

News & Risk Management Review

FALL 2023

SDAO

SPECIAL DISTRICTS
ASSOCIATION OF OREGON

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Next Board of Directors Meeting

November 16 | 9am | Joint Meeting | SDAO Salem Office

November 16 | 1pm | SDAO Salem Office

Executive Director

Frank Stratton

Services

Awards, Education and Training, Internship Grant, Legislative, Research and Technical Assistance, Scholarship and Grant Fund, and SDAO Advisory Services, LLC

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RAISING FUNDS FOR SDAO TRAINING *Scholarships*

By Frank Stratton, Executive Director

Thank you to everyone who came out for the 2023 SDAO Member Scholarship Golf Tournament! It was a beautiful day at Chehalem Glenn Golf Course with the sun shining and the temperatures hitting



about 90 degrees. If you were hoping summer would last a bit longer, then this was perfect weather for you. We had about 135 golfers join us out on the course, staying cool with refreshments from four of our titanium sponsors – Brown & Brown Northwest, Hart Wagner, Servpro, and WHA Insurance. The highlight for many was the snow cone machine brought by Servpro. While the machine looked inviting enough to jump into, we settled for snow cones in all kinds of flavors. It was a great day to be out with members, enjoying a day away from our day-to-day work.

Most importantly, hosting this event also allows us to raise money for the SDAO Scholarship and Grant Fund. The golf tournament is entirely funded by player registration fees and sponsorships, and all proceeds earned go to training scholarships for SDAO members. Since we began the tournament in 2015, we have been able to provide scholarships on a first come,



first served basis to each of our regional trainings. In addition, we have been able to fund members' requests for assistance with funding for trainings related to their position at their district but not offered by SDAO, as well as for trainings we offer.

Thanks to sponsor support and registration fees, we were able to add over \$14,000 to the Scholarship and Grant Fund in 2022. While numbers from this year's event haven't been fully processed, we are looking forward to increasing the amount of scholarships we can offer in 2024.

If you or someone at your district would like to attend a training but do not have the funding for it, I urge you to apply for a scholarship through this fund. The application process is very simple and decisions are made by our committee each month. For more information, **visit www.sdao.com/sdao-scholarship-and-grant-fund**.

Thank you to all of the players and sponsors who helped make this a successful tournament. We look forward to seeing you all again next year!

THANK YOU TO OUR SPONSORS!

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Hart Wagner, LLP
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2024 SDAO ANNUAL CONFERENCE

save the date!

SAVE THE DATE

Mark your calendar for the 2024 SDAO Annual Conference! We will have over 20 training and educational sessions, networking opportunities, our ever-popular exhibitor trade show, awards banquet, and more! The annual conference is also our member districts' opportunity to send a representative to vote at the caucus meeting and Annual Business Meeting.

Dates

February 8: Pre-Conference Sessions

February 9-11: Annual Conference

Location

Seaside Civic and Convention Center

415 1st Ave | Seaside, Oregon

REGISTRATION RATES

Thank you to our sponsors who continue to help us keep the conference affordable for members! We have been able to keep the same rates for over ten years with your generosity.

Pre-Conference: \$85 Full Day, \$50 Half-Day

One Day Only (Friday or Saturday): \$140

Full Conference (Thursday Evening-Sunday Morning): \$230

HOTEL INFORMATION

Best Western Plus Ocean View Resort | 414 N Prom

Rates range from \$110-270/night + tax

Book by Phone: 800-234-8439 and press "0".

Book Online: <https://tinyurl.com/4j2rxjpy>

Mention Group: Special Districts Association of Oregon

ANNUAL CONFERENCE

Rivertide Suites | 102 N Holladay

Rates range from \$139-229/night + tax

Book by Phone: 877-871-8433

Mention Group: Special Districts Association of Oregon

Inn at Seaside | 441 2nd Ave

Wednesday and Thursday rates range from \$84-118/night + tax

Friday and Saturday rates range from \$140-180/night + tax

Book by Phone: 503-738-9581

Mention Group: Special Districts Association of Oregon

Holiday Inn Express & Suites | 34 N Holladay Dr

Wednesday and Thursday Rate is \$140/night + tax

Friday and Saturday Rate is \$170/night + tax

Book by Phone: 503-717-8000

Mention Group: Special Districts Association of Oregon

REGISTRATION INFORMATION

Registration information will be sent to all members, agents, and affiliates on December 1st.

Watch our website at www.sdao.com/annual-conference for updates!

QUESTIONS

Please contact SDAO Member Services at memberservices@sdao.com or 800-285-5461.

CYBERSECURITY INFORMATION

Infrastructure Investment and Jobs Act (IIJA), State and Local Cybersecurity Grant Program – FY 2023 Notice of Funding Opportunity.

Oregon (and other states across the nation) have until October 6 to apply for this FY23 grant opportunity. For more information and helpful resources on the State and Local Cybersecurity Grant Program, visit CISA's webpage: cisa.gov/cybergrants

UPCOMING OREGON CONFERENCE

Oregon Cyber Resilience Summit – October 4, 2023 at the University of Oregon.

FROM THE OREGON CYBER RESILIENCE SUMMIT WEBSITE (OCRS.UOREGON.EDU):

The Oregon Cyber Resilience Summit (OCRS) was first introduced in 2018 and every Summit aligns its content under the umbrella of a common theme that brings together attendees, speakers and sponsors. Multiple industries and sectors are represented, including federal, state, and local governments, information technology (IT) partners and vendors, K-12 and higher education (both employees and students), financial, and power and electric — a true community convergence!

Cyber threats represent some of the most significant challenges to our national security, economic system, and way of life. Cyber risks affect all sectors: critical infrastructure, power and energy, banking, higher education, and many more. The interconnectedness and interdependence among all sectors of our community cause cyber incidents in one area to affect the whole community. Consequently, it is paramount that we work together to defend our cyber “things.”

Every year, we build on the success of previous OCRS events by continuing to embrace the “whole community” approach, bringing together the private and public sectors, owners and operators, cybersecurity experts, students, and community members to network and train together to defend our infrastructure from cyber threats.



UPCOMING WEBINARS

SDAO First Thursday Webinar: State and Local Cyber Grant – Oregon’s Plan

The State and Local Cybersecurity Grant Program's is intended to help address cybersecurity risk and threats to state and local governments. Oregon's cybersecurity plan provides an avenue for special districts to apply for grant funding of targeted cybersecurity investments. Join Cinnamon Albin with the State of Oregon for this interactive webinar providing an overview of the program and how to apply for funding.

