

February 26, 2018

Chair Mary Starrett
Yamhill County
535 NE Fifth St
McMinnville, OR 97128

Dear Chair Starrett,

Thank you for your membership in the Association of Oregon Counties (AOC). We are honored to have Yamhill County as a member of AOC!

AOC programs and services provide counties with opportunities to engage in innovative and transformational county solutions, enhance the public's understanding of county government, and support to exercise exemplary leadership in public service.

Created in 1906 to advocate for the interests of Oregon county government, AOC services have expanded to include direct services to save you money, time and resources. Membership with AOC also provides access to, and support for, City-County Insurance Services, educational programing, information sharing, and access to software like BillTracker. In addition, AOC provides a path to nomination to state and national boards, commissions and task forces. Our newest program, County Solutions, provides commissioners and county staff with capacity and support to convene stakeholders to address complex issues and complete challenging projects in your communities.

With our timely advocacy for county interests in Salem and through the National Association of Counties (NACo) in Washington, D.C., we provide counties with a collective voice on issues facing Oregon's diverse economy. Advocacy efforts range from community and economic development and transportation, to health and human services and veterans, to natural resources and public safety. In addition, these efforts also include specialty advocacy issues like video lottery, PERS, and federal land management.

We hope you will continue to engage with AOC in 2018. There is no better way to shape our state advocacy efforts than to join a steering committee. Monthly meetings are held in Salem with dial-in access for members who cannot join meetings in person. Committees are open to all AOC members, and we urge you to get involved. We continue to see record levels of participation in our steering committees, and we hope this trend will continue. We also hope to see you at our annual conference in Eugene in November.

Please be sure to take advantage of all that your membership has to offer. We are here to help you so please feel free to contact us at any time at 503.585.8351. AOC values your continued participation and membership.

Thank you,



Craig Pope
President, Association of Oregon Counties
Commissioner, Polk County



Mike W. McArthur
Executive Director, Association of Oregon Counties



Association of Oregon Counties

Yamhill County
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McMinnville, OR 97128

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Invoice no. **2018 AOC**
For the period of:
Jan. 1 – Dec. 31, 2018

starrettm@co.yamhill.or.us

Description <small>(see page 3 for descriptive narrative on dues categories)</small>	Amount
AOC General Fund Dues*	\$16,729.60
Public Lands Fund Dues*	\$ 1,622.56
Video Lottery Defense Fund Dues <small>(voluntary dues)</small>	\$ 868.94
Federal Land Management Subcommittee Dues <small>(voluntary dues; required for voting privilege)</small>	\$ 456.82
PERS (Public Employees Retirement System) Alliance Dues <small>(voluntary dues)</small>	\$ 1,903.80
Veterans Fund Dues <small>(voluntary dues)</small>	\$ 3,411.03
Total amount due:	\$24,992.75

**payment of dues marked required for AOC membership*

Please direct inquiries to:

Fiscal Services
Email: accounting@oregoncounties.org
Phone: 503.585.8351

Please submit check payment along with
a copy of this invoice to:

Association of Oregon Counties
1201 Court Street NE, Suite 300
Salem, OR 97301-4110

Invoice no. **2018 AOC**
For the period of:
Jan. 1 – Dec. 31, 2018

Description Narrative for Dues

AOC General Fund Dues* (required for AOC membership)

General fund dues support legislative advocacy and policy development, district and steering committee meetings, communications efforts, and technical assistance to members, as well as AOC's core operational expenses including finance, insurance, building rent, utilities and supplies. Dues are based on an established uniform base fee and each county's comparative real market value and population (as reported for the previous year). The formula is capped so no county will pay more than 20 times the lowest assessment.

Public Lands Fund Dues* (required for AOC membership)

Public Lands fund dues allow AOC to carry out legislative advocacy on natural resource issues, foster communications between county governing bodies and individual agencies, and develop natural resources policy. Dues are based on an established uniform fee, national forest receipts, substituted Secure Rural School Act or other safety net revenues and federal Payments-in-Lieu-of-Taxes. The formula is capped so no county will pay more than 15 times the lowest assessment.

