



Legislative Committee

Agenda

Monday, March 14, 2011

12:00 p.m.

Lunch will be available at 11:30 a.m.

Local Government Center, Room 113

1201 Court Street NE

Salem, Oregon

12:00 p.m.

1. Call to Order

AOC President Janet Carlson

1.1 Agenda approval (**Action**)

1.2 Minutes of February 14, 2011 meeting (**Action**) *attached*

12:05 p.m.

2. Action Items

President Carlson

2.1 Employee Relations Board budget position (**Action**)

Mike Eliason

2.2 HJR 26 position (**Action**) *attached*

Mike Eliason

2.3 HB 2566 position (**Action**) *attached*

Gil Riddell

2.4 Human Services bills positions (**Action**) *attached*

Mark Nystrom

2.5 High priority items from steering committees (**possible action**) President Carlson

12:45 p.m.

3. Health Care Orientation

President Carlson, Mike McArthur & Mike Nystrom

1:00 p.m.

4. Conversation with Mike Benetto

President Carlson

Governor's Office, Health System Transformation Team

Questions posed in advance to Mr. Benetto:

1. What is the anticipated role of the public and mental health authorities in Oregon's health care transformation and health care reform?

2. How will public health services be affected by health care transformation & reform?

3. How will health care reform in Oregon affect health care costs generally?

4. How will health care reform in Oregon impact counties' negotiating power in obtaining health care plans for employees? (includes CIS and self-insured counties)

1:30 p.m.

5. Discussion & Updates

- | | | |
|-----|--|-------------------|
| 5.1 | Conducting Monday morning committee meetings | President Carlson |
| 5.2 | NACo 2011 Annual Conference | Diane McKeel |
| 5.3 | PERS Alliance Update | Mike Eliason |

1:45 p.m.

6. Steering Committee Reports

- | | | |
|-----|-----------------------|-------------------------------------|
| 6.1 | Communications Policy | Jeanne Burch, chair |
| 6.2 | Community Development | Diane McKeel, chair |
| 6.3 | Environment & Energy | Gary Thompson, chair |
| 6.4 | Governance | Earl Fisher & Andy Duyck, co-chairs |
| 6.5 | Human Services | Tammy Baney, co-vice chair |
| 6.6 | Public Lands | Dan Shoun & Faye Stewart, co-chairs |
| 6.7 | Public Safety | Jim Bernard & Jay Dixon, chair |
| 6.8 | Transportation | Al Switzer, chair |
| 6.9 | Water Policy | Al Unger, chair |

2:15 p.m.

7. Affiliate Organizations Reports

- | | | |
|-----|---------------------------------|-----------------|
| 7.1 | OSACA (Assessors) | Scot Langton |
| 7.2 | OCCA (Clerks) | Dana Jenkins |
| 7.3 | NACA (County Administrators) | Ralph Wyatt |
| 7.4 | ODAA (District Attorneys) | Eric Nisley |
| 7.5 | OACES (Engineers and Surveyors) | Robb Paul |
| 7.6 | OJPA (Justices of the Peace) | Charles Fadeley |
| 7.7 | OSSA (Sheriffs) | Jack Crabtree |
| 7.8 | OACTC (Tax Collectors) | Bob Vroman |
| 7.9 | OACTFO (Treasurers) | Laurie Steele |

8. Other Business

President Carlson

9. Adjourn

President Carlson

Next AOC Legislative Committee meeting April 11 – 12 p.m.

Local Government Center, Salem, Oregon

Scheduled Legislative Committee meetings for 2011:

April 11	June 6	September 12	
May 2	June 20	October 10	<i>*if necessary</i>
May 16	July 11*	December 12	

**Association of Oregon Counties
Legislative Committee**

**Monday, February 14, 2011
12:10 p.m.**

**Local Government Center
Salem, Oregon**

Present: Commissioner Janet Carlson, Commissioner Tammy Baney, Judge Steve Grasty, Commissioner Kathy George, Commissioner John Lindsey, Commissioner Tony Hyde, Commissioner Tim Josi, Commissioner Dan Shoun, Commissioner Sam Brentano, Commissioner Leslie Lewis, Commissioner Jim Bernard, Commissioner Mark Labhart, Commissioner Wayne Fording, Commissioner Annabelle Jaramillo, Judge Gary Thompson, Commissioner Diane McKeel, Commissioner Jay Dixon, Commissioner Dwight Ellis, Commissioner Don Lindly, Commissioner Joe Laurance, Commissioner Mike Ainsworth, Commissioner Charlotte Lehan, Commissioner Alan Unger, Commissioner Judy Shiprack, Commissioner Bill Waddle, Commissioner Andy Duyck, Treasurer Laurie Steele, Sheriff Jack Crabtree, Administrator Ralph Wyatt

