



March 18, 2020

Joint Committee on Coronavirus Response  
900 Court Street NE, Rm 334  
Salem, OR 97301

Dear Co-Chairs Roblan, Holvey & Members of the Committee:

We realize that you are currently facing one of the biggest challenges our state, and perhaps our nation has faced in many decades. Extraordinary measures are being taken by our state and local governments. Everyone's lives, routines, and livelihoods are being upended in the statewide efforts to ensure that the Covid-19 infection rate slows. Many of our employees are on the frontlines and we do not want to minimize the issues and decisions you and the Governor will have to make in the coming days and weeks ahead.

**In light of the current circumstances we did want to raise some operational concerns that could potentially impact all local governments in the coming weeks and months ahead as they continue to develop their budgets.**

The Governor's directive to promote social distancing and limit public gatherings poses challenges for the traditional operations of Oregon's local governments, which conduct business with the public at large. Local governments are undertaking a wide range of measures to ensure they remain open to the public, while at the same time limiting in-person interactions. Widely available electronic communication makes that easier for some functions and duties than for others. The aspects of our local government work that are most challenging under the Governor's directive relate to public meetings and public hearings.

**Because we are in the middle of the budget season, the largest area of concern is the budget adoption process set out in the Local Budget Law provisions of ORS Chapter 294.** Local governments subject to the Local Budget Law are essentially required to hold two public hearings where public comment and public testimony occur. The first occurs before the budget committee, during which the public is entitled to ask questions about and comment on the budget document. The second occurs before the entity's governing body, which is required to meet "for the purpose of holding a public hearing on the budget document as approved by the budget

committee.” The Local Budget Law expressly provides that any person may appear at that hearing to provide input on the budget. A final budget must be adopted by June 30<sup>th</sup> each year.

**Under ORS 294.338, the local government is not authorized to make any expenditures if these public hearing provisions are not adhered to throughout the budget process. If local governments cannot expend money they will not be able to provide essential services to the public during and after the current emergency.**

During this declared state of emergency relating to COVID-19, local governments are worried that they may not be able to meet the strict requirements of the Local Budget Law. Even where some proceedings may be conducted telephonically or by other electronic means, Oregon’s Public Meetings Law requires us to provide physical space for individuals of the public to attend the meeting in that manner. Further, some local governments may not have the electronic means to ensure that the public could not only attend, but also participate in the proceeding, for example by asking questions at the budget committee hearing. **Local governments, and the public they serve, urge the Legislative Assembly to enact a limited revision to the Local Budget Law during a Governor-declared state of emergency that requires social distancing. Such a revision could expressly authorize the budget process to continue using a written or other alternative process, in lieu of in-person hearings.**

Perhaps a graver concern is the possibility that a larger outbreak of COVID-19 could delay the entire process, or even prohibit final action to adopt a budget by June 30<sup>th</sup>. This could occur if the budget committee or governing body cannot convene a quorum to make decisions. The failure of a local government to adopt a budget by the deadline, when that failure arises from a global pandemic, should not prevent the local government from providing the essential services that they do. Yet, that is exactly the result that will occur under the Local Budget Law, unless revised. **Local governments urge the Legislative Assembly to enact a revision to the Local Budget Law under these unique circumstances to allow them to continue to make necessary expenditures until the time their governing bodies can meet and adopt a final budget, even if that is not until the new fiscal year begins.**

Thank you for your consideration of these issues. We stand ready to assist the committee in developing language to address these concerns.

Sincerely,

Mark Landauer – Special Districts Association of Oregon  
Rob Bovett – Association of Oregon Counties  
Jim McCauley – League of Oregon Cities  
Randy Tucker – Metro  
Lori Sattenspiel – Oregon School Boards Association