

CLACKAMAS COUNTY BOARD OF COMMISSIONERS
Staff Presentation Worksheet

Presentation Date: June 29, 2010 **Time:** 10:00 am **Length:** 30 minutes

Presentation Title: State Legislative Update

Department: Public and Government Affairs (PGA)

Presenters: Elissa Gertler and Jim Austin

POLICY QUESTION

Which issues should the County identify as priorities for the 2011 state legislative session?

ISSUE & BACKGROUND

On July 1, the Community and Legislative Affairs department will be merged with the Public and Government Affairs (PGA) department. This move brings together the related areas of the federal and state legislative agendas within one department. With this opportunity, PGA is working to develop an integrated and comprehensive government affairs program that provides for maximum coordination, communication and influence among internal and external stakeholders.

This coordination is timely as the County begins planning for the 2011 Legislative session. This report includes an update on the current fiscal environment and information about the issues and efforts staff is tracking in preparation for the session.

▪ **GOVERNMENT AFFAIRS STRUCTURE**

The new Government Affairs team will include federal, state, and regional legislative relations and lobbying. A Government Affairs Manager will be hired to assume lead responsibility for state legislative relations and lobbying. A Legislative Rapid Response Team will meet weekly during the state legislative session and monthly during interim periods to identify, discuss and coordinate on key issues. This team will include at least two Commissioners and department directors from Transportation and Development; Health, Housing and Human Services; County Counsel; Water Environment Services; public safety; and others where appropriate.

The expanded government affairs division will provide ongoing proactive and reactive legislative advocacy on key issues; ensure optimal communication among elected officials and partner agencies; provide opportunities for Board leadership on important County legislative issues; and build strong and complete relationships with legislators and key partners.

▪ STATE LEGISLATIVE ISSUES

State Finances

The State's Economists recently projected a \$577 million shortfall in expected revenues for the remainder of the current biennium. This news prompted the Governor to direct state agencies to cut 9% of current budgets. These "cut plans" have been submitted to the Governor and are under review. They have also been shared with Legislative Leadership, who is considering what, if any, actions they may take to help mitigate cuts to vital programs and vulnerable populations. County department directors are also reviewing these proposed cuts to determine impacts to the County.

There may be some federal relief materializing for states in the areas of health care and education, but this proposal is up against considerable odds. In the absence of legislative action, it is anticipated that the Governor will implement his reduction plans by early July. Between now and next session there are two more revenue forecasts: one on August 26 and the other on November 19. A third revenue forecast is scheduled for February 2011.

The State's financial situation will continue to be a main focal point next session as the new governor and legislature wrestle with anticipated revenues that will likely continue to fall below previous levels. In addition, there will likely not be a large infusion of federal stimulus dollars, which is anticipated to cause a \$2.5 billion reduction in available revenues in the next budget cycle over the previous one.

The Legislature did pass legislation in 2009 that sunsets most all existing tax credits in the State between January 1, 2012 and January 1, 2014. Approximately \$246.8 million of these credits would have automatically reduced revenues for the 2011-2013 budget. It will take affirmation by the Legislature to reinstate these credits. Many tax credits do bring with them economic benefit so during the next session the Legislature will be considering which ones to reinstate.

Pending Legislative Issues

Two legislative work sessions are scheduled before the start of the 2011 Session. These are September 21-23 and December 14-16. More details about potential committee bills will come to light during these meetings.

Staff continues to track the work of several Task Forces and work groups whose efforts will likely turn into bills that will be of interest to the County.

HUMAN SERVICES

- The analysis conducted by H3S staff estimates the impact that potential state budget cuts may have on County services and programs remains at 30%. As budget discussions change, this figure is also subject to change.

LAND USE

- **AOC's Farm Use Task Force** is looking at the list of statutory exceptions to "other activities allowed" on lands zoned for Exclusive Farm Use. This group may generate recommendations to the appropriate legislative committee about how to consider and what to allow on these lands. This effort is in response to a whittling away of the statute that was originally designed to protect agricultural land and activities. This group has already met twice so far. Other meetings are scheduled for June 29 and July 13. Commissioner Lehan is a member of this Task Force.

