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NEWS RELEASE

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Legislature Approves Major Investments in Education, Housing, Child Welfare, and Mental Health

Strategic, sustainable investments define 2019-21 budget

SALEM – Today the Oregon Legislature wrapped up its work on the next biennial budget, approving significant new investments in education, housing, mental health services, and other critical programs for vulnerable children, seniors, and working families across the state.

“This has been a historic legislative session for many reasons, with structural budget reforms at the top of the list,” said Rep. Dan Rayfield (D-Corvallis), a co-chair of the Joint Committee on Ways and Means. “Finally, Oregon is addressing the persistent budget challenges that have been holding back our state for a generation. We approved structural revenue reform to fix our chronically underfunded education system, and we took strong steps forward to stabilize our investments in health care, child welfare, and other critical programs.”

In addition to renewing current budgets, new investments for the 2019-21 biennium focused on areas of immediate need. This includes additional funding for:

- Higher education, including increases in college financial assistance (Oregon Opportunity Grant) and community college and university base budgets to help stave off significant tuition increases (this is in addition to a new billion-dollar-per-year investment in the preK-12 education system from the Student Success Act passed in April).
- Housing, including preventing homelessness, preserving affordable housing, and increasing housing supply.
- Child welfare, including additional caseworkers and increased support for foster care.
- Mental health services, including more help to divert people from jail, supporting the behavioral health workforce, and suicide prevention.

Additionally, the Legislature is directing 2% of its ending fund balance to reserves, giving the state a total of \$1.8 billion in emergency reserves to protect services in case the economy softens over the next two years. Typically, the Legislature holds back 1% for reserves.

Below are some of the highlights of the 2019-21 budget:

Strengthening Public Education

- K-12 State School Fund - \$9.0 billion
- Student Success Act (HB 3427, second year of the biennium)
 - Student Investment grants to districts - \$472.7 million
 - Early Learning Equity Fund - \$10 million
 - Student Success Teams grants and staff - \$14.1 million
 - Nutrition program expansion (school breakfast and lunch) - \$41.6 million
 - Early childhood education increases:
 - Oregon PreK/Head Start - \$44.4 million
 - Early Intervention/Early Childhood Special Education - \$37.5 million
 - Preschool Promise - \$30.8 million
 - Early Head Start - \$22.3 million
 - Early Learning Professional Development - \$12.5 million
- Oregon School Capital Improvement Matching Program - \$125 million in bonding to support capital improvements by school districts
- Higher Education:
 - Oregon Opportunity Grant - \$164.2 million (\$12.5 million increase)
 - Community Colleges – \$640.9 million (\$50.1 million increase)
 - Universities - \$836.9 million (\$59.5 million increases)
 - Capital Improvement - \$65 million in bonding for deferred maintenance on existing university buildings
- University Innovation Research Fund - \$10 million
 - This funding will allow universities to pull in additional research dollars to make them more competitive nationally and improve Oregon’s workforce

Tackling the Housing Crisis

- \$50 million for state homeless assistance programs - \$45 million total to Emergency Housing Assistance (EHA) and State Homeless Assistance Program (SHAP) and an additional \$5 million to strengthen temporary shelter options in high-need areas
- \$14.5 million to prevent and end homelessness for very low-income children.
- \$150 million for affordable housing development
- \$50 million for developing permanent supportive housing, plus \$2.9 million for rental assistance to individuals living in this kind of housing
- \$25 million for affordable housing preservation
- \$15 million for manufactured home park preservation and supply
- \$15 million for affordable market rate housing acquisition loan program
- \$5 million for workforce housing development in rural areas

- \$3 million for survivors of domestic violence to get needed housing
- \$3 million for renter resources for education and navigation in tight rental markets
- \$1.5 million for homeownership counseling services

Helping Vulnerable Oregonians

- Medicaid - \$432 million from hospital and insurer assessments to provide long-term stability for the Oregon Health Plan (HB 2010 passed in February)
- Earned Income Tax Credit - \$56.7 million to maintain and expand this important tax break for low-income workers
- Child Welfare - an overall \$176 million increase to reduce caseloads and provide social services to children in need:
 - 347 additional frontline workers, including:
 - An additional \$8.9 million to add 46 positions to improve staffing levels for the Oregon Child Abuse Hotline.
 - Create 44 positions by retaining and restructuring \$45.6 million in total funds built into current service level by applying “best practices standards” approach for staffing.
 - \$8.5 million to pay for therapeutic foster care, foster home recruitment, and foster parent training and support.
- Mental Health - \$97 million in new one-time and ongoing investments in strategies to improve statewide mental and behavioral health, including:
 - Nearly \$10 million in IMPACT grants to support local and regional supports for people with mental illness and/or addictions who cycle through the emergency room, courts, and jails
 - Over \$7 million to bolster community support for Aid & Assist patients to promote rehabilitation for the Oregon State Hospital population
 - \$10 million in suicide prevention funding
 - \$13 million in substance use disorder and mental health fee-for-service provider rate reimbursement increases
- Aging and People with Disabilities - \$31.6 million to fund 20 client care surveyor positions, along with program investments that include cost of living adjustments for assisted living facilities, residential care facilities, in-home agencies and PACE
- Intellectual and Developmental Disabilities - \$30 million increase to provide meaningful increases in wages for direct support providers to stabilize the workforce by reducing turnover and providing better continuity of care
- Veterans:
 - \$23.9 million of dedicated Measure 96 Lottery Funds for veterans’ services across multiple agencies (Department of Veterans’ Affairs, Criminal Justice Commission, Oregon Health Authority, and Bureau of Labor and Industries)
 - 24% increase of the 2017-19 Legislatively Approved Budget and a 175% increase over the 2015-17 Legislatively Approved Budget for veterans’ services (excluding debt service)

- Immigrants and Refugees:
 - \$2 million to assist in legal defense of immigrants who are at risk due to federal action
 - \$2 million for grants to refugee resettlement agencies to provide services to refugees

Ensuring Public Health and Safety

- Oregon State Police - \$12.3 million for 40 trooper positions
- \$20 million to the Public Defense Services Commission for system improvements
- Courthouses - \$135 million in bonding for new courthouses in Clackamas, Lane and Linn counties and \$8.5 million to complete the new Multnomah County courthouse
- Seismic Renovations - \$120 million in bonding for seismic rehabilitation grants for schools and emergency services buildings
- \$30 million in bonding for the Special Public Works Fund
- \$15 million in bonding for new grant program to maintain levees
- Lottery bonds for local water systems:
 - \$20 million to the City of Salem for drinking water improvements
 - \$7.8 million to the Confederated Tribes of the Warm Springs for water system improvements
 - \$7 million to the City of Sweet Home for their wastewater treatment plant
 - \$4 million to the City of Newport for the Big Creek Dams

Supporting Rural Communities

- Health Clinics – \$8.6 million in lottery bonds for health care services in Curry, Jefferson and Wallowa counties
- Main Street Revitalization Program - \$5 million for main street projects around the state
- Rural Broadband – \$1 million to support the expansion of rural broadband
- Farm to School Expansion - \$10 million to strengthen the purchase of locally produced food for school nutrition programs
- OSU Extension – \$12.75 million increase, including new investments in fire resilience, water basin research, organic farming and berry research
- Deschutes Basin Piping Project - \$10 million
- Wallowa Lake Dam Rehabilitation - \$14 million
- Port of Coos Bay - \$20 million for rail line repairs and channel deepening

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