

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

Staff Presentation Worksheet

Presentation Date: April 17, 2012 **Time:** 10:30 am **Length:** One hour

Presentation Title: 2012 Legislative Session Wrap Up

Department: Public and Government Affairs

Presenters: Gary Schmidt, Troy Rayburn and Jared Anderson

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

No action requested. This briefing highlights:

- (1) activities of the 2012 state legislative session; and
- (2) outcomes of the County's 2012 state legislative agenda.

EXECUTIVE SUMMARY

On March 5, the 76th Legislative Assembly adjourned the 2012 legislative session and completed Oregon's first annual session in an even-numbered year.

The 34-day session focused on four key goals: 1) rebalancing the 2011-13 biennial budget; 2) passing the Governor's transformative health care and 3) education reform measures; and 4) addressing job creation and economic growth.

The Legislature's top "must do" priority was rebalancing the 2011-13 biennial budget, which had suffered a \$340 million decline in projected revenues since the start of the two-year budget cycle. Using a combination of one-time windfalls, money shifts and the promise of \$28 million in personnel reductions to the ranks of state agency middle-management, legislators passed a rebalance plan that leaves K-12 schools and social service programs largely intact without raising taxes.

The rebalance plan confirmed 3.5 percent reductions to most state agencies' budgets. These funds were tentatively "held back" during the 2011 session in order to create a \$310 million "supplemental ending balance," which was then tapped in 2012 to offset the decline in projected revenues. However, legislative budget writers restored the 3.5 percent reduction to the public safety and human services program areas to protect critical services for Oregon's most vulnerable residents.

In addition to balancing the budget, 275 policy bills were introduced for consideration during the fast moving session. Many bills did not meet the strict deadlines set by legislative leaders for moving bills through the committee process, with only 125 bills approved by both chambers at the end of session. High profile legislation included the Governor's health care and education reform bills, which all passed.

The Government Affairs division actively tracked and monitored 150 bills on behalf of the County. In addition to providing legislative support to internal departments and elected officials, Government Affairs worked cooperatively and effectively during the 2012 session with numerous groups to advance the County's legislative agenda. These groups included:

- state legislators and their staff;
- committee staff;
- state agency staff;
- various state lobby associations, including the Association of Oregon Counties (AOC);
- regional partners; and
- other active participants.

FINANCIAL IMPLICATIONS

Anticipated state budget cuts to Clackamas County from the 2012 legislative session:

9-1-1 Emergency Communications - No cuts.

Community Corrections – No cuts. 3.5% holdback restored.

Transportation and Development – No cuts.

Employee Services – No cuts.

Health, Housing and Human Services (H3S) –

Children, Youth and Families Division:

Children, Youth & Families	= -	\$ 10,318
Great Start	= -	\$ 10,167
Court Appointed Special Advocates	= -	\$ 72,059
Healthy Start	= -	\$ 82,765
Juvenile Crime Prevention	= -	\$ 35,798
Basic Capacity	= -	\$ 32,648

Mental Health Organization Division:

Capitation Services (MHO)	= -\$	2,130,699
<i>CH- Public Health Division:</i>		
PH Emergency Preparedness	= -\$	23,000
TOTAL	= -\$	2,397,454

Juvenile Justice -

Juvenile Crime Plan Basic and Diversion:

Basic Funding	= -\$	471,129.5
Diversion Funding	= -\$	399,860.5
TOTAL	= -\$	870,990

Law Library = -\$ TBD (3.5 percent reduction)

Resolution Services - = -\$ 22,572 (3.5 percent reduction)

Water Environment Services – No cuts.

LEGAL / POLICY REQUIREMENTS

None at this time. Departments are currently reviewing 2012 legislative impacts and assessing potential outcomes.

PUBLIC GOVERNMENTAL PARTICIPATION

Health, Housing and Human Services -

The County has been actively engaged in the health transformation discussion through its participation in the Tri-County Collaborative. The county is also engaged - through the statewide association - with Legislative discussions on the Early Learning Council. Additionally, the County is working with statewide associations on federal housing and community development issues. All of this will be ongoing.

SESSION OVERVIEW

Provide Financial Stability and Leadership

Justice Court -

Priority: Support a legislative fix to **HB 2712** / 2011 Session (criminal fine revision) to minimize potential negative revenue impacts to counties.

Progress: HB 2712, passed by the Legislature in 2011, revised the current statutory revenue and distribution structure related to criminal fines. **HB 4025**, the proposed "revenue fix" to HB 2712, sought to restore the declared revenue neutrality of HB 2712 by reducing the amount payable by municipal and justice courts for deposit in the State Criminal Fine Account from \$60 to \$45. The measure failed to pass primarily due to 1) disagreement over the extent to which HB 2712 will negatively affect historical revenue streams for local courts, and 2) concern that such changes would adversely affect revenue to the state's Criminal Fine Account.