Via telephone: Commissioner Patricia Roberts, Judge Terry Tallman, Commissioner Bill Hansell, Commissioner David Itzen, Public Works Director Robb Paul

Via videoconference: Commissioner CW Smith, Commissioner Simon Hare

Guests: Commissioner Craig Pope, Commissioner Paul Savas, Commissioner Larry Givens, Commissioner Doug Robertson, Rocky McVay, Jane O'Keefe, Lisa Naito, Gillian Wesenberg, Andrew Olsen, Alex Cuyler, Barb Young, Troy Rayburn, Sarah Granger, Nancy Bennett, Claudia Black, Bobby Green

Guests via videoconference: Commissioner Don Skundrick, Commissioner John Rachor

Staff and consultants: Mike McArthur, Cara Fischer, Paul Snider, Mike Eliason, Ann Hanus, Art Schlack, Emily Ackland, Mark Nystrom, Eric Schmidt, Laura Cleland, Doris Penwell, Joann Hendrix

President Janet Carlson called the meeting to order at 12:10 p.m.

Agenda

Commissioner Tony Hyde moved to approve the agenda of February 14, 2011, seconded by Commissioner Dwight Ellis. Motion carried.

Minutes

Judge Steve Grasty moved to approve the minutes of December 13, 2010 and January 20, 2011, seconded by Administrator Ralph Wyatt. Motion carried.

Federal Forest Payments

Marc Kelley updated the legislative committee on the Partnership for Rural America campaign. The campaign promotes the economic and social health of rural America through long-term

reauthorization and appropriation for the Secure Rural Schools and Community Self-determination Act. The campaign is working with the administration and congress to secure legislation that will reauthorize the Act for a period of 10 years at 2008 funding levels. With combined Forest Service and O & C payments this amounts to \$623 million annually.

The campaign Web site has been updated and is now inclusive of additional activities that will be required in 2011. Campaign consultants David Anderson and Kai Anderson spoke via telephone from Washington, DC on current and upcoming actions by Congress.

Commissioner John Lindsey left the meeting at this time.

Action Items

HB 2569 -- property tax credit -- large value appeals

Mike Eliason reviewed HB 2569, which deals with the issue of extended large value appeals that result in large, unbudgeted refunds with interest to taxpayers. Appraisals for these appeals are typically made centrally by the Department of Revenue. HB 2569 would permit the assessor to order a deferred billing credit to the taxpayer in the amount at issue in the appeal, thus stopping the interest on either the refund or the delinquency. The Governance Committee has recommended that the county assessor handle these accounts. Staff asks for guidance on the issue of what office should be authorized to order a deferred billing credit under HB 2569.

Mr. Ralph Wyatt moved to authorize the county assessor's office to order a deferred billing credit under House Bill 2569, seconded by Commissioner Leslie Lewis. Motion carried. Commissioner Ann Lininger abstained.

SB 289 & HB 2201

Senate Bill 289 requires that the Fish & Wildlife Commission (FWC) consult with cities and counties on impacts to local economics from additions to the state or federal threatened and endangered species list. It also requires the FWC to work with local governments to mitigate adverse economic impacts after listing.

House Bill 2201 requires bills that relate to environmental matters to have an economic impact analysis.

Judge Grasty moved AOC support of SB 289 and HB 2201, seconded by Commissioner Hyde. Motion carried. Public Works Director Robb Paul abstained.

