



Friday, February 28th, 2025

Dear Co-Chair Kropf, Co-Chair Prozanski and Members of the Joint Committee On Addiction and Community Safety Response,

My name is Mjere Simantel and I am the Director of Health and Human Services at Washington County.

I am grateful for the Committee's time on Wednesday to hear my testimony in **support of SB 610 and the -1 amendment**. I am submitting the rest of my comments on the record for your review.

First, I want to share some helpful context. We're facing a budget reduction that requires us to think carefully about how to absorb losses across the state.

- The 22-25 funding cycle was 3 years. In 2025 it increases to 4 years.
- While the total funds have increased, this additional year means counties face a 22% annual funding reduction.
- This reduction needs to be managed in an equitable and sustainable way.
- Next, I'll describe OAC's formula and why we feel it falls short of this need.

The Oversight and Accountability Council's (OAC) proposed 25-29 formula includes Medicaid population, houselessness count, arrests, substance-related overdose deaths and Overdose Emergency department visits.

OAC also established a rural floor in the most recent funding cycle – a minimum of 500K annual funding for Oregon's smallest counties.

If we fail to make changes to the 25-29 formula, 18 counties lose funding. Those counties are on average losing a quarter of their funding, with some losses as high as 52%. Counties will be faced with decreasing or discontinuing the very solutions that the 22-25 funding helped put in place.

To address the concerns we've raised in this funding cycle, we sought a temporary funding solution using the following three goals to guide us:

1. Fund counties equitably so that we can help everyone in Oregon access substance use disorder treatment in their community.
2. Minimize significant funding shifts which would result in the loss of consistent services.
3. Uphold health equity as a goal.

As a temporary solution, we believe the Public Health Modernization formula is an effective compromise.

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This formula was established by the Public Health Advisory Board in 2017, and has been used to disburse Public Health Modernization funds across Oregon's 36 counties each biennium. Its indicators include Race & Ethnicity, Poverty, Education, English Proficiency, Rurality, Health Status and Burden of Disease. These indicators:

- 1) Are considered "upstream." They influence health and social outcomes **including addiction**. Upstream indicators help us see which communities may lack bridges to cross the river, and as a result, need more rescues. In comparison, the indicators in OAC's formula – like arrests, deaths and hospitalizations – are considered "downstream." **Counties successfully leveraging funding would decrease arrests, deaths and hospitalizations, thereby decreasing their funding in future cycles and disrupting the very solutions that allowed them to achieve success.**
- 2) Account for historically excluded communities' inability to access services and support for treatment and recovery. In comparison, OAC's formula does not include health equity measures.

For these reasons, we believe the Public Health Modernization formula is aligned with Measure 110's purpose, which was, according to the ballot measure text, "to adopt a health approach to drug addiction".

There is precedent for using the Public Health Modernization formula outside of Modernization. It has also been used to address substance use disorder in Aid and Assist funding distribution and in the recent Opioid settlement funding distribution to primary prevention programs.

To minimize significant funding shifts when using the PHM formula, SB 610 proposes additional methodology.

1. Cap individual county gains and losses at 19.6% relative to the amount of funds they received in the 2022-2025 cycle. Any additional funds beyond a county's cap are then redistributed.
2. Any future funds received beyond the initial allocation would first be given to counties receiving fewer funds than the previous funding cycle. These additional funds would be distributed evenly until each county's total allocated funds are equal to the funds they received in the previous funding cycle.
3. Once no counties are receiving fewer total funds than allocated in the previous funding cycle, additional funds would be distributed based on the PHM formula's indicator allocations.

I have included the full methodology and allocation spreadsheet with my written testimony for your reference.

The changes proposed in SB 610 reduce funding fluctuation – which in turn reduces service disruption and supports sustainable programming. Under this proposed solution,

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the loss of funding is spread across more counties – with the average annual county loss at 12% in the SB 610's formula, vs. 26% in the OAC formula.

This allows us to keep providing services to community members where they live, which is why we urge you to support SB 610 and the -1 amendment.

Thank you for your time and consideration of my testimony.

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