Federal Land Management Subcommittee Dues (voluntary; required for voting privileges)

Federal land management subcommittee assessment dues is directed to advocacy on federal land management issues. Funds allow AOC to coordinate with other national efforts, obtain professional services, and conduct communications campaigns on federal legislation. Dues are based on each counties share of the latest annual national forest receipts payments or successor safety net payments.

PERS Alliance Dues (voluntary dues)

Public Employee Retirement System (PERS) alliance dues, a collaboration with the League of Oregon Cities (LOC), Oregon School Boards Association (OSBA) and Special Districts Association of Oregon (SDAO) support policy advocacy and legal proceedings for labor and retirement fund issues. Dues are assessed at a rate of \$.69 per PERS retiree per county.

Veterans Fund Dues (voluntary dues)

Veterans fund dues were created in 2014 to help support Oregon's approximately 326,000 veterans. Income from this assessment funds staff work on veterans' issues. A key focus area includes advocacy for increased state funding and support for the work of County Veterans Service Officers (CVSOs). Additional work includes sustaining and expanding collaborative partnerships with the Oregon Department of Veterans Affairs to support improved access to earned benefits, including disability compensation, low income pension, healthcare, housing, employment, education and other services. Dues are assessed at a rate of \$.35 per veteran per county.

Video Lottery Defense Fund Dues (voluntary dues)

Video lottery defense fund dues are dedicated to providing technical assistance and professional services related to the preservation of shared revenues and protection of counties 2.5 percent of net video lottery receipts. Dues are assessed at one percent of each county's total video lottery net receipts for the previous year.

Federal Land Management Subcommittee Fund

Background

The Forest Management Subcommittee was formed in 1998 to pool the assets of all national forest counties in Oregon to more effectively utilize resources on federal issues. The subcommittee was a major factor in enactment of the Secure Rural Schools Act of 2000 and its successor reauthorizations, while repeatedly insisting that a safety net is not the long-term answer. Rather, what the counties need is federal forest management reform.

In 2017, the subcommittee was reorganized as the **Federal Land Management Subcommittee** and new bylaws were adopted. The purpose remains the same: gaining long-term federal land management reforms which will lead to healthy lands, job opportunities, and social and economic sustainability.

Eligible counties are those that receive national forest road receipts or successor safety net road payments. An eligible county becomes a voting member by payment of the dues assessment for the current year. Each county has one vote, and designates one commissioner to cast their vote. The Subcommittee is governed by tri-chairs, each having one vote. One chair is the current chair of the AOC Natural Resources Policy Steering Committee, one chair is the current president of the Association of O&C Counties, and one chair is appointed by the Eastern Oregon Counties Association. Subcommittee actions must be approved by the AOC Natural Resources Policy Steering Committee.

The subcommittee approves its own recommended calendar year budget, expressed in the AOC Federal Land Fund, prepared in cycle with the AOC budget process. The AOC Natural Resources Policy Steering Committee reviews and approves the recommended subcommittee budget and, in turn, recommends it to the AOC membership for adoption at the AOC annual business meeting.

How is the fund used?

The pooled resources from national forest counties permit a more effective pursuit of long-term federal lands management reform legislation and regulations, which will lead to healthy forests, job opportunities, and economic and social sustainability at the local level. In 2017, the Westerman bill that passed the House contained almost all the management reforms advocated by Oregon counties. Continuing to aggressively work with the Senate in 2018 as their bill is developed and staying engaged through reconciliation, is critical to successfully completing this mission. The subcommittee will support a continued safety net program, as a bridge to implementation of meaningful land management reforms.

Voluntary dues are critical to fund hands-on lobbying in Washington, DC; to guide counties through the changing and complex requirements to qualify for safety net payments; and to stay up-to-the-minute in coordination with allies to target resources most effectively.