AOC State Budget Principles

Mike McArthur stated that Oregonians hold the state and counties responsible for the delivery of vital, critical public services and for support and growth of the state's economy. He added that Oregon's counties are the hub for coordination and delivery of many shared state-county services. Mr. McArthur submitted state budget principles for the committee's consideration:

“The Association of Oregon Counties stands firm on the following principles:

- No unfunded mandates
- Flexibility in revenue raising ability

- Flexibility in utilizing state and federal dollars – may require waivers – with accountability
- Discretionary dollars are highest priority
- Respect local decision making
- No responsibility without authority
- Commitment to state-county partnership
- Honor previous agreements made with the
 - Oregon Legislature
 - Governor of Oregon
 - State of Oregon agencies, and
 - United State government
- Work effectively with other governments, including tribal governments

“With these principles firmly set, The Association of Oregon counties will work to ensure that the fiscal health of counties and the state is maintained while vital public services are not damaged beyond repair during the difficult and challenging budgetary discussions that lie ahead.”

Commissioner Hyde moved to accept AOC's State Budget Principles as submitted, seconded by Commissioner Joe Laurance. Motion carried.

Public Safety Committee

Paul Snider reviewed the Public Safety Committee's recommendations for AOC support of HB 2075, HB 2367, HB 2423, HB 2482, HB 2501 and support for legislation authorizing Department of Revenue to enter into intergovernmental agreement with the IRS for offsetting liquidated and delinquent accounts (including justice court judgments) against federal tax refunds of debtors. Mr. Snider also asked for opposition of HB 2711.

Commissioner Jay Dixon moved support of HB 2075, HB 2367, HB 2423, HB 2482, HB 2501; support for legislation authorizing Department of Revenue to enter into intergovernmental agreement with the IRS for offsetting liquidated and delinquent accounts (including justice court judgments) against federal tax refunds of debtors; opposition of HB 2711, seconded by Commissioner CW Smith. Motion carried.

Oregon State Hospital Task Force Recommendations

President Carlson reviewed the Oregon State Hospital Task Force recommendations.

Commissioner Tammy Baney moved to approve the following recommendations:

- **Approve the Areas of Agreement**
- **Support HB 3100**
- **Support and amend HB 3100**
- **Support expanding EASA statewide**

seconded by Commissioner Dixon. Motion carried. Mr. Paul abstained.

Commissioner Baney reviewed the task force's four options stating that the Human Services Committee was unanimous in supporting Option 3.

Commissioner Dixon moved to approve the Oregon State Hospital Task Force recommendation of Option 2, seconded by Commissioner Dwight Ellis. Motion failed. Mr. Wyatt and Mr. Paul abstained.

Discussion ensued with many of the committee members recommending that AOC stay neutral.

Commissioner Hyde moved to remain neutral on any of the Oregon State Hospital Task Force options, seconded by Judge Gary Thompson. Motion carried. Opposed by Commissioner Shiprack and Mr. Wyatt and Mr. Paul abstaining.

Public Lands & Natural Resources Committee

Commissioner Dan Shoun reported that the committee discussed Secretarial Order 3310, which empowers the director of the Bureau of Land Management to identify lands that have wilderness characteristics and give those lands a new designation as "wild lands." The committee requests the legislative committee to approve in concept a letter to Secretary of the Interior Salazar detailing the concerns of AOC regarding Secretarial Order 3310.

Commissioner Shoun moved to approve in concept a letter to Secretary of the Interior Salazar detailing the concerns of AOC regarding Secretarial Order 3310, seconded by Commissioner Laurance. Motion carried.

Environment and Energy Committee

Emily Ackland reviewed the Environment and Energy Steering Committee's recommendations on 2011 legislation.

Judge Thompson moved to support HB 2345, HB 2440, HB 2779, HB 2936, HB 3109, SB 529, SB 620 and to oppose HB 2818, seconded by Commissioner Hyde. Motion carried. Opposed by Commissioner Lewis and Mr. Paul abstained.

Updates

NACo 2011 Annual Conference

Commissioner Diane McKeel and Sarah Granger gave an update on the NACo 2011 Annual Conference being held in Portland, July 15-19. Commissioner McKeel stated they are still in the process of fundraising for this event and would greatly appreciate counties' support. Ms. Granger mentioned that a letter to each county would be arriving shortly detailing the sponsorship categories available.

PERS Alliance Update

President Carlson deferred the PERS Alliance update to March 14, 2011 AOC Legislative Committee meeting.

Steering Committee Reports

President Carlson deferred steering committee reports to March 14 meeting of the committee.

Meeting was adjourned at 2:15 p.m.

Date: March 14, 2011

To: Legislative Committee
Association of Oregon Counties

From: Mike McArthur, executive director

Subject: HJR 26 – Expansion of Local Option Levy Authority

Staff: Gil Riddell, policy coordinator
Mike Eliason, policy manager

Requested Action:

Direction to AOC Policy Staff.

