

Task Force on Federal Forest Payments and County Services
Meeting #3
March 27, 2008

Minutes

1. Welcome and overview of the agenda (Exhibit A)

The meeting convened at 10:00 AM

All members were present, except Marvin Brown (excused), Rep. Arnie Roblan (excused), Max Williams (for whom Ginger Martin represented DOC) and Sen. Alan Bates.

Chair Tim Nesbitt provided an overview of the agenda

2. Recap of last meeting/Adoption of minutes

The minutes of the Jan. 31, 2008 meeting, as corrected (**Exhibit B**), were approved.

3. Update on federal legislation (deferred to 11:00 AM)

6. Guidance and Direction for the Task Force (taken out of order)

Chair Nesbitt distributed and reviewed two memoranda.

- “Timeline for Our Remaining Work, Schedule of Meetings and Framework for Our Report” (**Exhibit C**); and,
- “Guidance for Review of Program Work Group Reports” (**Exhibit D**).

The dates agreed to for the subsequent meetings of the full Task Force were:

- Thursday, April 24 (10 AM – but since moved to 1:00 PM);
- Thursday, May 29, 10 AM; and,
- Thursday, June 12, 10 AM.

It was also agreed to modify the criteria for “findings that will shape our proposals” to move #2 (The state’s financial support for counties does not adequately reflect conditions in the federal forest counties) to #4 to give greater emphasis to avoid exacerbating counties’ budget cuts and maintaining a continuity of service delivery.

Finally, Chair Nesbitt announced the formation of a Review and Drafting Committee to follow up as needed on work group recommendations and to draft

the Task Force's report. This committee shall consist of Chair Nesbitt, Co-Chair Green, Ray Naff and Mike McArthur. The Task Force concurred.

4. Reports from the Counties

- Co-chair and Lane County Commissioner Bobby Green reported that Lane County is preparing a no-new-revenues budget, with severe program reductions. The county, he said, is looking to the state for strategic responses: "A bridge, not a bailout."
- Judge Scott Cooper, Crook County, reported that the county's budget problems have been compounded by the collapse of the construction industry; building fee revenues have dropped 80%. Also, he noted that measures on the ballot in November 2008, such as IP 40, "could sink us."
- Commissioner C.W. Smith, Jackson County, repeated that the county is looking for a bridge, not a bailout. Once federal forest payments cease, he sees "only three years of survivability, maybe four." He explained the structural deficits that confront the federal forest counties as follows: "Most of these counties can't build themselves or develop themselves into solvency...Every new resident is a negative (on the budget)."
- Curry County Commissioner Georgia Nowlin, attending as a guest, reported that her county would be \$400,000 short even after major cuts, including cutting Sheriff's patrols "to nothing." Responding to a question from Sen. Fred Girod as to when the county would face insolvency, she responded that the erosion would begin in 2009 but that she could not pinpoint when the county would become insolvent. AOC Executive Director Mike McArthur noted that the legislature could annul a county's status.
- Tillamook County Sheriff Todd Anderson, attending as a guest, reported defaults on timber sales and lower harvest prices were compounding the county's budget problems.
- Both Comm. Green and Comm. Smith noted that layoffs in their counties could begin in April.
- Yamhill County Administrator John Krawczyk, representing AOC, distributed information from a survey of counties' financial reports, entitled "Draft - AOC 5520 Project" (**Exhibit E**). Krawczyk noted that the requirements for tracking federal grant streams for public health are a major burden for the counties. Judge Cooper noted the same for mental health programs.

5. Updates

- George Naughton, director of the state's Budget and Management division, reported that his staff is continuing to pull together data on state funding streams to the counties for the 05-07 biennium and will have updates in mid-April.

3. Report on federal legislation (taken up at 11:00 AM)

Sarah Bittleman, legislative director for Congresswoman Darlene Hooley, reported that the Congresswoman is circulating a sign-on letter to all affected House members to support a multi-year reauthorization of federal forest payments as part of an emergency supplemental appropriations bill expected to come forward in mid-April. Emergency appropriations bills do not require offsets. If this approach is successful, the House bill could make it to the Senate in May and to the President's desk in June.

Comm. Green reported on a meeting that Comm. Faye Stewart had with the House Speaker's chief of staff. The message was that this year's reauthorization, whether for one year or more, would likely be the final one.

7. Review reports from program work groups

The Task force reviewed recommendations from its 10 program work groups, approving some, setting aside others and asking for more information on certain items. Also, the Task Force added suggestions of its own in certain program areas. All of the recommendations and suggestions were referred to the Review and Drafting Committee for follow-up and reports back as needed to the full Task Force. See "Summary of Work Group Recommendations" (**Exhibit F**).

8. Status reports from other work groups

- Veterans' Services and Military will meet April 10 and present its recommendations to the full Task Force at its April 24 meeting.
- Federal Forest Practices will meet May 1 and present an interim report to the full Task Force in June, with the understanding that its final recommendations will emerge after receiving and reviewing the recommendations of the Board of Forestry Federal Forest Lands Advisory Committee.
- Revenue will convene its first meeting on April 2 and present an interim report to the Task Force at its April 24 meeting, present a final report to the Task Force at its May 29 meeting and forward its recommendations to the Revenue Restructuring Task Force in June.

Meetings are scheduled to review regulatory obstacles to rural economic development on March 31 and on rural economic development strategies on April 9.

9. Future Meetings

Chair Nesbitt confirmed the schedule for the full Task Force (see Item #6 above).

Exhibits

Ex. A – Agenda

Ex. B – Minutes of the meeting of Jan 31

Ex. C – Timeline for our Remaining Work, Schedule of Meetings and Framework for
Our Report

Ex. D – Guidance for Review of Program Work Group Reports.

Ex. E – Draft: AOC 5520 Project

Ex. F – Summary of Work Group Recommendations