Looking forward

- Gain long-term federal lands management policy reform through strategic alliances and targeted tactics.
- Pursue “bridge funding” tied to the management reform legislation to maintain solvency of Oregon counties dominated by federal lands until the legislation is fully implemented.

Public Employee Retirement System (PERS), Public Labor and Employment Policy Fund

Background

AOC collects dues for the Public Employee Retirement System (PERS) Alliance, a collaboration with the League of Oregon Cities (LOC), Oregon School Board Association (OSBA), and Special Districts Association of Oregon (SDAO) to support policy advocacy and legal proceedings for labor and retirement fund issues.

In 2016 the voluntary dues assessment changed to include all PERS enrollees by county; not just county employees enrolled. This change reflected the fact that all 36 counties benefit from AOC's work in PERS, and should therefore be assessed the voluntary dues. The AOC Board of Directors also determined the PERS Fund should expand to include public labor and employment policy moving forward.

This change was due to the fact that each legislative session numerous bills are introduced that directly impact public employment, including diverse topic areas such as collective bargaining, wages, public contracting, sick leave, discrimination and home rule.

How is the fund used?

AOC work not only involves opposing or amending proposals that would increase costs to public employers, or constrain the options of public employers, but also involves crafting and promoting legislation that assists public employers. For example, in 2015 House Bill 3495 set out to resolve the legal issue regarding appropriate employer contribution start date for future hires. This legislation was crafted and successfully lobbied by AOC. Another example of PERS legislation successfully crafted and lobbied by AOC was Section 10 of 2017 Senate Bill 1067, which makes PERS side accounts more feasible and user friendly.

Voluntary funds also support participation in state agency rulemaking proceedings that impact public employment, including rulemaking before the Bureau of Labor and Industries (BOLI) and the Employment Relations Board (ERB), and litigation on behalf of AOC members. A recent example is litigation challenging PERS reform legislation, as well as ensuring that the costs of attorney fee awards that stem from successful challenges to such legislation are not imposed on local public employers.

Voluntary dues are critical to fund pro-active and reactive advocacy with the Oregon Legislature as well as litigation on behalf of AOC members.

Looking forward

- Track PERS bills that impact public employment by increasing costs to public employers, and craft bills promoting legislation to assist public employers.
- Participate in state agency rulemaking proceedings that impact public employment.
- Serve on the PERS Legislative Advisory Committee (LAC) and PERS Employer Advisory Group (EAG).
- Participate in litigation as needed on behalf of AOC members.

Veterans Fund

Background

The AOC Veterans Fund was created in 2014 to act as a collective voice for Oregon counties on veterans' issues, and enhance AOC's ability to advocate for, and better serve, Oregon's 310,333 veterans and their families. Too many of our veterans face high levels of post-traumatic stress disorder, mental health challenges, addictions, physical health issues and both mild and severe traumatic brain injuries. Too many are involved in the criminal justice system. As noted by our State Department of Veterans Affairs, our work to support our veterans and their families "is just beginning."

How is the fund used?

The 2017 Session was an historic year for veterans in Oregon. As a result of broad citizen support and the bipartisan leadership of the Governor and Legislature, Oregon made unprecedented investments in local and statewide veteran services. The Legislature appropriated \$27.2 million in combined General Fund and Lottery Funds for services to veterans in the 2017-19 biennium. For reference, prior biennial funding for veteran services was \$10.4 million in General Funds and included no Lottery Funds. These investments stem from Measure 96, which passed in November 2016 with a resounding 84 percent approval by Oregonians. Moving forward, 1.5 percent of all net lottery revenues will be dedicated to serving veterans and their families.

A major component of the new investment in veterans was due to the Legislature's decision to double the state level of funding to County Veterans Service Officers (CVSO's) from \$4.35 million to \$8.7 million. CVSO's are the front line resource which steward successful Veterans Affairs claims. In 2016, Oregon veterans received \$1,392,002,000 of compensation and low income pension payments from the federal Veterans Affairs; an 8.6 percent increase from 2015.