Background:

HJR (House Joint Resolution) 26 is The League of Oregon Cities top priority for the 2011 legislative session. It is a referral for a statewide vote of the citizens on a proposed constitutional amendment that would modify the section of the Constitution created by Measure 5 in 1990. There are several key provisions worth noting:

- 1) Allows a local taxing district the ability to send to local voters an extended ten-year levy instead of the current maximum of five years.
- 2) Would allow for that ten-year levy, if approved by voters, to be free from the Measure 5 limits of \$10 per \$1,000 of property value (and schools from the \$5 per \$1,000 limits).
- 3) The elections would only be allowed at general elections in even-numbered years.

The rationale is to allow citizens the ability to choose to tax themselves for local services and, in certain situations, not be limited by compression. New and existing five-year operating levies would still be subject to compression, for those taxing districts near or above the operating limits. AOC does not currently have a fully developed position. The proposal does appear to fit existing AOC principles of flexibility in revenue raising ability and local control.

The proposal received a first public hearing on Tuesday March 1. Testifying in support were cities and schools. The League of Oregon Cities is requesting AOC support the resolution.

Date: March 14, 2001
To: Legislative Committee
Association of Oregon Counties
From: Gil Riddell, policy coordinator
Subject: House Bill 2566 – tribal property tax

Requested Action:

Direction to AOC policy staff.

Background:

The Tribes in Oregon are requesting the Legislature to grant a property tax exemption for their government buildings, using HB 2566 as a vehicle. In sum, they want the same tax treatment as state government.

AOC has had discussions with tribal representatives about the breadth of the bill's definition of "government services," and they have expressed the intention to be cooperative. Specifically, they have agreed to remove "energy generation" from the definition, in recognition of Jefferson County's concerns.

The Tribes claim that the value to be removed from the rolls will not be significant. Jefferson County, for example, reports that total taxes paid, outside of energy generation, by the Confederated Tribes of Warm Springs is some \$4,110.

Complicating our deliberations is the acknowledged sovereignty of the Tribes, agreements in existence between Tribes and counties for in lieu payments for services, and that AOC is soliciting the Tribes to be business partners.

On March 10, HB 2566 will have had a work session in the House General Government & Consumer Protection Committee, then be subsequently referred to the House Revenue Committee.

This concept presents a complicated question that AOC policy staff prefers to leave to the governance and legislative committees.

AOC Human Services Steering Committee--
Bills Tracked 2.25.11

Bill #	Summary/Potential Impacts to Counties	At the Request of	Location/Hearing	Staff Suggested Position	Human Services Position
Integration/Regionalization/Health Insurance Exchange Bills					
HB 2105	Requires Oregon Health Authority to establish one or more pilot projects through which authority shall contract with managed care entities to establish capitation rates for payment of mental health drugs.	Pre-session at the request of Governor Kitzhaber for OHA	Human Services	Support Central Oregon Model	Monitor
	One of the bills attempting to develop integrated and regionalized physical and mental health programs.				
HB 2398	Removes option for Oregon Health Authority, in contracting with prepaid managed care health services organizations to provide services in medical assistance program, to contract with separate providers for physical health services and mental health services.	House Interim Committee on Human Services	Human Services Public Hearing 2/11/11	Oppose	Oppose with current Language
	Would effectively prohibit our existing MHO's and force OHA to contract directly with MCO's. Would greatly alter the existing structure of community mental health. An attempt to regionalize and integrate mental health and physical health.		Human Services Public Hearing 2/23/11		
HB 3137	Requires Oregon Health Authority to establish Oregon Health Insurance Exchange as public corporation to be governed by board of directors.	Committee on Health Care	Health Care with subsequent referral to Ways and Means	Monitor	Actively Monitoring
SB 99	County employees who receive benefits could potentially be pulled into this new Exchange.				
Health System Transformation Team	The Health System Transformation Team has been meeting Wednesdays from 6-9 PM. There are 43 people at the table and they are discussing health care costs. According to their web site "cost of health care for state publicly funded health care is an estimated 16 percent of the general fund budget. The current fiscal climate calls for bold action to design a new, more sustainable platform my fundamentally restructuring our delivery system as an innovative model to deliver better care, better health and lower costs."			Monitor	
Public Health Related Bills					
HB 2392	Requires hospitals to expend 10 percent of community benefit funds on public health infrastructure.	House Interim Committee on Health Care	Health Care	Support	Monitor but encourage innovative approaches of funding of Public Health
	Would increase funding for public health			Principles	