Date: Thursday, October 5th

Time: 11am-12pm

Cost: Free

Registration Link: <https://tinyurl.com/mw7fd6w2>



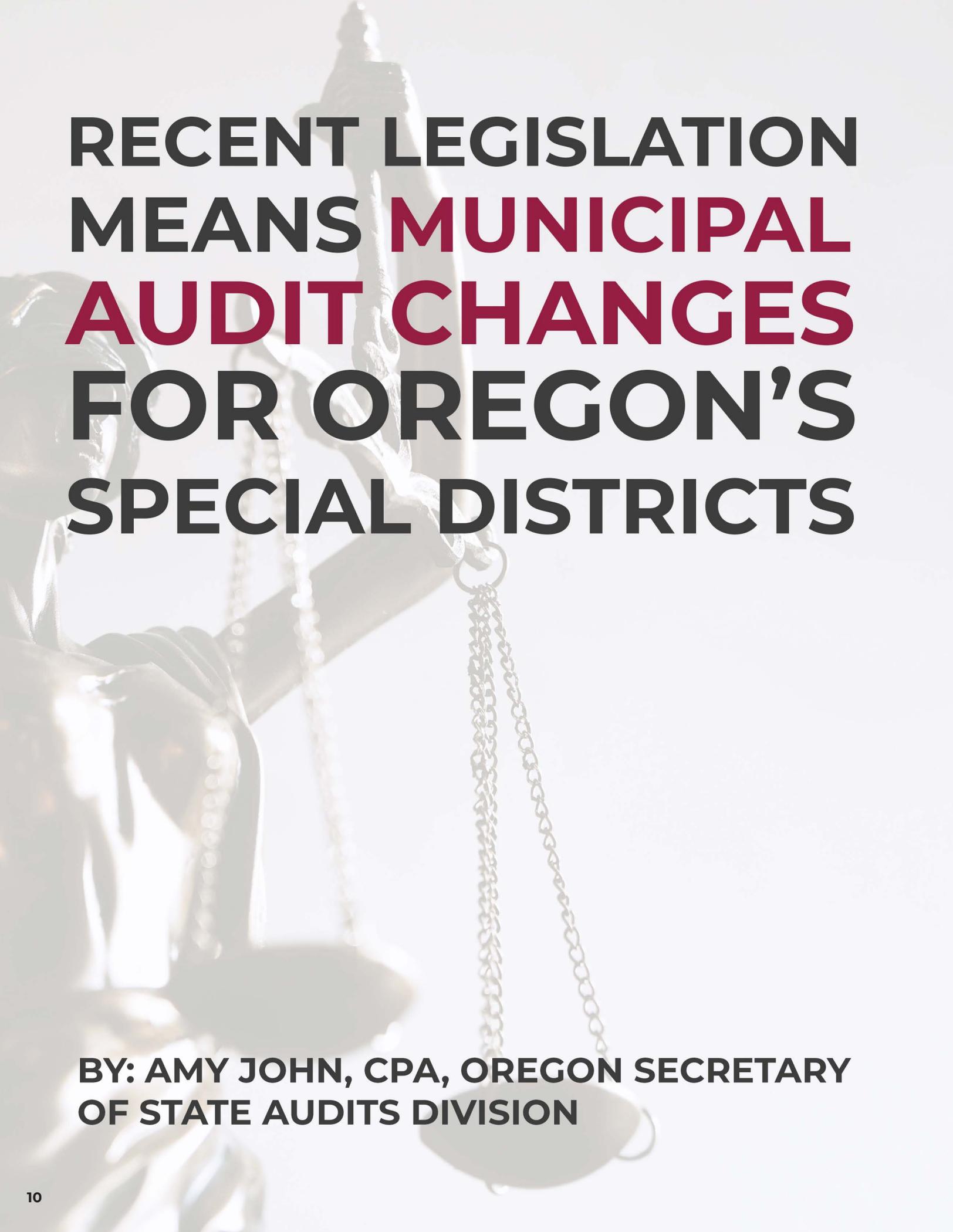
Webinar: Federal Efforts for Special Districts – Learn More and Get Involved

Join NSDC Federal Advocacy Director Cole Karr for an interactive session on the importance of the National Special Districts Coalition (NSDC), what you need to know, and how to get involved. Cole will cover with history of the coalition as well as dive into the priorities of the coalition: advocacy, grants, and public awareness. Opportunities for asking questions will also be available during this session.

Date: October 24

Time: 10am-11:15am

Registration: Free! Visit <https://tinyurl.com/2s3tdh2j> to register.



RECENT LEGISLATION MEANS **MUNICIPAL** **AUDIT CHANGES** FOR OREGON'S SPECIAL DISTRICTS

BY: AMY JOHN, CPA, OREGON SECRETARY
OF STATE AUDITS DIVISION

Municipal Audit Law[1] was enacted in 1941 and has worked well, with some changes, to promote accountability and transparency of local governments to the public. The law requires Oregon’s local governments to file an annual financial report and audit with the Oregon Secretary of State. Audits are performed in accordance with professional standards by CPAs who are also Licensed Municipal Auditors, and with the Minimum Standards as established in Oregon Administrative Rules chapter 162.[2]

This article is intended to ensure special districts subject to Municipal Audit Law and the annual reporting requirement are aware of changes enacted during the 2023 legislative session. Many of the changes enacted through House Bill 2110 A[3] update terminology to clarify statute or better align with current practice or professional standards. Some of the changes are more significant, such as increased thresholds for audit exemption, introducing a new report type, and increased filing fees.

All changes become effective for fiscal years ending on or after January 1, 2024. For most of Oregon’s municipal corporations, these changes will become effective for the fiscal year ending June 30, 2024.

INCREASED REPORTING THRESHOLDS

All local governments are subject to annual audits; however, a government may be eligible for an audit exemption and instead file a self-prepared report or a financial statement review performed by a CPA. Audit exemptions and the type of alternative report filed are based on the amount of spending during the year. It has been nearly 20 years since the spending thresholds for reporting were adjusted.

Inflation and increased spending have resulted in many smaller entities needing to hire a CPA to audit or review their annual report, at significant cost. The table below depicts the current and newly adopted thresholds, and report type for each threshold.

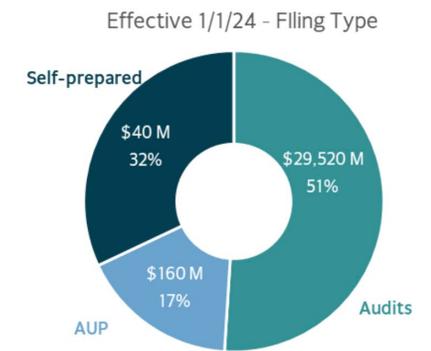
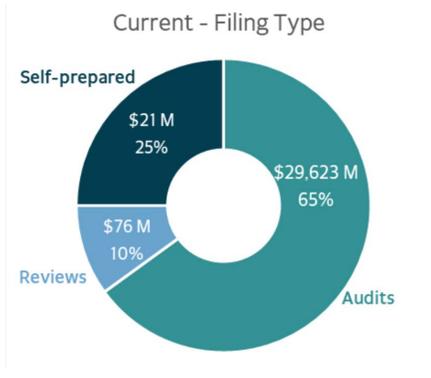
Filing Type	Current threshold	Newly adopted thresholds
Audit	> \$500,000	> \$1,000,000
Review/AUP	\$150,000 - \$500,000	\$250,000 - \$1,000,000
Self-prepared	= < \$150,000	= < \$250,000

Audit reports were required when a municipality exceeded \$500,000 in spending. That threshold has been doubled and an audit is now required when an entity exceeds \$1 million in spending during the year.

Self-prepared reports in lieu of audit are permitted for entities that file on time, have adequate fidelity bond coverage, and when spending does not exceed \$150,000. This threshold is increasing to spending that does not exceed \$250,000 during the year.