The additional \$4.35 million of state funds to expand CVSO's is shared by every county in Oregon to improve and enhance programs. In addition to doubling state funds to support CVSO's, the Legislature also passed a variety of new funding of new veterans initiatives including:

- \$1.5 million for veterans housing
- \$1.2 million to enhance existing veterans resource centers of universities and community colleges
- \$4.1 million to strengthen the veterans home loan program for future generations
- \$2.3 million to create reserve balance in the veteran services fund
- \$555,000 for local grants at the local level to support innovative community veterans initiatives
- \$350,000 to support a veterans' crisis and suicide prevention hotline
- \$245,000 to establish a veteran volunteer program.

Looking forward

- **Sustain and improve the CVSO workforce:** Ensure professional training and financial support is provided to help veterans access all of the benefits (state and federal) they have earned and deserve.
- **Improve access to Veterans Affairs healthcare services:** Help veterans' access earned disability compensation, low income pension, housing, employment, education and other benefits. Accelerate strategies that provide veterans better access to healthcare benefits, including physical and behavioral health care services.

Video Lottery Defense Fund

Background

In 1985, Oregonians established a lottery constitutionally dedicating the earnings to economic development (see [ORS 461.547](#)). Since then, Oregonians also have dedicated lottery revenues for education, parks, wildlife and wildlife and veterans' services funding.

In 1991, an agreement was reached whereby the Legislature approved a state-controlled video lottery structure which forfeited a county's right to authorize and regulate gaming in exchange for counties receiving 2.5 percent of the receipts from all video lottery games for economic development activities. Prior to that date, counties had the right to authorize, regulate and tax gaming.

Beginning in 2005, counties agreed to contribute 50 percent of the costs of the Governor's Office administration of Regional Solutions due to the programs' importance. The remaining video lottery receipts are distributed as follows: 10 percent divided equally among the 36 counties; and 90 percent allocated by the amount of video lottery receipts from each county. These receipts are an important revenue source for counties' strategic economic development activities such as infrastructure investment, revolving loan programs, and other related programs.

How is this fund used?

Over the years, there have been attempts to divert the counties' share of lottery revenues for other state programs. The Video Lottery Defense Fund is used to protect counties' share of the video lottery. AOC staff advocates, tracks bills, attends hearings and meetings, and testifies at the Legislature and Lottery Commission to ensure that the agreement forged in 1991 is upheld. If necessary, litigation may be filed to protect these dollars.

Since 2011, counties have been required to annually report information related to the use of lottery funds for the purposes of economic development (see [ORS 461.512](#)). This is coordinated by Laura Cleland at AOC. The 2017 report may be found [here](#).

Looking forward

In recent biennia, the Legislature has based quarterly payments on estimated video lottery revenues determined in the May forecast prior to the start of the biennium. This "smoothing" process makes it easier for payments to be made as counties received equal amounts every quarter based on the forecast, rather than fluctuating amounts based on 2.5 percent of the actual proceeds. However, if proceeds are less than anticipated, it can shortchange counties. It is estimated that counties lost over \$1.7 million in the previous biennium as a result of the smoothing distribution practice. AOC is introducing legislation in the February 2018 short session to create a process going forward that will ensure actual proceeds flow to counties.

- Recoup any losses incurred by the counties during the 2015-17 biennium as a result of "smoothing," by collecting 2.5 percent of video lottery proceeds as provided by [ORS 461.547](#).
- Receive a commitment from the Legislature that, moving forward, counties will receive 2.5 percent of video lottery proceeds as required by [ORS 461.547](#).
- Ensure the Legislative Fiscal Office and Department of Administrative Services understand the commitment of the Legislature and the intent of the statute.
- Ensure that any new lottery funded programs do not impact the counties' 2.5 percent share of funds.

Accepted by Yamhill County Board of Commissioners on

3/15/18

by Board Order

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18-79