



**PUBLIC & GOVERNMENT AFFAIRS**

PUBLIC SERVICES BUILDING  
2051 KAEN ROAD | OREGON CITY, OR 97045

August 7, 2024

BCC Agenda Date: 08-08-2024

Board of County Commissioners  
Sitting/Acting as the Board of County Commissioners  
Clackamas County

**Approval of a letter to the M110 Oversight and Accountability Council to comment on recent changes to the M110 Funds Formula.**

|                                     |  |                           |              |
|-------------------------------------|--|---------------------------|--------------|
| <b>Previous Board Action/Review</b> | Briefed at Issues – August 6, 2024                   |                           |              |
| <b>Performance Clackamas</b>        | 1. Which indicator of success does this item affect? |                           |              |
| <b>Counsel Review</b>               | No   | <b>Procurement Review</b> | No           |
| <b>Contact Person</b>               | Tonia Holowetzki                                     | <b>Contact Phone</b>      | 503-250-1381 |

**EXECUTIVE SUMMARY:** The M110 Accountability and Oversight Council is responsible for the formula and distribution of M110 funds collected through cannabis tax revenue in Oregon, intended to fund addiction recovery. At a recent meeting in July, the council adjusted the formula to improve revenue to rural communities, for whom the previous formula provided insufficient funding. The formula weights certain criteria to distribute funding to communities of greatest need. The formula, however, does not favor Clackamas County. By county, Clackamas ranked fifth in funding under the previous formula. The new formula drops Clackamas to seventh in funding. The money does not come directly to Clackamas, but rather goes to the Behavioral Health Resource Networks (BHRNs) for addiction recovery services.

In addition, HB 4002 names this formula as a foundation for how funds will be distributed for the newly created deflection programs counties are standing up. These funds do come directly to the county, currently through the District Attorney’s Office. The current funding is based on the previous formula, but future funding—if the legislature continues the program—will stem from the new formula. This added layer of impact, and the unfavorable formula for Clackamas, merits input from Clackamas County if we seek changes in the distribution of funds.

**RECOMMENDATION:** Staff recommends BCC approved the provided letter.

Respectfully submitted,

Tonia Holowetzki  
Interim Director, Public & Government Affairs

For Filing Use Only



Attachments:

- DRAFT comment letter to the M110 Oversight and Accountability Council
- Funding comparison chart used by the M110 Oversight and Accountability Council (Option 3 was selected)

## **DRAFT LETTER to M110 O&AC**

Dear Measure 110 Oversight and Accountability Council:

On behalf of Clackamas County, we encourage you to reconsider your recent decision to adjust the distribution formula of M110 funds. Although Clackamas does not directly receive M110 funds presently, the formula funds service providers in Clackamas County and, therefore, dictates what services are available to our residents. Further, new use of this formula by the Criminal Justice Commission (CJC) to implement HB 4002 will influence available funding to stand up and support new deflection programs. The reduced and disproportionately low funding to Clackamas is deeply alarming, and we feel the new public safety uses of this formula merit further attention.

Details of our concerns are listed below:

### **Formula Concerns: Proportionality and Expectations**

While population should not be the only criteria for funding distribution, it is a significant factor in determining level of need. Clackamas County is expected to serve the third largest county by population in Oregon. Yet, the newly adopted formula puts Clackamas seventh. Two counties receiving greater funding have roughly half of Clackamas' population, while our two peer counties by population, Washington and Lane, will have access to \$10 million and \$14 million, respectively, more than what will be available to Clackamas.

Clackamas bears responsibility for serving its own residents and also is expected—and frequently asked—by our regional partners to shoulder additional work so no single county in the metro area bears the addiction services burden in isolation. Clackamas County shares a long border and transportation, social, and economic connections with Multnomah County. People often seek services where convenient, which is not always in the county they live. We urge the council to heed this feedback about meeting the needs of service size not just of the county, but also of the metro area.

### **Formula Concerns: Variable Weighting**

We appreciate the intent of weighting certain criteria in order to understand where best to distribute funds. We question, however, whether the categories are weighted appropriately and worry they are based on information that has too much year-over-year variation, or is dependent on when collected, to influence a formula that has a four-year lifecycle.

For example, the 30% weighting of the homeless Point in Time count is, we assume, a significant reason the funding available to Clackamas providers is so much lower than it is to other counties with lower populations. The Point in Time count can vary widely from year-to-year. It is useful to track trends over time but is not a census and can undercount true need, particularly in rural communities. Clackamas County has been successful in our housing programs, yet the proposed formula penalizes us for our success. Continued success requires continued funding. We recommend this criteria weighting either be lowered or replaced with a data point that establishes predictability over multiple years.

### **New Uses of the Formula**

HB 4002 (passed in 2024) created a new deflection program in Oregon that will be implemented by counties. The bill names this very formula as the foundation for allocations to deflection programs. Said another way, the decisions by this council to adjust the formula have implications that now exceed the scope of work you were initially tasked to oversee. The inclusion of these public safety dollars to stand

up and implement deflection programs now carry the same complexities shared above: Clackamas County will be seventh in funding, penalized for its success in housing people, and expected to deliver a new public safety program for the third largest population in the state while underfunded.