The mid-level report has historically been a review report and was allowed when spending was between \$250,000 and \$500,000. This mid-level reporting threshold and report type is the most significant change resulting from HB 2110A: review reports will no longer be permitted and are replaced with agreed-upon procedures engagements. Entities may choose this reporting option if spending is between \$250,000 and \$1 million during the year.

Many special districts may have the option to file a report that is different than was required in prior years. As a reminder, the audit exemption is a choice and not required. Your special district is always permitted to file an audit report, even if eligible for exemption under statute.



NEW REPORTING TYPE, AGREED-UPON PROCEDURES

Agreed-upon procedures (AUP) reporting will replace review reports for mid-level reporting. What exactly is an AUP report? AUPs are attestation engagements governed generally by professional standards and performed by CPAs. The CPA performs specific procedures, determined ahead of time, and reports on the procedures performed and results. The AUP report does not provide an opinion or conclusions.

Increasing the reporting thresholds was done in response to inflation and hopefully, to provide some relief from the growing number of required audits. The change in reporting type from a review to an AUP is entirely separate; the intention isn't to provide relief, but to increase accountability and transparency of governments to the public. AUP engagements will provide more information regarding an entity's operations, accounting and reporting, and compliance.

Municipalities will submit the AUP report in addition to their annual financial report.

What procedures are required?

Procedures were drafted in consultation with the Oregon Society of CPAs, Oregon Board of Accountancy, and representatives from municipal audit firms, municipal corporations, membership organizations, and state agencies who expressed interest in providing input and feedback. The procedures will be included in administrative rule^[4] and list the specific questions and procedures the CPA must perform and report on.

Procedures will cover general reporting, accounting records, internal controls and processes, and compliance, and include a variety of topics such as policies and procedures, reconciliations, compliance with local budget law and public meeting laws, and payroll.

CPAs will be required to perform each of the procedures identified in rule that pertain to the entity. For example, if the entity is not subject to local budget law, then procedures relevant to local budget law are not required. The specific procedures will target the operations, risks, and compliance requirements of Oregon's local governments and will need to be included in a contract between the entity and CPA prior to starting the engagement.

AUP engagements are expected to require greater resources with respect to both time and cost. However, the engagements will still be much less in scope and cost than an audit. Special districts who may be eligible to file an AUP report should talk with their auditor to see if this new reporting option would be beneficial.

INCREASE ANNUAL FILING FEE PAID BY LOCAL GOVERNMENTS

The current filing fees enabled in ORS 297.485 have been in statute since at least 1999. These fees are designated for the Municipal Audit Program within the Secretary of State's Office and ensure staffing and resources to administer the program. The fee increase will help address inflation and increased costs, and ensure continued program resources are offered while meeting statutory requirements. Fees currently ranging from \$20 to \$400 will increase to \$40 to \$500 for fiscal years ending on or after January 1, 2024.

OTHER CHANGES

For more information and a summary of all the changes, visit sos.oregon.gov/HB2110 or www.oregonlegislature.gov. You may also reach out to the Secretary of State Audit Division, Municipal Audit Program directly with any questions.

[1] ORS 297.405-297.990

[2] OAR 162-10 and OAR 162-40

[3] HB2110 2023 Regular Session - Oregon Legislative Information System (oregonlegislature.gov)

[4] Oregon Administrative Rule OAR 162-040

ENFORCEMENT OF PUBLIC MEETINGS LAW

BY: OREGON GOVERNMENT ETHICS COMMISSION

In the most recent session, the Legislative Assembly passed HB 2805, which gives the Oregon Government Ethics Commission (OGEC) the authority to enforce Oregon's Public Meetings Law (ORS 192.610 to 192.690). Let's explore what these changes mean for public bodies and Oregon citizens.

PUBLIC MEETINGS ADVICE

Beginning on September 24, 2023, OGEC will be able to provide verbal and written advice on Public Meetings Law, and OGEC will begin accepting complaints and opening cases for alleged Public Meetings Law violations.

PUBLIC MEETINGS TRAINING

In January 2024, OGEC'S trainers will begin providing Public Meetings Law trainings and will be coordinating with agencies, other groups, and associations to ensure the availability of Public Meetings Law trainings throughout the state. OGEC will continue to offer trainings and webinars on the Executive Session provisions.

NEW PUBLIC BODY REPORTING DUTIES

HB 2805 creates new reporting duties for public bodies. In particular, when a public body receives a written grievance from a person alleging its governing body may have violated provisions in the Public Meetings Law, the public body must provide a written response to the person within 21 days. That written response should acknowledge receipt of the grievance and may:

- Deny the facts and circumstances alleged in the grievance; then describe the public body's version of the facts and circumstances and explain why they do not violate Public Meetings Law.
- Admit the facts and circumstances alleged in the grievance but deny that those facts and circumstances violate Public Meetings Law.
- Admit the facts and circumstances alleged in the grievance and admit those facts and circumstances violate Public Meetings Law. Then explain the steps the public body will take to cure the violation, such as:
 - Rescinding the decision taken by the governing body that violated Public Meetings Law;
 - Acknowledging (in a properly noticed and conducted public meeting held within 45 days of the original decision) that:
 - » The original decision violated Public Meetings Law;
 - » Good cause exists for the governing body not to rescind the decision; and
 - » The governing body's practices will be modified to ensure future violations of Public Meetings Law do not occur.

Please note:

The public body must send OGEC a copy of the written grievance, along with the public body's response, at the same time that it sends the written response to the person. These documents should be sent to OGEC via email.

This article was provided by the Oregon Government Ethics Commission. Please visit www.oregon.gov/ogec for more information and resources.

Legislative Update

By: Hasina Wittenberg and
Mark Landauer, SDAO Government Affairs



The 82nd Oregon Legislative Assembly convened on January 9th, and members were sworn in and newly elected Governor Tina Kotek addressed a joint session of the Legislature outlining her priorities for the upcoming session. It was the first in-person session since March of 2020 due to the worldwide pandemic, which shut down the Capitol to the public.

On January 17th the legislative session began. Leadership outlined an ambitious legislative calendar under HCR 23, which established session deadlines, and set a target date of June 15th for Sine Die (150 days). However, due to 42-day denial of a quorum by Senate Republicans, the legislative session ended on June 25th at 4:26 pm, only seven and a half hours before the constitutional requirement to adjourn Sine Die. As a result, the session lasted the maximum 160 days permitted under Oregon's Constitution.

During the November election, and the first time in four years, House and Senate Democrats lost their super-majority (3/5ths or 36 votes in the House and 18 in the Senate) required to increase taxes without Republican support. The House lost two seats from the previous session and was comprised of 35 Democrats and 25 Republicans. Representative Dan Rayfield (D-Corvallis) was approved as Speaker – a position he has held since Tina Kotek resigned after serving as Speaker for nearly a decade to seek the governorship. Representative Julie Fahey (D-Eugene) was elected as the Majority Leader. Vicki Breese-Iverson (R-Prineville) was elected as the House Minority Leader, a position she filled from previous minority leader, Christine Drazan, who also resigned from her House seat to pursue the governorship.

