

**Local Government Advisory Committee**  
**Room 473, Human Services Building, Salem**  
**October 10, 2008**  
**Minutes**

**ATTENDING**

|                  |   |
|------------------|---|
| Rod Calkins      | Marion County Health Department                   |
| Janet Carlson    | Marion County Commissioner                        |
| Bill Coulombe    | DHS – Public Health Division                      |
| Morgan Cowling   | Association of Oregon Counties                    |
| Gordon Fultz     | Association of Oregon Counties                    |
| Bruce Goldberg   | DHS – Director                                    |
| Bill Hall        | Lincoln County Commissioner                       |
| Richard Harris   | DHS – Addictions and Mental Health Division       |
| John Hartner     | Oregon Association of Community Corrections       |
| Tony Howell      | League of Oregon Cities                           |
| Chuck Hurliman   | Tillamook County Commissioner                     |
| Chris Johnson    | Yamhill County Health and Human Services          |
| George Kloepfel  | Lane Council of Governments                       |
| Kay Metzger      | Lane Council of Governments                       |
| Linda Modrell    | Benton County Commissioner                        |
| Jim Neely        | DHS – Children, Adults and Families Division      |
| Sue Nelson       | DHS – Administrative Services Division            |
| Tim Nesbitt      | Governor’s Office                                 |
| Gina Nikkel      | Assoc. of Oregon Community Mental Health Programs |
| Clyde Saiki      | DHS – Deputy Director of Operations               |
| Jim Scherzinger  | DHS – Deputy Director of Finance                  |
| Michael Stickler | DHS – Office of Federal Financial Policy Analysis |
| Sandy Wood       | DHS – Division of Medical Assistance Programs     |

**WELCOME AND INTRODUCTIONS**

Chuck Hurliman called the meeting to order and roundtable introductions were made. The minutes from the September were approved. There were no changes to the agenda except for the order presented.

**COST ALLOCATION – Jim Scherzinger**

Jim Scherzinger gave a high level overview of cost allocation. Linda Fleming brought this topic to the last LGAC meeting because of the large allocated costs near the end of the fiscal year that were unexpected. Local health departments were initially told additional TPEP funds would be available near the end of the fiscal year, but after calculating the increased costs and lower tobacco tax revenue, that was not the case. This came as a surprise to many agencies that were depending on these funds. Jim will continue to work with Public Health and Financial Services staff to see if there is a way to allocate costs in a more predictable manner.

**Action Item:**

Jim Scherzinger will forward electronic copies of the handouts to Diana Woods to send to Cindy Becker and Linda Fleming.

### **DIRECTOR'S REPORT/LEGISLATIVE UPDATE – Bruce Goldberg**

Bruce Goldberg discussed the challenges for DHS with the economic recession. The need for services has dramatically increased over the last six months. Caseloads for food stamps are up 10%, TANF is up 15% and the Oregon Health Plan is up 4% up as of three months ago. The concern is that revenue is about to drop.

DHS just finished E-Board with a \$71 million deficit due to the increase in caseloads and the loss of the tobacco tax revenue. DHS presented a plan to E-Board that would manage about \$55 million of the deficit without making any program cuts. There is concern that the next couple of revenue forecasts for the state will not be much better and the difficulties being seen now could worsen for the 2009-2011 budget.

Bruce asked LGAC members to think about what reductions DHS should look at if reductions must be made.

### **TRANSFORMATION UPDATE – Fariborz Pakseresht**

Fariborz Pakseresht gave an update on the Transformation Initiative for DHS. Phase I has been completed and recommendations have been identified. Forty Lean Leaders (DHS staff) have been trained and are beginning to conduct Lean training and implementation. Rapid Process Improvement (RPI) sessions have started and outcomes are very encouraging.

The Transformation Roadmap is available on the DHS website at:  
[www.dhs.state.or.us/tools/transformation/docs/trans\\_roadmap\\_080930.pdf](http://www.dhs.state.or.us/tools/transformation/docs/trans_roadmap_080930.pdf)

### **MMIS UPDATE – Hersh Crawford**

Hersh Crawford gave an update on the MMIS project. Implementation was extended three months from early September to December 9, 2008.

User training occurred June through August 2008 with 600 classroom events at 19 different sites. Refresher courses are being offered in October and November, 2008. DHS is also providing refresher training for providers during October and November 2008.

#### **Action Item:**

Chris Johnson and Tony Howell raised some concerns about the impact of the new system on the counties. Clyde Saiki will arrange a meeting to discuss their concerns.

### **REVENUE RESTRUCTURING TASKFORCE – Tim Nesbitt**

Tim Nesbitt discussed the revenue restructuring taskforce. This taskforce was created to develop a more reliable method of forecasting and budgeting. Mathematical models would be used to provide a range of revenues for the state over the next two years. A specific amount could be targeted to the rainy day fund until adequately funded, then any amount above that would become the kicker. The taskforce is recommending the current rainy day fund be made constitutional and designate 10% of the general fund to go toward that fund. Other types of reforms discussed were the timber safety net payments, Public Health funding and reforms to the initiative process.

### **AOC HUMAN SERVICES REPORT – Bill Hall**

Agenda items for the AOC Human Services meeting are discussion on a legislative proposal for 2-1-1, a proposal for a statewide coordinating counsel for senior and disability transportation, a

proposal for a second network of veteran's services officers outside the current county structure, update on the PSRB workgroup, a continued discussion on housing alliance legislative proposal and a discussion on 2009 legislative strategies.

**TOPICS FOR NEXT MEETING**

Results on the discussion around training of MMIS (Linda Modrell)

AOC Conference Preview

Revenue Restructuring Taskforce Report