

**Local Government Advisory Committee  
Room 473, Human Services Building, Salem  
February 9, 2007  
Minutes**

**ATTENDING**

Mary Alexander	DHS – Finance and Policy Analysis
Susan Allan	DHS – Public Health Division
Ben Boswell	Wallowa County Commissioner
Janet Carlson	Marion County Commissioner
Marsha Clark	Oregon Commission on Children and Families
Joe Corsiglia	Columbia County Commissioner
Gary DiCenzo	Clackamas County Human Services
Allen Douma	DHS – Division of Medical Assistance Programs
Cara Fischer	Association of Oregon Counties
Linda Fleming	Conference of Local Health Officials
Ramona Foley	DHS – Children, Adults and Families Division
David Foster	Oregon Housing and Community Services
Gordon Fultz	Association of Oregon Counties
Bruce Goldberg	DHS – Director
Bill Hall	Lincoln County Commissioner
Tony Howell	League of Oregon Cities
Charles Hurliman	Tillamook County Commissioner
Sara McDonald	Marion County Commissioner’s Office
Linda Modrell	Benton County Commissioner
Sue Nelson	DHS – Administrative Services Division
Bob Nikkel	DHS –Addiction and Mental Health Division
Gina Nikkel	Association of Community Mental Health Programs
Fariborz Pakseresht	DHS – Administrative Services Division
Jeannie Phillips	DHS – Division of Medical Assistance Programs
Clyde Saiki	DHS – Deputy Director
Cynthia Scheick	DHS – Finance and Policy Analysis
Mary Shortall	Multnomah County Aging and Disability Services
Jeri Shumate	Oregon 2-1-1
Julie Strauss	DHS – Finance and Policy Analysis
James Toews	DHS – Seniors and People with Disabilities
Gillian Wesenberg	Douglas County (via conference call)
Wendy VanElverdinghe	Community Action Directors of Oregon

**WELCOME & INTRODUCTIONS**

Linda Modrell called the meeting to order and roundtable introductions were made.

## **APPROVAL OF MINUTES & AGENDA**

The minutes from January 2007 were reviewed and approved.

## **ADDITIONAL AGENDA ITEMS**

The agenda was approved with the addition of the timber payments discussion.

## **DIRECTOR'S REPORT – Bruce Goldberg**

The loss of timber payments to the counties and the services that counties provide utilizing these monies will have a great impact on the state. The Governor is extremely concerned about this. A group has been meeting to determine an appropriate statewide strategy. A possible political strategy could be to have the feds restore those dollars, for at least one year. The statewide strategy could be to hold a series of workgroups where agencies and counties could look at what needs to be done in the areas such as transportation and human services, and what could be changed from a statutory perspective to provide some relief to counties.

AOC will be surveying their membership for the anticipated impact. The impact will range from a minimal loss of funding to as much as 60% of county general fund dollars. Gordon Fultz feels that some counties, even with some flexibility, may be in a position to have to give some services back to the state.

Linda Modrell commented that the timber payment issue exposes the fundamental financing problems in county government. She feels this is an opportunity to look at flexibility, ways to blend funding streams, and doing business differently.

Chuck Hurliman said that this issue not as simple as general fund dollars versus road dollars. The intent was for the land to be under private ownership. A proposal the Oregon & California (O&C) Board will take to Washington DC is to sell half of the ONC land and set up four trusts. The sale of the land would net about \$10 billion. The first trust of \$4 billion would make safety net payments to counties off the interest earned. The second trust of \$3 billion would be set up for schools in Oregon. \$1 billion would be set aside for management of BLM land.

The question was raised about what happens when \$10 billion worth of land is dumped onto the market. If done all at once, it would be problematic. The opposition would be the major timber companies. Once the land is sold to private parties, the timber production would be taxable.

Gina Nikkel said that for mental health and addiction services around the state, some counties have been planning for this and have very little of their funds

coming from general fund dollars, where other counties could see as much as 77% of their base funding eliminated.