Nearly one-third of all lawmakers were freshman legislators. There were 21 new representatives in the 60-member House and six senators in the 30-member Senate. BIPOC members represent 1/5th of the Oregon legislature, contributing to the most diverse member makeup in the state's history. Furthermore, this was the first in-person legislative session for more than half of the 90-member House and Senate chambers.

The Senate Democrats lost one seat after the general election resulting in 17 Democrats, 12 Republicans and one Independent. The

Senate elected Rob Wagner (D-Lake Oswego) as President of the Senate by a 17-12 vote. Kate Lieber (D-Portland/Beaverton) was selected as the Majority Leader for her first full term in that position. Tim Knopp (R-Bend) was elected as the Senate Minority Leader. Leader Knopp had made it very clear prior to session he didn't trust Senator Wagner as President and that he lacked the necessary skills to run the chamber in a bi-partisan manner – an ominous warning for things to come. Representative David Brock-Smith (R-Port Orford) was sworn in as a Senator on the first day of session after Dallas Heard (R-

Roseburg) previously resigned his seat. There were six freshman Senators entering this session including three Democrats and three Republicans.

There were two ballot measures, as well as a United States Supreme Court decision, that weighed heavily on the session. Ballot Measure 113, which passed with 68.3% of the vote was an attempt by organized labor to eliminate Republican walk outs – thereby denying a quorum. The measure sought to prevent these walk outs by disallowing a member from running for office after 10 unexcused absences. Ballot Measure 114, which passed 50.6% to 49.4% or less than 25,000 votes placed new restrictions on individuals purchasing firearms in the state as well as limiting the size of magazines that hold ammunition. After passage of Ballot Measure 114 it was immediately challenged in district and federal courts. In addition, the previous summer, the United States Supreme Court bucked legal precedent and



effectively overturned the Roe v. Wade decision in the Dobbs decision – effectively eliminating a woman’s constitutional right to seek an abortion.

In late November, the Legislative Fiscal Office announced that entering the upcoming biennium the state faced a \$560 million shortfall in meeting current service levels for the upcoming budget cycle and warned that a mild recession could result in a \$3 billion gap in meeting current service level, despite having more than \$3 billion extra to spend than the previous biennium. Some of the budget challenges were due to the state having received billions of dollars from various federal Covid relief packages passed by Congress that were one-time funds, and others were due to surprising inflationary growth and other economic pressures that were creating conditions for a predicted recession.

When Governor Kotek was sworn in as Oregon’s 39th Governor, she signed three executive orders all related to housing and homelessness. The first established a housing production goal of 36,000 units a year, 11,000 more than the current production rate, for the next 20 years. The second was declared a state of emergency in the parts of Oregon where there had been a 50% increase in homelessness over a period time, thereby providing greater flexibility in how federal funds could be spent. And finally, the third ordered state agencies to prioritize reducing homelessness. She challenged the Legislative Assembly to send her a funding package of \$130 million to address housing and homelessness in the first 100 days as well as a bill that would address Oregon’s competitiveness in attracting and retaining high-tech manufacturing.

The House and Senate were poised to pass Kotek’s homelessness package. It included but was not limited to \$155 million to help get 1,200 unsheltered people off the streets by the end of the year, add 600 low-barrier shelter beds statewide and keep nearly 9,000 at-risk families from falling into homelessness. Kotek’s initial request was \$130 million but was increased to ensure that rural counties could address some of their housing and homelessness issues. Additionally, lawmaker’s approved Senate Bill 4 which created a \$200 million fund for grants and loans for semiconductor and advanced manufacturing businesses seeking federal funding under the CHIPS Act to expand in Oregon. Additionally, the measure gave Governor Kotek the authority to designate some land outside urban growth boundaries as industrial land for annexation by cities.

Despite overwhelming passage of Ballot Measure 113, Republicans insisted that they were willing to test the new law that had been overwhelmingly approved by the voters nearly seven months before. Despite the Republican denial of a quorum on the Senate floor, some of their members continued to participate in Senate and Joint Committee hearings. As the Republican walkout continued in the Senate, for the fifth time in three years, more Senate Republican members reached the critical ten unexcused absences it became clear that they planned to challenge the constitutionality of Ballot Measure 113. In early June, the Senate began fining members \$325 for each unexcused absence.

On June 15th, after 42 days, enough Senate Republicans returned to the Senate for quorum. Oregon’s previous walkout record lasted only nine days. As a result, the Legislature had only 10 full days to complete its business before the Constitutional requirement of Sine Die at midnight on June 25th. By this time approximately 400 bills and budgets had stacked up on the Senate agenda. To get the Republicans back Democrats agreed to significant concession and key changes to the abortion and gender affirming care bill as well as the controversial gun bill. As a result of the walkout, nine Republicans and one Independent may have disqualified themselves from reelection under Ballot Measure 113. However, members will challenge the language and its constitutionality. Only three Republican Senators, Senator Girod, Anderson, and Brock Smith, did not reach the 10-day threshold.

In the end, the Legislative Assembly was able to pass nearly all the backlogged bills and budgets with little debate. Although, in the final hours, the Governor’s housing and land supply priority legislation failed by one vote in the Senate. With greater revenue than expected the legislature was able to balance the budget with relative ease. The final Legislatively adopted budget amounted to nearly \$31.8 billion General Fund and \$1.6 billion Lottery Funds for a total of \$33.49 billion. When considering all funds, this budget was a 3.6% decrease from the previous 2021-2023 legislatively adopted budget. This decrease was primarily attributable to a lower level of Federal Funds expenditures compared to the previous biennium. **NOTABLE ACTIONS TAKEN THIS SESSION**

NOTABLE ACTIONS TAKEN THIS SESSION

- \$10.2 billion budget for K-12 schools, the largest school budget in state history. An additional \$140 million in Early Literacy Success Initiative earmarked to close third grade reading gaps and improve graduation rates across the state. Together with local property tax revenue the total resources for K-12 will reach \$15.3 billion, a 12.3% increase over the previous biennium.
- Early passage of two bills addressing the state's housing and homeless crisis – including \$155 million for statewide and coordinated response to homelessness, \$27 million for homelessness support in rural counties, and \$25 million for homeless youth, and \$20 million to produce modular housing, among others.
- Opioid Harm Reduction Package – making lifesaving emergency treatments like naloxone kits more available in public buildings.
- Nearly \$2 billion allocated for Housing Affordability and Supply Budget framework to address middle housing supply, rental assistance, affordability, shelters, and homelessness.
- Passage of the Oregon CHIPS Act committing \$190 million in state funds to support applications by Oregon businesses for \$52 billion from the Federal CHIPS and Science Act with the hope of boosting domestic manufacturing of semiconductors. Another \$10 million will be used to assist local governments to prepare sites for industrial development. The Act gives the Governor super-siting authority for UGB expansion.
- Governor Kotek placed a pause on tolling in the state until January 2026 under pressure from Clackamas area legislators.
- Bill passed that outlaws “ghost guns,” which are firearms that do not have serial numbers.
- Creation of the first-ever child tax credit in Oregon worth a total of \$75 million providing a \$1,000 tax credit per child.
- \$110 million allotted to address drought in the state.
- \$153 million package of proposals to address behavioral health crisis including the establishment of a 9-8-8 suicide crisis prevention hotline.
- A climate package that invests \$90 million in various policies and projects to reduce building emissions, lower utility costs, incentivize carbon sequestration and improve disaster resilience.
- Approval of a \$2.2 billion Higher Education Opportunity Package providing \$800 million to community colleges, \$1 Billion for the public university support fund, and \$300 million for Oregon Opportunity Grants.
- Passage of a bill to allow Oregonians to pump their own gas.
- \$90 million invested to address Oregon's Public Defense crisis.
- A combination of economic development bills to extend the sunsets on Enterprise Zones, Long Term Rural Enterprise Zones create a research and development tax credit and make modifications to the Strategic Investment Program.
- \$700 million allotted to leverage federal funding to expand high-speed internet coverage in Oregon. A Rural Infrastructure and Economic Development Package that invests \$32.2 million to bolster key rural industries and address the workforce housing shortage.