AOC Human Services Steering Committee--
Bills Tracked 2.25.11

SB 97	Requiring licensees to document participation in continuing education opportunities relating to cultural competency approved by Oregon Health Authority.	Governor John A. Kitzhaber for Oregon Health Authority	Health Care, Human Services and Rural Health Policy Public Hearing 2/21	Monitor	Monitor. Avoid unfunded mandates
	Public Health nurses would need to receive more training potentially at counties expense. Many counties are already doing this. Required by WIC.				
SB 105	Requires Oregon Department of Administrative Services to transfer certain amounts from Tobacco Settlement Funds Account for certain purposes.	Governor John A. Kitzhaber for Oregon Health Authority	Ways and Means	Monitor	Support with communcal disease and PH infrastructure ammendments
	Currently Tobacco Settle Funds are not used for Tobacco and Prevention Programs (TPEP). Current language has money going towards TPEP. CHLO would like to see money additionally go towards communcal disease investigation and other public health issues.				
Community Mental Health/PSRB Reform					
HB 3100/ SB 432	Modifies jurisdiction of Psychiatric Security Review Board	House--Clem Senate Interim Committee on Judiciary	House Judiciary Public Hearing 2/18/11	Support	Support Support Aid and Assist Ammendment
	Makes sure the right people are treated at the right place. Supported by the OSH Task Force, Human Services and Public Safety Committees				
HB 3110	Removes sunset on Alcohol and Drug Policy Commission and adds members and advisory committee. Modifies and adds additional duties of commission. Requires commission to establish or approve minimum standards for drug prevention and treatment programs financed with state funds or with other funds administered by state.	Tomei at the request of the Alcohol and Drug Policy Commission	Human Services Public Hearing 2/28/11	Neutral with ammendments	Support in concept with beer and wine allocation ammendments
	Current version takes treatment dollars away from counties and puts them under governor's office. Have been told this will be fixed but needs to be watched.				
SB 238	Limits patient data that must be reported to Oregon Health Authority by providers of mental health and addiction services.	Senate Interim Committee on Health Care	Health Care, Human Services and Rural Health Policy	Support	Support
	Part of an government efficiency effort. Would roll requirements back to federal requirements, thus freeing up time for community mental health workers.				

AOC Human Services Steering Committee--
Bills Tracked 2.25.11

Veterans Issues					
HB 2402	<p>Appropriates moneys to Department of Veterans Affairs for purposes of operating Campus Veterans Service Officers Program. Declares emergency, effective on passage.</p> <p>CVSOs are concerned that Campus VSO would receive funding at the expense of CVSOs. Currently 7000 vets on campus but 350,000 statewide. Feeling is CVSOs can reach more vets. However, CVSOs do not want to object at this time because they have not seen a line item budget.</p>	House Interim Committee on Veterans and Emergency Services	Veterans Affairs Public Hearing 2/22/11	Monitor	Monitor
Tobacco/Soda/Beer related Bills					
HB 2110	<p>Increases tax on cigarettes and other tobacco products</p> <p>AOC has traditionally supported increases in tobacco taxes. It lowers consumption of tobacco products and increases funding for public health programs.</p>	Governor John A. Kitzhaber for Oregon Health Authority	Revenue	Support	Support provided that the existing allocating formula are preserved
HB 2231	<p>Increase cigarette tax.</p> <p>AOC has traditionally supported increases in tobacco taxes. It lowers consumption of tobacco products and increases funding for public health programs.</p>	Rep Greenlick	Revenue	Support	Support provided that the existing allocating formula are preserved

AOC Human Services Steering Committee--
Bills Tracked 2.25.11

HB 2533	Increase tax on cigarettes.	House Interim Committee on Revenue	Revenue	Oppose Appears to Cut funding to Counties	Support provided that the existing allocating formula are preserved
	AOC has traditionally supported increases in tobacco taxes. It lowers consumption of tobacco products and increases funding for public health programs. This bill decreases the amount of funding to counties and increases the amount to the Oregon Health Plan.				