Although the "revenue fix" bill failed to pass, three "technical fix" bills associated with court-related legislation approved in 2011 were passed by the Legislature. These bills adequately address the technical concerns of municipal and justice courts: **HB 4167** exempts courts issuing small fines below \$60 from having to remit \$60 to the Criminal Fines Account, as directed under HB 2712. **HB 4168** exempts counties in which the courts are located from paying copying fees in circuit court and directs the State Court Administrator to conduct a study of HB 2710's (filing fee revision) financial impact to county mediation and law library programs. **HB 4169** modifies fees that first-time offenders must pay when they are convicted of driving under the influence of intoxicants and petition the court for a diversion agreement.

Result: Co-Chairs of the Joint Ways & Means Committee have expressed intent to preserve historical funding levels for justice and municipal courts and to closely monitor HB 2712's effect on state and local revenue streams. Since HB 2712 only became effective January 2012, the Association of Oregon Counties (AOC) and the League of Oregon Cities (LOC) have been directed in **SB 1579** to collect and distribute data on the impacts of HB 2712 during its first year of implementation.

9-1-1 Emergency Communications (C-COM) -

Priority: Monitor 9-1-1 funding issues.

Progress: Three bills aimed at strengthening 9-1-1 services were introduced during the 2012 session, two of which failed to gather enough legislative support to pass: **SB 1560** would have prevented state "sweeps" of the Emergency Communications Account and

ensure that all 9-1-1 related fees are used for their intended purposes. **SB 1559** would have required new multi-line telephone systems (MLTS) installed in facilities larger than 10,000 square feet to communicate to the 9-1-1 center the precise location of a telephone used to make a 9-1-1 call.

HB 4051, which later became **SB 1559**, passed the Legislature and requires the Office of Emergency Management to send 9-1-1 tax revenue directly to 9-1-1 centers rather than to cities and counties for distribution. The bill does not change the distribution of monies to cities and counties and merely sends the money directly to 9-1-1 centers on behalf of the cities and counties it serves. The bill aims to reduce the likelihood of unauthorized expenditures of 9-1-1 dollars and streamline the distribution process.

Result: 9-1-1 legislation will factor prominently into the 2013 legislative session. The 9-1-1 tax is scheduled to sunset January 1, 2014 and the Oregon Military Department has also been directed by the Legislature to create a detailed plan to consolidate 9-1-1 centers throughout the state and upgrade to Next Generation technology. Current analysis suggests consolidating the state's 49 9-1-1 centers into 9 regional centers, thereby reducing redundancy and creating a more cost-efficient delivery system.

Create a Network of Vibrant Communities

Jobs Legislation -

Priority: Monitor and effect proposed jobs legislation to enhance the economic base of local communities.

Progress: Bills that passed: **HB 4040** establishes Oregon Growth Fund and Oregon Growth Board to encourage investment in and availability of capital to Oregon businesses and to further economic development in Oregon. **HB 4093** increases number of enterprise zones that may be designated and maximum area of rural enterprise zone. **SB 1532** excludes certain company (Facebook) that owns or leases data center in enterprise zone from central assessment during period of enterprise zone exemption. Proposals defeated: **HB 4010** relating to Columbia River Basin water diversion and **HB 4098** would have required that annual timber harvest on state forestlands in each subject forest district equal, at minimum, specified percentage of annual amount of harvestable timber expected to be grown on state forestlands in district.

Result: Monitor and assess implementation of the above bills that passed.

Tourism/Government Camp Rest Area -

Priority: Support legislation to keep the Government Camp Rest Area open for recreationists and travelers.

Progress: Staff was actively engaged obtaining sponsors for the bill, assisting the lead lobbyist for the issue, and organizing/coordinating testimony before legislative committees.

There is a short term and a long term solution to the problem. The short term solution regarding funding to keep the Government Camp Rest Area open was done by an executive order from the Governor's Office to ODOT requiring a reallocation of funds. The long term solution is the passage of **SB 1591** requiring ODOT to turn over a short list of rest stops throughout Oregon to the Oregon Travel Experience for maintenance and operation.

Result: Continued funding. The solution in the final bill was a new funding source from drivers' license fees to pay for rest areas. Staff will continue to monitor and ensure implementation of both the Governor's executive order and SB 1591.

Dog Training Facilities

Priority: Support proposed legislation to expand the definition of 'farm use' to include facilities for training dogs on land zoned for exclusive farm use.

Progress: After aggressive outreach to members in both legislative chambers, **HB 4170** passed with unanimous, bipartisan support and was signed into law by the Governor on March 29.

Result: HB 4170 changes state law to allow dog training businesses on farmland throughout Oregon. The bill permits dog training classes to be conducted outdoors or in preexisting farm buildings when the number of dogs does not exceed 10 dogs per training class and the number of training classes does not exceed six per day. It also allows dog testing trials that do not exceed 60 dogs and the number of testing trials is limited to four per calendar year.

Keep Residents Safe, Healthy and Secure

Juvenile Services -

Priority: Advocate for no additional funding reductions to Juvenile Crime Prevention Basic and Diversion funding.

Progress: No cuts; **HB 4165** abolishes Juvenile Crime Prevention Advisory Committee and transfers functions of Committee (including funding juvenile crime prevention programs) to new Youth Development Council (YDC) under Oregon Education Investment Board (OEIB). This bill implements portions of SB 909 (2011), the Governor's education reform bill.