This session was challenging on several fronts and will be remembered for years to come. Aside from political dynamics, the Capitol was undergoing major construction to retrofit it for a major Cascadia earthquake throughout session. As a result, nearly half of the Capitol was off limits to legislators and the public, and noise from that work was a constant distraction that rarely subsided. It was also the first session that hearings were conducted in a hybrid fashion allowing testimony in person as well as via video. The record-setting walkout left many wondering whether there would be a special session during the summer to address budgets that would

LOOKING AHEAD

There is little doubt that relationships, particularly in the Senate, were strained during the session. Democrats claimed that they had passed critical legislation on a host of topics and that they delivered for the citizens and State of Oregon. On the other hand, Republicans claimed that they had protected Oregonians from an extreme agenda being pursued by the majority party. Furthermore, Senate Republicans have already hinted that they may employ similar tactics in the short session beginning in February 2024.

Ballot Measure 113, which was proposed by public unions, was passed overwhelmingly in 2022 to prevent lawmakers with 10 or more unexcused absences from running for reelection to the

Legislature for a term. The measure's language is somewhat ambiguous and as a result raises the question of when that one-term ban takes effect. The language says that lawmakers with at least 10 unexcused absences cannot hold office "for the term following the election. After the member's current term is completed." Since elections in Oregon are held before a lawmaker's term is completed — not after — Republicans believe the Constitution plainly allows them to serve another term before the penalties take effect





HERE WE GO!

By: Monica Schultz, SDAO HR Manager

It's official. Paid Leave Oregon (PLO) opened for applications as of August 14, 2023. Payments for benefits on approved claims are in process with the official start date of the program being September 3, 2023.

By now, we hope you have heard about PLO and have begun the process of the taxation for the program as well as educated yourself on how to manage PLO for your organization. For the most current information, be sure to visit their website at <https://paidleave.oregon.gov/>.

As PLO has transitioned into being live, there have been many tweaks to the rules and some legislative changes in relation to the Oregon Family Medical Leave Act (OFLA) and PLO. If you are an employer that provides OFLA coverage to your employees, it is very important that you become educated on those changes. SB 999, in particular, has made it so that the definition of family member for the purposes of OFLA is now the same as the definition of family member under PLO. In addition, SB 999 has modified the language to a "consecutive 12-month period" so that it also may align with PLO.

If you have not updated your policy manuals to reflect this and other changes, that is now something on your to do list!

Find a copy of SB 999 here for your review: <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/MeasureDocument/SB999/Enrolled>

PLO is a complicated program that will take time to learn, develop and apply to your organization. Our colleagues at HR Answers have been on the forefront of this and have helped multitudes of employers navigate it. If you have not taken the time to train and learn more about PLO and your roles and responsibilities, there is not time like the present.

As part of the Advantage Plus Program, HR Answers has kindly developed Paid Leave Oregon policy packs for our members. To download yours, simply log into your HR Answers account at <https://hranswers.com/>. In addition, HR Answers has provided many trainings on PLO. Be sure to keep your eyes out for any future trainings on this subject. We encourage you to attend as many as you are able to, whether it be from HR Answers or any other source.

Paid Leave Oregon is here! Enjoy the ride!





**FROM STORMS
TO CLAIMS:
HOW TO
PREPARE
AND PREVENT**

Join the SDAO risk management team for an in-depth, interactive session exploring techniques to prevent losses at your district. The scenario based discussion will cover what can be done before, during and after an event to mitigate losses. Additionally, while working through the event we will look at it from a variety of exposures including property, liability and workers' compensation.

We will conclude the session with a roundtable/hot topics conversation. Come prepared to talk about what you are struggling with from a risk management standpoint, what is keeping you up at night, and what resources you need to help manage these risks. This will give each attendee an opportunity to learn from one another about how they are managing similar risks.

DATES AND LOCATIONS

Oct 18 – Medford | Jackson SWCD

Oct 19 – Coos Bay | Oregon International Port of Coos Bay

Dec 12 – Newport | Port of Newport

Dec 13 – Salem | SDAO

TIME

9am-12pm

CREDIT INFORMATION

- Board Leadership Academy: Module 3: Analyzing Exposure to Risk
- Fire District Directors Academy: Module 4: Analyzing Exposure to Risk
- SDAO Academy: District Management: Insurance Coverages (5 Credits)

REGISTRATION

\$25 for SDAO members and SDIS agents. Each member district can use code RMREG23 for one complimentary registration. Discount codes are limited and offered on a first come, first served basis. Visit <https://cvent.me/oxzm3z> to register.

QUESTIONS

Please contact SDAO Member Services with any questions at memberservices@sdao.com or **800-285-5461**.

2024 SDAO Awards PROGRAM

SDAO
SPECIAL DISTRICTS
ASSOCIATION OF OREGON

**DEADLINE:
OCTOBER 6TH**

Help us celebrate the ingenuity, creativity, and diversity of our members by nominating an individual or special district for the SDAO Awards Program! This program recognizes the outstanding accomplishments of member districts as well as district board members, managers, employees, and volunteers.

OUTSTANDING SPECIAL DISTRICT PROGRAM (DISTRICT)

This award category recognizes innovative projects and programs, outstanding safety, public information, public involvement in a district decision making process, and outstanding achievement. Three subcategories have been established for this award:

- Districts with 5 or fewer employees
- Districts with 6 to 25 employees
- Districts with 26 or more employees

OUTSTANDING SPECIAL DISTRICT SERVICE (INDIVIDUAL)

This award category recognizes individuals who have contributed substantially to the improvement and successful operation of their special district. Four subcategories have been established for this award:

- Board Member
- Manager (Nomination must be submitted by the district's board of directors.)
- Employee (Nomination must be submitted by the district's manager.)
- Volunteer

SDAO Board of Directors and SDIS Board of Trustees members are ineligible to be nominated for this award. Winners will be recognized at the 2024 SDAO Awards Banquet in Seaside on February 10th.

FAQs

HOW DO I SUBMIT A NOMINATION?

