



Department of County Management
MULTNOMAH COUNTY OREGON

Budget Office

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TO: Board of County Commissioners

FROM: Christian Elkin

DATE: February 26, 2014

SUBJECT: General Fund Contingency request of \$100,000 for Emergency Food Distribution Due to the Federal Reductions to the Supplemental Nutrition Assistance Program (SNAP). (Budget Modification Nond-13)

While many families remain dependent on SNAP benefits, recent actions by the federal government have reduced these benefits. On November 1, 2013 a temporary benefits increase to SNAP households ended, resulting in a significant cut to food assistance for families across Multnomah County. The Farm Bill that passed in January will add an additional \$8.7 billion in SNAP cuts over the next 10 years; primarily in 15 states, including Oregon,. These reductions make it harder for families to access adequate nutrition and force trade-offs between food and other household expenses.

This contingency request will provide \$100,000 to the Oregon Food Bank to increase the food purchasing capacity of emergency pantries in targeted zip codes with high SNAP participation. The Oregon Food Bank (OFB) collects and distributes food for local area food pantries. OFB holds the state contract with the U.S. Department of Agriculture (USDA) and is the only organization serving all of the emergency food pantry community partners. The Oregon Food Bank will not collect administrative fees on these funds, but will extend credit to area food pantries in zip codes with the highest SNAP participation rates. Food banks will use this credit to purchase at the very low price of \$0.63 per pound of food—allowing agencies to distribute approximately 158,730 pounds of healthy food. Many agencies will leverage the funds for even greater impact by purchasing items that are available for as low as \$0.06 per pound. The agencies will be able to choose from a range of items and costs to buy an assortment of food with variety and nutrition. Multnomah County already works in partnership with the Oregon Food Bank, school districts and Partners for a Hunger Free Oregon to support SUN emergency food pantries (Program offer 25147A). Those SUN emergency pantries are included in this added food credit.

General Fund Contingency Policy Compliance

The Budget Office is required to inform the Board if contingency requests submitted for approval satisfy the guidelines for using the General Fund Contingency.

In particular,

- Criteria 1 states contingency requests should be for one-time-only purposes.

The request is one-time-only in nature and does not support ongoing programs.

- Criteria 2 addresses emergencies and unanticipated situations.

The costs were unknown during the FY 2014 budget due. The federal reductions occurred after the FY 2014 budget was adopted.

- Criteria 3 addresses items identified in Board Budget Notes.

These items were identified in the Federal/State Set-Aside Budget Note. It states,

To prepare for federal and state cuts to vital county safety-net programs, a \$1.0 million appropriation will be earmarked in the General Fund contingency fund. The earmark will be made up of the \$800,000 remaining in the current sequestration set-aside and \$200,000 from vacant positions in the Department of County Human Services.

The Budget Office will work with departments to gather and analyze information on the federal and state cuts as it becomes available with a tentative plan to return to the Board of Commissioners in August. The Budget Office and departments will brief the Board of Commissioners on the specific cuts and impacts, and provide prioritized recommendations to mitigate the impacts. If it is determined by the Board that the contingency fund must be tapped to prevent safety-net cuts, the Budget Office will work with departments to bring a package of budget modifications for Board consideration.

A package of Midyear State Rebalance budget modifications was approved by the Board on November 7, 2013 appropriating \$448,868 of the \$1.0 million of the federal/state set-aside. This leaves a balance of \$551,132.