Result: The Legislature preserved county funding. For the Juvenile Department this meant \$60,000 that was being slated for reduction of the Juvenile Crime Plan funds was preserved. This equates to sustained services for minorities, Diversion Panels, treatment for sex offenders and victim offender resolution services.

Resolution Services and Law Library -

Priority: Advocate for no additional funding reductions for the County's Resolution Services Department and Law Library.

Progress: **SB 5701**, one of the primary budget rebalance bills, mandates a 3.5 percent reduction to special payments for both county mediation and law library programs. The rationale behind these reductions is to institute a cut that mirrors those imposed on other state agencies. **SB 1579**, another budget rebalance bill, allows for mediation and law library funding to be blended and allocated by the local governing body among the two programs as they deem appropriate. The intent of the latter bill is to reinstate local control over these programs, especially in light of the Legislature's action to reduce these appropriations by 3.5 percent.

HB 4168 directs the State Court Administrator to conduct a study of HB 2710's (filing fee revision) financial impact to county mediation and law library programs. HB 2710, which was passed in 2011, eliminated local "add-ons" to civil filing fees that supported law libraries, family mediation programs and court security. The 2011 legislation instead created a set of appropriated dollars for these programs to be distributed to counties throughout the state. The legislative intent of HB 2710 was to fund county mediation and law library programs for the 2011-13 biennium at a level that would render the bill revenue neutral; however, current appropriations to these programs have been significantly less than historical revenue generated under the previous system. This bill will require the State court Administrator to study the appropriation and distribution of these funds under HB 2710, compare it to historical revenue and report back to the Legislature in 2013 with findings.

SB 1552 requires mortgage lenders to enter into mediation with borrowers who request it for purposes of agreeing to a foreclosure avoidance measure. The bill also ends the so-called "dual track," where lenders proceed toward foreclosure while at the same time negotiating a loan modification with borrowers. Although the bill is currently in the rule

making phase, the County's Resolution Services Department hopes to certify its staff to provide these services once the program is in place.

Result: Under the budget rebalance plan, state payments to the County's Resolution Services Department and Law Library will be reduced an additional 3.5 percent, or \$36,073 and \$12,474, respectively. The two appropriations will now be blended, giving the local governing body authority for deciding how funds are to be distributed among the two programs. Lauren MacNeill, Director of Resolution Services, and Jennifer Dalglish, Law Librarian, will report to the Board on the latter provision.

Community Corrections -

Priority: Two-fold: 1) Support efforts to revise community corrections allocation formula to better incentivize the use of evidence-based practices and remove current funding provisions; 2) Restore the 3.5% holdback to the Community Corrections budget.

Progress: Efforts to revise community corrections allocation formula are in process. Captain Chris Hoy, director of Clackamas County Corrections, is a member of the workgroup developing the plan. It will be formally addressed in the 2013 Legislative Session. Staff is in regular / on-going communication with Captain Hoy and his state lobby association.

Result: The passage of **SB 5701** restores 3.5 percent holdback. This leaves the Corrections budget at the current funding level which represents a \$580,000 cutback from what was originally anticipated for this biennium. No cuts to alcohol and drug treatment services.

Health, Housing and Human Services (H3S) –

Priority: Support implementation of **HB 3650** (Health Care Transformation Bill/2011).

Progress: **SB 1580** (Coordinated Care Organizations) and **HB 4164** (Health Insurance Exchange) passed both legislative chambers and were signed into law by the Governor.

Result: H3S is actively engaged with our tri-county regional partners under the auspice of the Tri County Collaborative. The Collaborative is in the process of implementing the law and forming a CCO for the region.

Priority: Monitor implementation of **SB 909** (Oregon Education Investment Board), which transfers responsibilities of local and state Commission on Children & Families to Oregon Education Investment Board (OEIB).

Progress: **HB 4165** – creates Early Learning Council (ELC) to oversee unified system of early learning services for children. Eliminates local and state commissions on children and families and passes responsibilities to ELC. ELC to authorize local “community based coordinators of early learning services” to carry out responsibilities. The bill extends the life of the local commissions on children and families and ensures their funding through June 30th, 2013. It also impacts the local public health departments by requiring the new “community-based coordinators of early learning services” to make advantageous use of the system of public health care and services available through county health departments and other publicly supported programs delivered through, or in partnership with, counties.

Result: **HB 4165** passed and H3S is working with our regional partners to be one of the central locations or hubs.

Priority: Support efforts to create and preserve affordable housing and support services for moderate, low and very-low income residents and those experiencing homelessness.

Progress: Commissioner Lininger and staff met with the House Revenue co-chairs to lobby for support of the Farmworker Housing Tax Credit. We were informed that the proposal would not move.

Result: The Farmworker Housing tax Credit proposal did not pass, but a limited two year extension to the Senior Tax Deferral bill (**HB 4039**) was passed aimed at seniors with reverse mortgages who applied for the deferral.

OPTIONS:

N/A

RECOMMENDATION:

N/A

ATTACHMENTS:

None

SUBMITTED BY:

Division Manager Approval

s/Troy Rayburn

Department Director Approval

s/Gary Schmidt

County Administrator Approval _____



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