeowners and trying to get them into a better situation. Right now, the biggest problem we have is people don't know