



HB2100: A Study in Unintended Consequences

HB2100 is a placeholder bill for a concept being proposed by Oregon Housing and Community Services that would strip 20 percent of homeless services funding from the existing network of community action agencies and freeze future allocation to the network at 80 percent of current service levels. Oregon Housing would use its discretion to allocate the money removed from formula distribution and would allocate all new and future money without regard to formula. The bill would directly impact the 18 community action agencies in the state who, for 40 years, have provided an efficient and reliable means of distributing state and federal anti-poverty funding across Oregon. It would reduce local input and control of homeless services and policy. It would destabilize local homeless shelters, domestic violence shelters and veterans' organizations who depend on these funds as subrecipients. By freezing funding at current service levels, it would erode capacity over time and it would stop long-term planning for service expansion and expanded infrastructure.

What HB 2100 <i>really</i> does	
Do we need to modernize the statute?	The current statute was thoroughly reviewed and revised in 2015, using a consensus-based process led by OHCS and involving a broad coalition of stakeholders. The current statute does not include references to racial equity, but that can and should be added without restructuring the current delivery system.
Is the current system broken?	No. For more than 40 years, Community Action Agencies, covering the entirety of Oregon's geography, have acted as regional managers for funding passed through from OHCS. Community Action serves nearly half a million Oregonians annually, and delivered \$90 million in assistance during the COVID pandemic.
Who currently has access to state and federal funding for homeless services?	Community Action Agencies subgrant funding to hundreds of homeless shelters, homeless service providers, domestic violence shelters and providers and culturally specific organizations. Grants include administrative allowances, training and data support, compliance review and subrecipient monitoring, all of which would have to be provided by OHCS under a system of direct contracting.

What will happen if this bill passes?	Homeless-services funding to every community in Oregon would be reduced by 20 percent. Future funding would be capped at the 2021 current service level, causing a continuing level of disinvestment in community-level services. The 20 percent recaptured by OHCS from communities would be redistributed by the agency. Additionally, the bill would remove the need for local input into distribution of funding formulas and would allow for one-size-fits-all program design to be imposed by a state agency without local input or variation to meet local conditions.
Why is this bill detrimental to planning?	The current system creates long-term stability by guaranteeing funding year over year. That allows for long-term planning to infrastructure investment and expanded programming. This bill would replace stability with a security that extends only to the end of a contract (likely two years). That will bring long-term planning to solve a long-term problem to an immediate halt. Major investment in homeless infrastructure in the state has already been delayed, due to this bill being introduced.
Doesn't this bill commit to geographic equity?	OHCS promises to use a needs-based formula to ensure that funds reach all parts of the state. But the proposed statute is silent on how OHCS will ensure equity in geographic distribution. "Trust us," is not good policy. Under current statute, the distribution formula is negotiated between OHCS and the community action agencies. This bill strips that local input mechanism from the statute.
Does this bill have stakeholder support?	This bill was created within the Housing and Community Services Department <i>without</i> stakeholder consultation with stakeholders. It was not even approved by the Department's policy body, the Housing Stability Council before being filed! Community Action Agencies learned the bill was pending on December 28 after being told in early December that no such legislation was planned.

What about racial equity?	Racial equity is important. Systems need to evolve to incorporate a racial justice lens. Consultation with stakeholders and those with lived experience is vital to “getting it right.” Unfortunately, HB2100 was developed hastily without broad stakeholder engagement. A legislatively supervised process to study and implement needed reforms will lead to better outcomes.
Do current grantees follow best practices?	Yes. Best practices are frequently written into contract language by OHCS. Community Action Agency staff avail themselves of ongoing training to stay current on best practices. A statute mandating best practices duplicates current practice.
Do current grantees report outcomes?	Outcomes have always been a part of the contracting process. Current grantees upload data to a central database maintained by OHCS. Current grantees can only report the data as the system allows.
Is the current statute ensuring that the needs of the homeless are met?	Clearly, the needs of the homeless are not currently being met, but that is a systemic and funding problem, not a statutory problem.

House Bill 2100 Fails on Many Levels

- This bill will impact far more than community action agencies; it will affect thousands of homeless shelters, domestic-violence providers and other community organizations, including culturally specific organizations, by eliminating their access to annual funding through subgrants.
- This bill allows OHCS to redistribute funding with the potential for one or more jurisdictions to receive the bulk of funding, regardless of population.
- OHCS and community action agencies have just completed the heaviest lift in their respective history by distributing \$90 million in pandemic relief funding. They are preparing to do even more with new stimulus money, and they have had to simultaneously deal with fires, floods and ice storms. Now is not the time to redesign the delivery system.
- This bill was developed without a formal process of gaining stakeholder input. Oregon’s commitment to transparency in government demands a better process.
- There is clearly no rush. Even as drafted, the bill delays implementation until 2022. Why not do it right, rather than do it fast?
- This legislation is misnamed as a “modernization” of statute; The statute in question was comprehensively modified in 2015. The bill isn’t about “modernization.” It’s about redistribution—of money and control.