The reliance upon this formula for the extended purposes of public safety has elevated our concern for how this formula is used. We are aware the old formula will be used for the current HB 4002 funding distribution, but what remains unclear is whether the new formula will be used moving forward. Either way, both formulas do not work in supporting the need for Clackamas to stand up and deliver a deflection program appropriately sized for our communities.

**Process Concerns**

This formula allocates an estimated \$427 million to Oregon communities over the next four years for Measure 110 recovery programs, and now informs the distribution of funds for HB 4002 deflection programs. We strongly recommend you include formal public comment opportunities into your process generally, and especially ahead of any changes that will affect the distribution of funding. We recommend your council now include additional members that represent public safety, district attorneys, or the CJC for as long as the HB 4002 deflection program funding is tied to this formula.

We acknowledge the heavy lift put upon your council to steward these funds and ensure they reach communities and providers working to address the addiction crisis in Oregon. We urge your thoughtful consideration to correct these funding gaps for the roughly 430,000 Oregonians that reside in Clackamas County. We stand by to help you in this process.

Thank you for your consideration.

*DRAFT*

*Chair On Behalf of the Board*

| County     | Option #1: Formula without rurality factor | Option #2: Formula with rurality factor | Option#3: Formula with a rural base | Formula based on straight population | Current grant allocation, 22-25 (3 years) | Hypothetical current grant allocation, estimated for 4 years** |
|------------|--|---|-------------------------------------|--------------------------------------|---|--|
| Multnomah  | \$ 75,685,141.38                           | \$ 66,502,450.19                        | \$ 74,709,847.20                    | \$ 82,231,628.57                     | \$ 91,733,737.03                          | \$ 122,311,649.37  |
| Washington | \$ 33,173,908.23                           | \$ 38,373,863.96                        | \$ 32,863,244.30                    | \$ 60,544,361.13                     | \$ 29,787,432.97                          | \$ 39,716,577.29   |
| Clackamas  | \$ 22,878,487.95                           | \$ 27,559,873.69                        | \$ 22,671,714.23                    | \$ 42,496,076.31                     | \$ 27,180,998.02                          | \$ 36,241,330.69   |
| Lane       | \$ 37,197,957.48                           | \$ 35,118,335.75                        | \$ 36,757,380.52                    | \$ 38,620,612.76                     | \$ 45,862,027.65                          | \$ 61,149,370.20   |
| Marion     | \$ 30,177,085.09                           | \$ 31,724,370.46                        | \$ 29,855,939.13                    | \$ 34,884,214.12                     | \$ 29,155,118.53                          | \$ 38,873,491.37   |
| Jackson    | \$ 31,786,525.54                           | \$ 25,583,796.64                        | \$ 31,395,206.87                    | \$ 22,514,496.88                     | \$ 26,707,528.77                          | \$ 35,610,038.36   |
| Deschutes  | \$ 24,726,311.51                           | \$ 23,639,112.93                        | \$ 24,446,277.72                    | \$ 19,992,773.19                     | \$ 18,494,753.27                          | \$ 24,659,671.03   |
| Linn       | \$ 13,537,293.69                           | \$ 13,524,315.74                        | \$ 13,394,976.91                    | \$ 12,969,642.63                     | \$ 13,522,634.08                          | \$ 18,030,178.77   |
| Douglas    | \$ 16,148,552.80                           | \$ 14,528,500.69                        | \$ 15,966,824.04                    | \$ 11,214,036.47                     | \$ 9,555,898.43                           | \$ 12,741,197.91   |
| Yamhill    | \$ 11,802,978.07                           | \$ 11,585,783.73                        | \$ 11,686,426.27                    | \$ 10,863,197.60                     | \$ 12,274,347.56                          | \$ 16,365,796.75   |
| Benton     | \$ 10,560,043.45                           | \$ 9,276,891.53                         | \$ 10,454,521.34                    | \$ 9,598,806.19                      | \$ 6,345,767.93                           | \$ 8,461,023.91  |
| Josephine  | \$ 10,164,285.94                           | \$ 11,574,991.31                        | \$ 10,078,954.35                    | \$ 8,883,413.57                      | \$ 14,576,797.34                          | \$ 19,435,729.79   |
| Polk       | \$ 8,811,049.13                            | \$ 10,066,868.07                        | \$ 8,743,247.60                     | \$ 8,817,158.57                      | \$ 3,896,671.22                           | \$ 5,195,561.63  |
| Umatilla   | \$ 10,442,607.19                           | \$ 10,478,091.08                        | \$ 10,346,421.63                    | \$ 8,075,142.94                      | \$ 6,850,673.00                           | \$ 9,134,230.67  |
| Klamath    | \$ 8,402,812.92                            | \$ 9,390,303.07                         | \$ 8,327,817.52                     | \$ 6,999,936.27                      | \$ 7,641,240.96                           | \$ 10,188,321.28   |