Complete the 2024 SDAO Awards Program nomination form available at www.sdao.com/sdao-awards-program. Please respond to each question, attaching additional pages if necessary. Submit completed nomination forms to SDAO, PO Box 12613, Salem, Oregon 97309-0613 or email them to sdao@sdao.com.

Nomination forms must be received by October 6th, 2023 to be considered.

HOW ARE ENTRIES JUDGED?

The Awards Committee will review nominations in late-October using standard evaluation features such as impact for other districts, positive results, special purpose, increased safety, cost savings, improved quality of service, innovation, and community need.

WHAT HAPPENS IF THE DISTRICT OR INDIVIDUAL I NOMINATE WINS?

Nominators and award winners will be notified in November 2023. SDAO will provide winner contact information to our videographer to schedule a date and time to do a video interview. Videos will be showcased at the 2024 SDAO Annual Conference, which will be held in Seaside on February 10th and on our website. Winners will be provided with an electronic file of their video.

WHO DO I CONTACT IF I HAVE QUESTIONS?

If you have any questions, please contact Director of Association Services Jennifer Quisenberry at 800-285-5461 or email jquisenberry@sdao.com.



SPECIAL DISTRICTS CONSULTING SERVICES

"THE WIND IS RISING, AND THE AIR IS WILD WITH LEAVES. WE HAVE HAD OUR SUMMER EVENINGS; NOW FOR OCTOBER EVES!"

- Humbert Wolfe

In a blink of an eye, summer is behind us, and it is time to plan for all the joys of fall. This year has flown by, and it is quite common to start thinking about what has been accomplished and what is still left to be done.

Description automatically generated This year, the Consulting Services team has been busy assisting districts with management recruitments, organizational assessments, and several special projects. We are always amazed to see the wonderful work you all do, and we are happy to assist you however we can.

Description automatically generated We were pleased to see so many of you at the SDAO Board of Directors and Management Staff Training Series in August and September. If you were unable to attend one of these important trainings, we can help. Consulting Services offers a condensed board training that can be tailored to focus on any governance issues your board may be facing while also walking the board through their roles and responsibilities.

There is still time to schedule a Board Practices Assessment (BPA) this year. The BPA is a self-assessment process in which participants will evaluate the board's effectiveness in key performance areas to identify strengths and weaknesses in the board's governance practices. Within a week following the meeting, the board will receive a written summary of their self-assessment along with a document called Consultant's Impressions and Recommendations.

Members in the general liability program are eligible for up to eight hours of free consulting services each year provided by a team of experienced consultants. After the eight hours of complimentary service is exhausted, members will have the option of continuing consulting services at a reduced hourly rate. Members that are not in the general liability program can access the program at the reduced hourly rate; however, they are not eligible for the free eight hours of consulting services.

Please visit www.sdao.com/consulting-services-program to learn more about the services we provide and how we may be able to assist your district.

Looking forward to hearing from you soon!

-Shanta Carter

*Providing reasonable, stable rates, and
broad coverage to Oregon's public entities*

SDIS Board of Trustees

- Chair:** Andrea Klaas, Port of The Dalles
- Vice Chair:** Mike Jacobs, Tualatin Valley Water District
- Secretary:** Mark Hokkanen, Tualatin Hills Park & Recreation District
- Treasurer:** Stacy Maxwell, Jackson County Fire District 3
- Trustees:** Darren Bucich, McKenzie Fire & Rescue
Nicole Dalke, Springfield Utility Board
David Lindelien, Lane Transit District
- Emeritus:** Ted Kunze, Canby Fire District No. 62

Services

- Background Checks
- Claims Administration
- Drug-Free Workplace
- Management Consulting Services
- On-site Loss Control Consultations
- Pre-Loss Legal Services
- Public Safety EAP
- Safety and Security Grant Program
- SDIS Insurance Programs

Next SDIS Board of Trustees Meeting

November 15 | SDAO Salem Office | 12pm

November 16 | Joint Meeting | 9am | SDAO Salem Office

SAVE MONEY ON YOUR INSURANCE

DEADLINE: NOVEMBER 3RD

SAVE MONEY ON YOUR INSURANCE WITH THE BEST PRACTICES PROGRAM

SUBMIT YOUR SURVEY ONLINE

The deadline for completion is **November 3, 2023!** Don't wait until the last minute, complete the survey, mark it off your to-do list and receive a discount on your districts insurance.

To receive credit, a district representative must complete the Best Practices Survey (located online on the SDIS Insurance Site). Please note, each district is responsible for completing their own survey online.

INSTRUCTIONS TO COMPLETE THE SURVEY

1. Visit **www.sdis.org**
2. Enter your login credentials and select Login (if you do not remember your login/password details please email memberservices@sdao.com)
3. Once on the SDIS Insurance Site homepage, click Insurance on the left
4. On the bottom left side of the page click Best Practices
5. Then select Take Survey
6. Complete the survey, scroll up, and click Save at the upper-right-hand corner of the survey

Credit is only able to be awarded in a category when a box within that section of the survey is checked. If you cannot answer "yes" to at least one question within that category, credit will not be recorded or given. The survey must be submitted by a district representative who will verify completion of the credit requirements within the survey. Training credits taken by members are not automatically updated in the Best Practices Survey and must be manually checked off by the member.

If you have any questions regarding the survey or completion, please contact **Jaime Keeling at jkeeling@sdao.com**.



2023-24

Safety & Security Grant

Application Deadline: Noon on Wednesday, November 15, 2023

Applications are now being accepted for the 2023-2024 SDIS Safety & Security Grant Program! SDIS members are eligible to apply for a matching grant to help fund expenses related to projects that mitigate exposures to cybersecurity threats or a new safety and security-related project.

The SDIS Safety & Security Grant Program assists members with funding of safety and security projects that lead to reduced exposure in high-level claims categories. It is our goal to eliminate or lower risk to the SDIS insurance program by supporting members' proactive approaches to preventing loss.

WHAT IS THE FOCUS OF THIS YEAR'S PROGRAM?

FIRST PRIORITY: Due to increasing claims related to cybersecurity, our first priority for grant funding will be cybersecurity-related projects. Members can receive up to a maximum of \$5,000 matching grant. Examples include but are not limited to the following:

- Replace outdated servers
- Install firewalls/VPNs
- Installing new cybersecurity software
- Purchasing laptops with security software installed

SECOND PRIORITY: Non-cybersecurity-related safety and security projects will qualify for second priority. Members applying under our second priority are eligible for a matching grant up to a maximum of \$2,500.

Your district may apply for any new safety or security project you choose. Examples include, but are not limited to, video surveillance equipment, security systems, enhanced parking lot lighting, and safe shop equipment. Routine maintenance to existing facilities and normal business expenses will not be considered.

WHAT DOES “MATCHING GRANT” MEAN?

This is a 50/50 matching grant program, which means the cost of the project will be split equally between your district and SDIS, up to a maximum of \$5,000 for first priority projects and \$2,500 for second priority projects.

WHAT DO YOU MEAN BY “A MAXIMUM OF \$5,000” OR “A MAXIMUM OF \$2,500”?

