



February 24, 2015

To: Senate Human Services and Early Learning Committee

From: Leslie Sutton, Oregon Intellectual and Developmental Disabilities Coalition

Re: Support for SB 616 to create a Community Housing Trust Account investigation and investment strategy to maximize interest and income in the account.

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Chair Gelser and Members of the Committee:

The Oregon Intellectual and Developmental Disabilities Coalition (IDD Coalition) is a group of approximately 30 organizations across Oregon that promote quality services, equality and community integration for Oregonians with intellectual and developmental disabilities (I/DD) and their families.

The IDD Coalition believes in the promise of community housing that Oregon made to people with intellectual and developmental disabilities when it established the Fairview Trust. Each budget cycle, the Department of Human Services provides a report of revenues and expenditures from the trust as part of its budget submissions to the Governor and Legislative Assembly. As IDD stakeholders, we have examined these reports and found important discrepancies which we briefly highlight in our testimony today. After identifying these discrepancies, we fully support SB 616 to investigate the trust and recommend an investment strategy to maximize interest and income in the account.

1. The Fairview Trust “loaned” \$6.9 million dollars to fund DD Day Programs in 2011. The loan has not been repaid.
  - a. It not clear if there was statutory authority to take the loan in the first place. The Fairview Trust language is clear that 95% of the proceeds of the sale of Fairview shall remain in trust in “perpetuity”. The remaining 5% of the trust and any interest must be spent on community housing for people with I/DD.
  - b. According to 2011 and 2013 DHS IDD Community Housing Reports, \$5.9 million of the 95% fund was removed to fund DD Day programs (not housing) rather



than remain in the account in perpetuity. The entire 5% fund, or \$1.1 million, was removed to also fund the DD Day programs (not housing).

2. The DHS 2011 and 2013 IDD Community Housing Reports have a \$203,347 discrepancy in the stated 2011 starting balance of the funds. The 2011 report indicates a starting balance of \$13.1 million, whereas the 2013 report indicates a 2011 starting balance of only \$12.9 million. It is unclear what the actual balance was at the beginning of 2011.
3. The 2013 starting balance was \$6 million in the 95% fund and \$0 in the 5% fund. The 2015 report indicates approximately \$5 million in the 95% fund and \$900,000 in the 5% fund. As previously mentioned, the 95% fund was to remain in perpetuity. DHS should not simply move money from the 95% fund to the 5% fund.
4. The 2015 report shows the 5% fund as General Fund in contrary to the statute which says the Community Housing Trust Fund is "separate and distinct" from the General Fund. See ORS 427.340.
5. ORS 427.340(1) says that interest is supposed to be credited to the accounts, yet no interest has been credited in the last 4 years.
6. The 2015 DHS IDD Community Housing Report indicates that the trust has lost almost \$74,000 since 2013, despite no reported expenditures.

For the above discrepancies, the IDD Coalition believes an investigation into the IDD Community Housing Trust (Fairview Trust) is warranted. Additionally, we support an investment strategy that will maximize interest and income into the trust to fund community housing opportunities for people with I/DD. Oregonians with I/DD deserve no less than a rigorous examination of the important resource promised to them so they can live as friends and neighbors in their community.