| Coos       | \$ 9,214,053.62                            | \$ 10,204,538.77                        | \$ 9,125,116.83                     | \$ 6,547,748.44                      | \$ 7,135,162.12                           | \$ 9,513,549.49  |
| Columbia   | \$ 6,465,514.65                            | \$ 7,540,222.78                         | \$ 6,411,280.00                     | \$ 5,303,324.28                      | \$ 6,540,814.56                           | \$ 8,721,086.08  |
| Lincoln    | \$ 6,043,412.96                            | \$ 6,361,234.67                         | \$ 5,990,920.74                     | \$ 5,082,070.91                      | \$ 9,430,475.61                           | \$ 12,573,967.48   |
| Clatsop    | \$ 9,427,716.64                            | \$ 8,953,056.23                         | \$ 9,322,634.76                     | \$ 4,141,895.36                      | \$ 10,228,474.78                          | \$ 13,637,966.37   |
| Malheur    | \$ 7,401,050.69                            | \$ 6,672,682.35                         | \$ 7,325,530.39                     | \$ 3,183,769.44                      | \$ 2,266,842.59                           | \$ 3,022,456.79  |
| Tillamook  | \$ 3,697,583.32                            | \$ 4,806,913.59                         | \$ 3,679,216.16                     | \$ 2,762,137.56                      | \$ 3,704,301.88                           | \$ 4,939,069.17  |
| Wasco      | \$ 4,873,313.79                            | \$ 4,463,028.06                         | \$ 4,832,514.24                     | \$ 2,689,529.34                      | \$ 3,209,359.35                           | \$ 4,279,145.80  |
| Union      | \$ 3,948,104.53                            | \$ 4,435,844.26                         | \$ 3,924,771.96                     | \$ 2,641,728.93                      | \$ 2,887,999.11                           | \$ 3,850,665.48  |
| Crook      | \$ 3,586,482.31                            | \$ 4,331,474.55                         | \$ 3,568,654.35                     | \$ 2,494,697.30                      | \$ 2,857,394.06                           | \$ 3,809,858.75  |
| Jefferson  | \$ 4,031,257.49                            | \$ 4,841,808.67                         | \$ 4,007,407.24                     | \$ 2,470,897.94                      | \$ 3,438,218.90                           | \$ 4,584,291.87  |
| Hood River | \$ 4,518,152.29                            | \$ 4,565,066.04                         | \$ 4,485,502.10                     | \$ 2,417,954.45                      | \$ 1,400,170.62                           | \$ 1,866,894.16  |
| Curry      | \$ 4,291,659.77                            | \$ 4,974,875.95                         | \$ 4,266,090.78                     | \$ 2,364,405.89                      | \$ 1,925,615.07                           | \$ 2,567,486.76  |
| Baker      | \$ 2,302,443.15                            | \$ 2,671,344.09                         | \$ 2,287,848.55                     | \$ 1,680,880.21                      | \$ 1,533,980.66                           | \$ 2,045,307.55  |
| Morrow     | \$ 2,395,267.11                            | \$ 2,601,241.61                         | \$ 2,378,712.26                     | \$ 1,228,894.06                      | \$ 1,095,632.00                           | \$ 1,460,842.67  |
| Lake       | \$ 1,542,198.38                            | \$ 1,632,268.08                         | \$ 2,000,000.00                     | \$ 822,893.12                        | \$ 1,489,574.74                           | \$ 1,986,099.65  |
| Harney     | \$ 1,727,187.74                            | \$ 2,080,792.14                         | \$ 2,000,000.00                     | \$ 755,831.36                        | \$ 1,254,631.54                           | \$ 1,672,842.05  |
| Wallowa    | \$ 1,349,048.36                            | \$ 1,591,017.40                         | \$ 2,000,000.00                     | \$ 745,343.51                        | \$ 1,252,658.25                           | \$ 1,670,211.00  |
| Grant      | \$ 1,250,712.63                            | \$ 1,533,595.91                         | \$ 2,000,000.00                     | \$ 729,410.04                        | \$ 954,905.00                             | \$ 1,273,206.67  |
| Gilliam    | \$ 1,112,621.66                            | \$ 1,166,472.75                         | \$ 2,000,000.00                     | \$ 201,185.27                        | \$ 970,081.00                             | \$ 1,293,441.33  |
| Sherman    | \$ 1,580,957.94                            | \$ 1,854,022.50                         | \$ 2,000,000.00                     | \$ 188,579.67                        | \$ 776,800.00                             | \$ 1,035,733.33  |
| Wheeler    | \$ 1,051,220.59                            | \$ 1,095,950.76                         | \$ 2,000,000.00                     | \$ 146,325.72                        | \$ 1,014,517.00                           | \$ 1,352,689.33  |
| Totals     | \$ 427,305,000.00                          | \$ 427,305,000.00                       | \$ 427,305,000.00                   | \$ 427,305,000.00                    | \$ 408,953,235.60                         | \$ 545,270,980.80  |

\*\*Estimate is based on extrapolating 3-year current grant to 4-years. Important caveat: the 3-year grant totals include approx. \$7m of one-time opioid settlement funds, and \$45m of carryover from '19-21 biennium, and approx. \$40m of one-time savings to the criminal justice system. Taken together that is approx. \$100m that the program will not have in the 25-29 grant cycle.