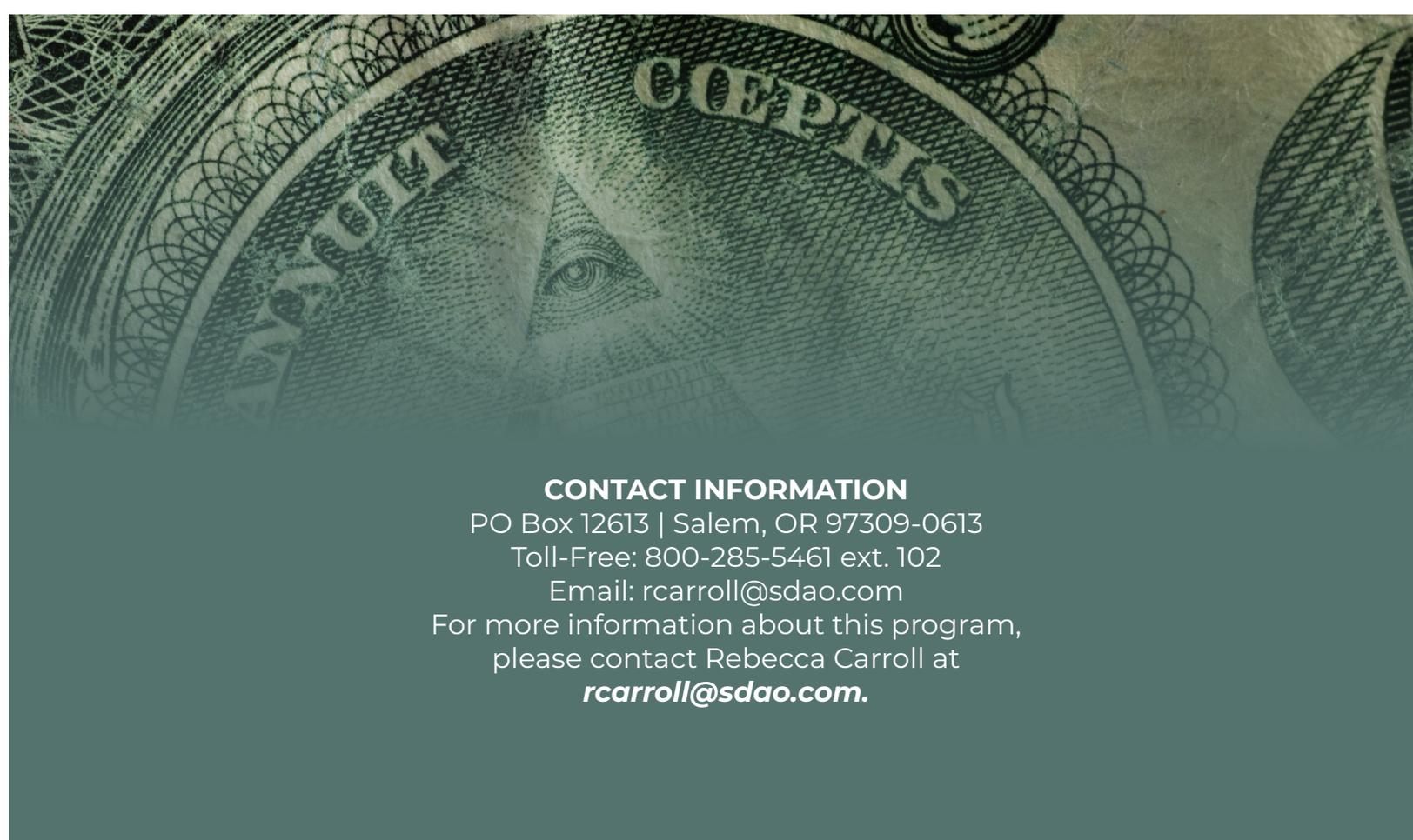
If your district is planning a \$10,000 cybersecurity project, you can apply to receive a maximum of \$5,000. If the project is \$15,000, the maximum is still \$5,000. If you are applying for a general safety and security grant, you are eligible for up to a maximum of \$2,500. If your project is \$4,000 you can apply for a grant up to \$2,000. Anything \$5,000 or over would be the maximum of \$2,500.

WHO DECIDES IF OUR GRANT REQUEST IS ACCEPTED OR DENIED?

The SDIS Safety Grant Committee will review each application to determine which are eligible to receive funding. Matching grants will be awarded to applicants that meet the eligibility requirements by order of priority and on a first come, first served basis. After the first priority level has been funded, grants will be awarded to applicants in the second priority level.

HOW CAN WE APPLY?

Fill out and return the application for your district by mail to SDAO, **PO Box 12613, Salem, Oregon 97309** or email to **rcarroll@sdao.com** by noon on Wednesday, November 15, 2023. You can download a copy of the application on our website at **www.sdao.com/safety-security-grant-program**. Applications received after noon on **Wednesday, November 15, 2023** will not be considered.



CONTACT INFORMATION

PO Box 12613 | Salem, OR 97309-0613

Toll-Free: 800-285-5461 ext. 102

Email: rcarroll@sdao.com

For more information about this program,
please contact Rebecca Carroll at

rcarroll@sdao.com.

RISK MANAGEMENT PROCESS SERIES:

RISK CONTROLS

In the last article, we discussed that the first step of the risk management process is to identify and assess each of your risks. By now, you should have identified the likelihood and severity of your risk exposures and evaluated your organization's risk tolerance.

Now we'll explore different options for addressing identified risks.

Whether you are addressing a task list from a recent safety inspection, or evaluating a new program, your options for dealing with potential risk can best be analyzed using the four risk controls: acceptance, avoidance, transfer and mitigation.

RISK ACCEPTANCE

Although not a true control, you may accept the risk when the severity and likelihood of the risk is insignificant.

RISK AVOIDANCE

If you determine that the severity of the hazard and the likelihood of it happening are more than your district can stomach, you will not proceed with the activity.

RISK TRANSFER

If you determine the risk is too great, but the underlying activity is a necessary function, the control for you might be risk transfer. Typically, this refers to transferring the risk to a third party. This might look like hiring a contractor or having insurance to cover the exposure.

RISK MITIGATION

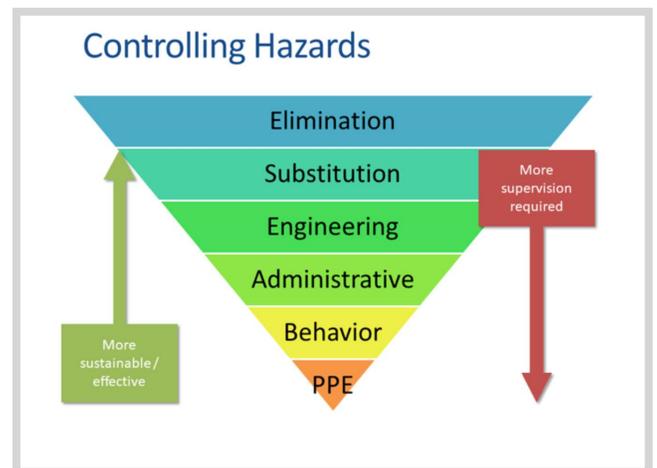
This option involves taking steps to lessen the likelihood and/or the severity of the hazard. This may include things like putting policies, procedures and plans into place. For instance, if your organization experiences an earthquake, you may have a contingency plan that outlines everyone's roles, priorities and tasks to get back up and running quickly, thereby minimizing the amount of downtime your district experiences.

