

**Local Government Advisory Committee
Room 473, Human Services Building, Salem
November 14, 2003
Minutes**

Attending

Ben Boswell	Wallowa County Board of Commissioners
Janet Carlson	Marion County Board of Commissioners
Jean Cowan	Lincoln County Board of Commissioners
Gina Firman	Association of Oregon County Mental Health Programs
Irene Fischer-Davidson	Clackamas County Human Services
Ramona Foley	DHS – Assistant Director, Children Adults and Families
David Foster	Oregon Housing & Community Services
Gordon Fultz	Association of Oregon Counties
Robert Furlow	Douglas County Health & Social Services
John Hartner	Oregon Association of Community Corrections Directors
Lisa Joyce	DHS – Director’s Office
Barry Kast	DHS – Assistant Director, Health Services
Linda Modrell	Benton County Board of Commissioners
Anne Peltier	Conference of Local Health Officials
Jean Thorne	DHS – Director
James Toews	DHS – Assistant Director, Seniors & People with Disabilities
Bill Wagner	Cascades West Council of Governments

Minutes: Dena Comer, DHS – Director’s Office Administration and staff to LGAC

WELCOME & INTRODUCTIONS/APPROVAL OF MINUTES

Jean Cowan called the meeting to order. The minutes from the September 12, 2003, meeting were approved.

DIRECTOR’S REPORT, & REPORT ON THE GOVERNOR’S LOCAL GOVERNMENT WORKGROUP

Handout #1: Oregon DHS 2002 Integrated Client Database Report

Handout #2: State budget information packet, from Nov. 13 meeting with Governor’s Office

Handout #3: Key facts about the DHS budget (Revised Feb. 14, 2003)

Cowan reported on yesterday’s meeting with the Governor’s Office on the local government workgroup, entitled “Strengthening the Partnership.” This HB 3638 follow up meeting was chaired by Erinn Kelly-Siel of the Governor’s Office, and was attended by the Department of Administrative Services (DAS), and county commissioners including Cowan, Ben Boswell, Bobby Green, and Patricia Pate for Multnomah County Chair Diane Linn. Cowan reminded the group that the Human Services Steering Committee will be meeting on Tuesday of next week

during Association of Oregon Counties (AOC) conference. Discussion items will include a framework for LGAC on issues including the budget process and effective communication between local government, DHS, and the Governor's office.

Jean Thorne referred to handout #1 and explained the report is an executive summary from 2002, and represents approximately 25 percent of the state's overall population. The complete report, including additional county statistics, can be found on the department's website, at: www.dhs.state.or.us/data/icd.html

Thorne has continued her road trips, having traveled an approximate 2500 miles throughout Oregon thus far. The trips have involved meetings with staff on the status and direction of DHS, as well as other meetings with groups including the juvenile directors of eastern Oregon. Trips in the next couple of months will include areas in the western region of the state.

Referring to handout #2, Thorne explained that pages 17-19 relate to disappropriation. HB 5077 identified the amount of money coming out of each agency should the tax increase bill (HB 2152) got to ballot and be defeated. The status of collected signatures thus far indicates that section 89 (part of HB 2152 referred to the people) will be enacted, which would create a \$780 million hole. Thorne explained the disappropriation methodology behind the \$780 million figure, and that the bottom line is over \$200 million in reductions that would affect DHS. November 25th is the deadline for gathering signatures, followed by the Secretary of State's signature validation process. The Governor does not want agencies to do any type of public planning at this point, as several questions are in the air, including whether or not the Legislature will hold a special session if HB 2152 is defeated. Should the tax be repealed, DHS will not be able to identify county-by-county reduction figures until it is first able to define overall program reductions. Kelley-Siel will be at the next LGAC meeting, and by then we should know if an election will take place.

The principles utilized by DHS as it approached its last reduction process are outlined in handout #3. Thorne encouraged the group to take these principles and consider them for future discussion. There is much more in statute now than before, including Staley and a contract for home care workers, which limits the amount of changes without the full involvement of the Legislature. Ultimately, DHS is not in a position to have much discussion on the reduction process until we know if there will be an election.

Group discussion included Ben Boswell's proposal for establishing a budget "safe harbor," as an operating base we could depend upon as reductions occur. Cowan explained the additional need for defining what combined state and local services are still able to accomplish, versus focusing primarily on reductions.