Linda Fleming surveyed the public health department administrators and received a similar response to the one Gina got. There are a few counties that are seriously impacted and others will implement hiring freezes, no program expansion, etc. However, the survey was done before the counties budget processes began.

Dr. Susan Allan stated that a couple of local health departments are seriously considering the possibility of returning programs to the state. Many are looking to the Public Health Division to define the minimum core service level and anticipating that anything that is not on the essential and required list may be dropped.

### **LEGISLATIVE UPDATE – Patty O’Sullivan**

The Ways and Means Subcommittee process for DHS will begin on Monday, February 12, 2007. The subcommittee will be meet Monday through Thursday afternoons from 1:00 to 2:30. Children, Adults and Families Division (CAF) will begin on Monday and run for three weeks. Public testimony will be on February 27. Following CAF will be Public Health Division (PHD), then Addictions and Mental Health Division (AMH) with a day devoted to capital budgets to discuss the State Hospital, then Division of Medical Assistance Programs (DMAP), a couple of days for rebalance, then Seniors and People with Disabilities Division (SPD), Department-wide Support Services (DWSS), followed by the re-shoot. The dates are subject to change.

Part of the agency presentation will be a panel of an employee, client (or former client) and a provider/partner. Other parts of the presentation will include an overview of the programs, discussion of the policy option packages (POPS), performance measures and budget drivers. Each Division will be contacting their provider/partner for the presentation.

There is a public testimony at the end of each of large programs which provides another opportunity for interested parties to voice their opinions.

### **CHILDREN’S INVESTMENT IN THE STATE – David Foster**

Partners for Children and Families is comprised of the Department of Human Services, the Commission on Children and Families, the Oregon Youth Authority and other agencies that deal with children and their families connecting to the commission system at the local level. Recently they had a presentation from Echo Northwest by John Tapogna on the Children’s Investment Study. This study looks

at how much we are putting into investing in children, whether it's effective, what needs to be done to make it work better, and achieve better outcomes for kids.

David Foster suggested that LGAC might ask John Tapogna to come and present this material at a future meeting.

There are provisions in the Commission on Children and Families statutes for a children's individual development account strategy has never been funded or staffed. The Department of Housing and Community Services administers an adult asset building strategy that has been piloted for four years. The statutes governing this need to be adjusted, so the bill before the Legislature is HB 2094. This change would also include youth as an eligible participant. There is potential to pilot a youth asset building strategy over the next year. If interested, contact David Foster at (503) 986-2112.

### **OREGON 2-1-1 INITIATIVE – David Foster/Jeri Shumate**

Several years ago the federal government established a series of three-digit phone numbers as part of the Communication Act of which 9-1-1 is a part. 2-1-1 was intended to be used as a non-emergency social services support information number. It was left up to the individual states to implement the system. A few years ago, it was implemented in the Portland metro area.

2-1-1 is currently available in 65% of the nation. It is built on the concept of top quality standards. Call takers must be trained and certified, the line staffed 24 hours per day, seven days per week and databases of social services from the community must be kept updated.

95% of the calls to 2-1-1 in the Portland metro area are for basic services, but the system can handle more complex services. 2-1-1 will never replace specialized help lines, such as domestic violence, suicide help line, etc. 2-1-1 is currently a private non-profit organization. Several others are being developed, but will need the assistance of governmental partners. There is an Act before Congress asking for 2-1-1 funding for 50% of operating costs with a 50% local match for the next five years.

Concern was expressed that the Portland metro area would not know if other areas information is accurate, especially when calls come in from rural Oregon.

This issue came up for Washington County when Portland was being developed. The solution was to have someone out-stationed in Washington County, who lives there, knows the area and is the outreach and liaison person for available services.

This is a good model for the rest of the state. Distance information to services is also available on the system.

The Portland system was built on the premise that it would not be built unless it was sustainable. The cost is about \$1 per capita. United Way is partnering along with Washington County and asking Multnomah County to partner to help sustain the system.