Risk mitigation could involve putting a preventative and predictive maintenance program into place to ensure all systems, equipment, and buildings are receiving their required maintenance and replacement on a regular schedule.

Additionally, you may consider utilizing the hierarchy of controls. The hierarchy of controls outlines what controls are the most effective (eliminating the hazard) to least effective (personal protective equipment). By utilizing the hierarchy, you can determine what options you have for mitigating the hazard and which would be the most effective.

With these risk controls in mind, you're ready for the next step of the risk management process – risk implementation.

If you would like assistance with mitigating the hazards in your workplace, please reach out to the Risk Management Department at riskmanagement@sdao.com or 800-285-5461.



THE TRANSITION IS COMPLETE

Thank You!

Roughly one year ago, the SDIS Board of Trustees faced an extremely difficult decision – can we continue offering our self-insured workers’ compensation program that has provided coverage for members for decades or do we need to find another option? After much research and many meetings, the trustees decided to terminate the program effective July 1, 2023 and work with SAIF to offer coverage to members under the SDAO Service Group going forward.

Over the past year, your SDAO team has been meeting with our SAIF partners almost weekly to provide the best transition possible for our members. We continually communicated with members and agents to explain the new program. In order to keep the SDAO risk management team involved, we created the SDAO service group where they can still provide risk services to our members and the OGSERP group.

Members were asked to sign and return many forms throughout the year so that this new program would get up and running. Thank you for being so responsive to our requests. We presented to your insurance agents the changes that were coming and co-presented at the SDAO 2023 Annual Conference with SAIF to go over claims and return-to-work handling.

The great news is that the transition was very successful to SAIF! All but a few small districts elected to join the SDAO/SAIF Service Group. By joining the group your entity will be able to continue to utilize the SDAO risk management team no different than you did prior to July 1st. The bonus of this partnership was we were able to add many of our larger members into this service group that were previously with SAIF. Instead of staying with SAIF for risk services, they joined the group and will get to work with the SDAO team. The risk team is really excited to get out and start this new chapter in SDAO and working with our members on all things risk management.

We just wanted to say thank you again for trusting your SDAO team, and we look forward to working with our members in this new capacity.



**WORKERS
COMPENSATION**





**CONDUCTING A
COMPREHENSIVE
SKILLS GAP ANALYSIS:
PREPARING FOR FUTURE
CHALLENGES**
BY: HR ANSWERS

The ever-changing economic, environmental, and geopolitical landscape is transforming traditional business models and practices. As a result, new capabilities are required to adapt and compete effectively in the marketplace.

Helping your organization adapt to the challenges that lie ahead is one of the most critical responsibilities of HR practitioners. To achieve this, performing a skills gap analysis becomes a crucial task. This analysis allows HR professionals to identify the existing skills of their workforce and assess the skills they will need in the future to stay competitive.

The goal is to bridge your gaps. A skills gap analysis involves identifying the specific skills required for various tasks or roles within the organization and then comparing them to the skills possessed by employees. By understanding the gaps between current skills and future needs, HR professionals can work to bridge those gaps whether that is with some internal elements or using outside partners, educational options, or hiring the skills in.

Conducting a skills gap analysis can lead to essential management questions, uncover hidden staffing issues and strengths, and pave the way for increased efficiency and productivity. Given the dynamic nature of today's workplace and increased protected leave laws, this analysis should be a top priority for any organization.

Though there is no perfect time to perform a gap analysis due to variations in businesses, many HR professionals recommend conducting an analysis annually or whenever new positions are created, or when new hires join the organization. For the analysis to yield valuable insights, new employees should be given about six months to acclimate to their roles.

Initiating a gap analysis can be daunting, as HR professionals are already juggling various day-to-day tasks, managers are concerned about productivity, and employees may approach the exercise with suspicion. To minimize these challenges, it is essential to have a clear understanding of the organization's mission and goals then communicate extensively with all stakeholders.

The gap analysis should not be about individual performance leading to discipline or correction. It

is a tool used for planning and budgeting based on evidence of capabilities.

Here are key steps to conduct a skills gap analysis (and you may have additional steps depending on your organizational needs):

1. Consult with senior leaders and managers to understand business goals and any industry trends that will shape future skill requirements.
2. Examine current staff functions and skills by reviewing HR records, conducting interviews or employee surveys.
3. Decide how to close the identified gaps, which may involve encouraging employees to pursue continuing education and certifications or recruiting talent from outside the organization.
4. Implement the plan while keeping the budget in mind and planning work time for employees to learn new skills. (Please remember almost all employee training must be paid time.)
5. Measure and report the results, allowing staff to utilize their newly acquired skills. Tracking your activity and success are important pieces to share with your stakeholders.
6. Repeat the analysis as a regular part of the organizational culture, ensuring ongoing alignment with changing needs.

Leveraging technology can streamline the analysis, and HR platforms can empower employees to identify skills gaps and development opportunities, chart career paths, and build valuable skills for the future.

Avoiding common missteps, such as procrastination, not delving beneath the surface to understand variations in job functions and failing to address employees' fears about the analysis revealing weaknesses, is essential for a successful skills gap analysis.

Conducting a comprehensive skills gap analysis is an invaluable exercise that equips organizations with the necessary skills to thrive in the face of evolving challenges. Bridging the gap between current skills and future demands, HR professionals contribute to a stronger, more agile, and competitive workforce.

GOVERNMENT AFFAIRS

Hasina Wittenberg: 503-906-7228
Mark Landauer: 503-906-7238

MEMBER SERVICES

Toll-Free: 800-285-5461
Email: memberservices@sdao.com
Fax: 503-371-4781

UNDERWRITING

Toll-Free: 800-285-5461
Email: underwriting@sdao.com
Fax: 503-371-4781

RISK MANAGEMENT

Toll-Free: 800-285-5461
Email: riskmanagement@sdao.com
Fax: 503-371-4781

REPORT AN SDIS P/C CLAIM

Toll-Free: 800-305-1736
Email: claims@sdao.com
Fax: 503-620-9817

MEMBER CALENDAR

- Oct 5** First Thursday Webinar
- Oct 12** Human Resources Workshop - League of Oregon Cities 98th Annual Conference
- Oct 18** SDAO Risk Management Training - Medford
- Oct 19** SDAO Risk Management Training - Coos Bay
- Oct 24** Webinar: Federal Efforts for Special Districts - Get Involved
- Nov 10** Veterans' Day (Observed) - SDAO Offices Closed
- Nov 15** SDIS Trust Meeting - SDAO Salem Office
- Nov 16** SDAO Board Meeting - SDAO Salem Office
- Nov 16** SDAO Joint Board and Trust Meeting - SDAO Salem Office
- Nov 23** Thanksgiving - SDAO Offices Closed
- Nov 24** Day After Thanksgiving - SDAO Offices Closed
- Dec 12** SDAO Risk Management Training - Newport
- Dec 13** SDAO Risk Management Training - Salem
- Dec 25** Christmas Day - SDAO Offices Closed