Gordon Fultz explained that yesterday's workgroup is a result of a HB 3638, addressing liabilities to counties should program resources be reduced. The counties had many discussions with the Governor's office and others throughout the legislative session, and ultimately it was decided that discussion would focus on the targeted mental health issues. Further discussions

with the Governor's office resulted in decisions on items to address in the interim, including liabilities to other programs, and the partnership between the counties and the state in preparing and ultimately presenting the budget to the Legislature. These discussions resulted in the formation of a regionally represented workgroup, whose first meeting occurred yesterday.

Thorne explained that yesterday's discussion related to the budget, and referred again to handout #2, and the budget process overview on page 21. As a contextual overview, because the Legislature utilized so much one-time-only funding last session, and looking at the latest revenue projections for '03-05, we are about \$1 billion short. This means DHS will most likely be looking at a reductions package. There are three levels of budgetary development, starting with the revenue forecast. Once DHS receives its budget instructions from DAS (in March), it will discuss its budgetary process with LGAC. DHS will then submit its agency request budget to DAS, and the second level begins. From this point, until the Governor submits his recommended budget to the Legislature, the work between DAS and the agencies is confidential and is not a public process. A discussion item for the next meeting with the Governor's office is how the AOC could have more input into the process at the second level. The third level begins with the May revenue forecast, and continues through to the legislatively adopted budget.

Cowan explained the need for understanding the three levels of the budget process, and the local government delivery system being a part of the discussion. Thorne added that DHS program staff are having monthly meetings with area agency directors, county mental health directors, and other groups about budget development, and suggested that LGAC consider how it could link with these county-related meetings in its budget development discussions. Lisa Joyce added that a chart on page nine of handout #2 illustrates the shift, over time, from state-delivered services to county-delivered services. This information is effective in illustrating to the Governor the dependency on local government for the delivery of service. Bob Furlow suggested bringing the Legislature into the discussion, as well, as this has proved to be effective in other states.

John Hartner shared his appreciation for Thorne, and thanked her for listening to concerns brought forward regarding the budget process.

Further group discussion included the importance of remaining open and keeping everyone informed in the pre-budget, informing stage, and the disruption caused as a result of the initiative process. Additionally, it was suggested that the worst problems occur when people feel as though their piece of the pie wasn't considered during budget development.

Fultz explained the AOC's decision to change its approach to the Legislature. The AOC examines the human services system as whole and the impact of doing business, rather than listing each department as a separate entity with its own list of priorities. For example, a failure with human services means a later impact to the corrections system.

THE ROLE OF LGAC, BUILDING ON THE WORK OF THE SOCIAL SUPPORTS WORKGROUP

Linda Modrell reported that LGAC members met to discuss familiar issues and a framework for the group's efforts. The main question was, how can LGAC capitalize on its opportunity to inform the system that assists Oregon residents who are not thriving? She presented the conclusion with a suggested systems approach for probable devolution, using existing tools, the development of new tools, and utilizing key leverage points for maximum effect. The object of the presentation was to stimulate discussion and further exploration of the outlined issues, and to determine whether or not LGAC should continue this type of discussion, or if it would be more appropriate for a subgroup or group of representatives to discuss the issues separately. An outline of the presentation is as follows:

- There are cultural changes where the “self” has become the least responsible for the individual, while the family is inconsistently incorporated into systems. Society (usually the government) has assumed the responsibility for the well being of every individual.
- We no longer have a cultural context that provides a clear and direct feedback of natural consequences for our choices.
- The expectations of our society are not in balance with what we are willing to pay for.
- The rise of advocacy has created a disproportionate allocation of funding to particular areas.
- As the family has become a weaker link, and with the rise of advocacy, the government has taken a larger role in supporting the individual. It's difficult for government to address the individual needs with a “one-size fits all” solution.
- The appropriate roles of the respective levels in the social support system need to be assessed in terms of policy direction, expectations, culture and tradition, and economic, natural and political environment. We also need to define what success means.
- The bottom line is that the taxpayers want a common commitment, and they want the money to be spent effectively.
- Further devolution, or service delivery occurring at the lowest capable level of government, is a possible direction. The system design should then follow with meaningful devolution.
- A task for LGAC would be to seek devolution, by using the Social Support Investment Workgroup's report as a starting point.

Modrell closed her presentation by outlining “pressure points”, “tools for change” and LGAC work as possibilities for getting from where we are today to a better, more efficient system of social support for Oregon.

With respect to government having created expectations, Ramona Foley commented on Oregon's efforts to reach out to families, perhaps in such a way as to give the individual the ability to walk away. Cowan concurred, adding that people need to understand what the level of support for family means, and that it's not okay to let the government take care of everything.