**PROPOSED FEDERAL REGULATIONS ON INTERGOVERNMENTAL TRANSFERS – Cynthia Scheick/Mary Alexander**

Recently the Center for Medicare and Medicaid Services (CMS) has proposed new rules for Medicaid financing done through Intergovernmental Transfers (IGTs). DHS is in the process of completing a detailed analysis of the rules. DHS will be providing comments to the proposed rules to CMS. Those responses are due by March 18, 2007. If the rules are adopted, the compliance date is September 1, 2007.

Part of what CMS is trying to do is to eliminate the recycling techniques that states have used nationwide having federal funds being returned as the local match. CMS is trying to ensure that those funds being paid as match are from state and local taxes.

In order for the state and/or local tax dollars to be eligible as the non-federal share of Medicaid expenditures that tax revenue cannot be committed to or earmarked for non-Medicaid activities. For example, CMS will not accept funds used for indigent care.

Another change is that an IGT takes place before the Medicaid payment to the provider. There are many financial implications that could mean changes in business practices. The templates DHS will use for the analysis of the proposed CMS rules will be sent to LGAC.

If any group would like Cindy Scheick or Mary Alexander to come and discuss this further, they are available. Please contact Cindy Scheick at (503) 945-6700.

**AOC HUMAN SERVICES REPORT – Janet Carlson**

AOC Human Services Committee will be meeting today at 12:30 p.m. At last month's meeting, the meth package was reviewed and compared with the Governor's Recommended Budget. There were several packages not in the meth package that need approval to present to the AOC Legislative Committee on

Monday. The tobacco prevention package, drinking water package and the basic capacity funds for local commissions will also be moving forward on Monday.

Lisa Naito and Janet Carlson spent two days meeting with Legislative Leadership to talk specifically about the Malt Beverage Cost Recovery Fee (HB 2535). There are several other versions out there. Those will be discussed at the meeting today.

On February 26 at 8:30 a.m., the AOC Human Services Committee will be organizing a presentation before Rep. Tomei's Committee on the House side. The presentation will be given by Eric Martin, Dennis McCarty (OHSU) and Tony Biglan, Oregon Research Institute, Raul Ramirez, Marion County Sheriff's Office (OSSA) making the connection between substance abuse treatment and law enforcement/corrections.

AOC Human Services would like to have a conversation or a workgroup on the funding formula for the malt beverage bill which will meet in room 350. Then at 1:00 p.m. the House Revenue Committee will hold the first hearing on all bills around the beer and/or wine taxes. At 3:00 p.m. the Senate Human Services Committee chaired by Senator Morrisette will have a ½ hour presentation by the panel.

An Addictions Day is scheduled in April.

SB 184 has passed out of Senate Committee for Human Services. SB 184 takes 2% of the OLCC funds and targets prevention and treatment around child welfare for family reunification.

### **FUTURE AGENDA ITEMS**

Legislative Concept 1486 (discussion)

Future of Long-Term Care (post-Session)

Medicaid Brokerage Impact

Family Courts/Drug Courts/Treatment Courts, etc. (monthly topic) – Mike Finnegan, MPC Research

Leveraging Issue – Chris Johnson, Sharon Guidera, Linda Modrell, Cindy Scheick & Clyde Saiki

Seamless Healthcare for Inmates coming out (training at local level) John Hartner and Bob Nikkel

Targeted Case Management (what it is, what qualifies for it, etc.) (monthly topic)

Fee-for-Service – Long-term Implications

Bill Tracking – Cara Fischer and Gordon Fultz to meet with Patty O'Sullivan

HB 2650 School Nutrition bill

TOPOFF – Federal Emergency Preparedness Exercise – future item  
Drinking Water – future item to bring back to LGAC

Adjourned at 12:15 pm

**NEXT MEETING**

The next LGAC meeting is March 9, 2007 (10:00 a.m. – 12:30 p.m.)