GOVERNANCE/ADMINISTRATION

- **Government Efficiency Task Force** is divided into 5 subcommittees: Elections; Assessment and Taxation; County Services Planning; Human Services; and Criminal Justice. County Services Planning is reviewing what happens when a county government becomes insolvent and is unable to provide for basic services. The subcommittee is also studying recommendations that came out of last interim's County Services and Federal Forest Payments Task Force, but that never got drafted in to legislation or otherwise adopted. Human Services was unable to come up with ideas that have not already been identified and recommended the creation of a task force or work group that could identify key services that could be targeted for greater efficiency. The full committee will consider the subcommittee recommendations at its meeting on July 14.
- An **indemnification work group** has been directed by the Judiciary Committees to come up with a legislative fix regarding at what level local governments need to indemnify themselves when they are providing services on behalf of the State under contract. This effort is an attempt to fix unresolved issues stemming from last session's tort claim limit legislation.
- A **Local Budget Law Work Group** that consists of representatives from the State Department of Revenue, AOC, the League of Oregon Cities, and the Special Districts is working on proposals that could ease some of the burdens on local government with regards to publishing budget related materials and could make it easier to adopt minor changes to budgets.
- Staff remains interested in any developments that may surface with regards to the State's **Public Employee Collective Bargaining Act**.

ECONOMIC DEVELOPMENT

- A **Buy America/Buy Oregon** work group is being lead by Senator Verger and Representative Bailey. Both legislators introduced bills last session that would have included language in public contracting statutes that would have created burdensome and costly requirements for public entities and contractors who enter into contracts with them.

PUBLIC SAFETY

- **AOC's Public Safety Steering Committee** is going to recommend to the Legislative Committee that it opposes legislation that would reinstate bail bonds in the State.

TRANSPORTATION

- **AOC's Transportation Steering Committee** is working with utilities regarding receptivity to a statutory change that would allow counties to cost recover when they have to cut into roadways or otherwise alter public facilities.
- AOC is also working with ODOT on a fix for next session that would exclude local governments from a change to **road access management statutes**. Last session a change was implemented that negatively impacted counties ability to control access management. The change should have only affected ODOT.

ELECTIONS

- The **County Clerks** recently met to consider proposals that may be included on their legislative agenda. One of the items is eliminating the requirement that county elections departments be responsible for the balloting of precinct committee persons of major political parties. Staff will be reviewing these proposals and will report back to the Board. AOC is now contracting with the County Clerks to provide legislative representation. It is not clear who AOC will represent if conflicts in legislative direction occur.

PARKS

- There may be a proposal coming from the Oregon Parks Association that would dedicate a portion of **RV vehicle registration fees to County Parks**. Staff will learn more and report back to the Board.

More information and details about the legislative concepts of committees and statewide affiliate organizations will surface in the next few months. PGA will review and research these concepts and will bring those that would affect, impact, or otherwise be of interest to the County to the Board's attention in preparation for the 2011 session.

QUESTIONS PRESENTED FOR CONSIDERATION

1. Does the Board have any input regarding the new government affairs structure?
2. Are there any questions about the pending legislative issues outlined in this report?
3. Are there additional issues or efforts the County should identify as state legislative priorities?

OPTIONS AVAILABLE

1. Identify proposed state legislative priorities.
2. Direct staff to investigate or research additional issues for consideration prior to finalizing the state legislative agenda.

RECOMMENDATION

Staff respectfully recommends that the Board of County Commissioners begin the process of identifying key state legislative issues and priorities. PGA will work with the Board and County staff and present a state agenda for review and approval prior to the start of the 2011 legislative session.

SUBMITTED BY

Division Director/Head Approval _____
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County Administrator Approval _____

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