Group discussion included the suggestion that LGAC address the initiative process, and the system-wide unintentional consequences; devolution supports making the choices at the level where impacts and consequences are understood. Yet if the budget process is changed to include community values and the cost of not providing a service, there's no need to worry about the initiative process. Another suggestion was that people are not educated today to take care of their family, so we need to decide whether to provide the service or the education. Additionally, a shift in values has occurred where it is shameful to ask for help from family, neighbors, or the church, yet it is acceptable to utilize a government program.

David Foster suggested that hammering in on devolution is not as important as acknowledging the different respective roles of federal, state and local government. A lot of time in LGAC has been spent sharing information or responding after a crisis has occurred. We can create any type of system we want, provided the input and the expectations match. Boswell proposed leadership in management, rather than in responding to change.

Cowan suggested that the next meeting include the development of LGAC's role, whether it will break into workgroups or some other appropriate structure, and leading into more policy-level discussions with less time on implementation-detail conversation. Thorne reminded the group that not all of DHS is represented at this table, and to be careful as they decide the scope of what they plan to take on.

Bill Wagner asked that Thorne and her Cabinet inform LGAC how the group is useful to them, and how they can be of assistance, particularly through the budget process early next year. Foster posed the question of whether LGAC would be of better assistance to DHS in addressing a particular program, versus a global system. Thorne responded that there are different views at the table, and we need to focus on the scope of issues.

Cowan asked the group again to be prepared for discussion of these issues at the December meeting. Another item for discussion will be the LGAC co-chairs' commitment to serve through December of '03.

UPDATES: DHS ASSISTANT DIRECTORS AND ORGANIZATIONAL REPRESENTATIVES

Children, Adults and Families (CAF): Foley reported on the eight family support teams that were at one time located primarily along the I-5 corridor. This was an unfair system, and CAF has now devised a plan for at least one certified alcohol and drug counselor to work in each Service Delivery Area (SDA), who would act as a liaison with the private providers who provide treatment. These DHS counselors would not provide treatment, but would serve as a conduit for all cases where children are in foster care, or with parents who are trying to keep children at home, and in determining which cases could go for referral or to provide information for court cases. Meetings will be held with the alcohol and drug program where the role of this person will be clearly outlined.

Health Services (HS): Barry Kast reported that Bob Nikkel and Bob Miller have worked to add a step in the next biennium's mental health planning guidelines for communication between the

contracted service providers and the SDA managers. It is hoped that this will result in a more integrated system between child welfare, self-sufficiency, and locally provided intervention services.

Gordon asked, as an item for future discussion, that the former children's non-Medicaid mental health plan funding, which still goes to the RFP process, be considered in an integrated fashion.

Gina Firman reported that at the recent Alcohol and Drug (A&D) conference, the president of the Alcohol and Drug Abuse Program Association of Oregon (ADAPAO) made it very clear that he intends to separate A&D and mental health, in order to take A&D away from the counties. It sometimes appears the state is helping them in this role, as communication does not flow to the counties. Kast responded that DHS has no plans to separate the two, and Foley explained that the SDA managers are becoming more involved with the counties on these types of concerns. Firman added there will be a conversation on this issue at the next AOC Mental Health Programs meeting.

Seniors and People with Disabilities (SPD): James Toews reported that the Centers for Medicare and Medicaid Services (CMS) will be here all next week to audit the Senior and Disability waiver, and there is every indication that they intend to significantly increase the micromanagement of Oregon's Medicaid program and impose more federal requirements.

Thorne added that CMS has now hired people to examine what states and local governments are trying to do, with lots of scrutiny for everything that goes to the federal government.

Boswell thanked DHS for the assistance Wallowa County has received in the period of time it has been without a permanent public health director. The county has received excellent assistance and support.

OTHER ITEMS

Handout #4: LGAC 2004 Meeting Schedule

Handout #5: 3 newspaper articles of interest to LGAC

No discussion. Handouts were distributed as informational only.

FUTURE AGENDA ITEMS

The actual agenda is dependent upon the LGAC Executive Committee meeting.

NEXT MEETING

Date: December 12, 2003

Time: 9:00 AM – Noon

Location: Room 473, Human Services Building

If you would like copies of the handouts, contact:

Dena Comer

DHS Director's Office, 4th Floor

500 Summer Street NE, E-15

Salem, OR 97301-1097

Telephone: (503) 945-6843

e-mail: dena.comer@state.or.us

Approved minutes are available on the LGAC web page: <http://www.hr.state.or.us/lgac>

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