



Lane County

SUPPLEMENTAL MATERIAL W902

PUBLIC SERVICE BUILDING / 125 EAST 8TH AVENUE / EUGENE, OR 97401 / (541) 682-4203 / FAX (541) 682-3803

July 28, 2003

Oregon Commission on Children and Families
530 Center Street, N.E., Suite 405
Salem, Oregon 97301-3754

Re: Healthy Start – Medicaid Administrative Activities 2003-2005 County
Intergovernmental Agreement

Dear State Agency:

We are enclosing the executed agreement and this letter memorializing our understanding of certain provisions. First, in executing this agreement, it is the understanding of Lane County that all of the terms are subject to compliance by both parties with all applicable law, including the Oregon Constitution. Second, in executing this agreement Lane County does not waive its right to assert claims, or seek all available legal remedies against the State for its acts in violation or in causing the County to violate any law, rule, regulation, constitutional provision, court decision, Attorney General opinion, or other requirement imposed by the state or federal government. This letter is also notice that Lane County intends to use some funds to subcontract services covered by this agreement. Lane County's execution is not intended as a waiver of any right to assert claims or seek all available legal remedies for interference with those subcontracts. Third, as to paragraph VI., it is our intent to agree that any state right to withhold payments from any other present contract is subject to Lane County's duty and ability to comply with applicable budget law, including any relevant constitutional provisions, and any limitations on ability to commit presently budgeted funds. It is our intent to agree that any state right to withhold payments from any future contract is limited to an agreement that the state can withhold funds it has control over prior to execution of any future contract with Lane County, and prior to any such future contract being budgeted by Lane County, and is subject to local budget law, and other state laws, including the Oregon Constitution, covering the County's ability and limitations in incurring debts or liabilities.

We are interested in continuing our discussions with your Department and Assistant Attorney General on contract issues, and particularly with regard to "Recovery of Funds" language which, at the least, is more consistent with the language in the 2003-2005 County Intergovernmental Agreement with the Commission. We would also request advance notice of the State's intent to withhold payments from specific contracts. Thank you for your continued cooperation and assistance.

Sincerely,

David Garnick
Acting County Administrator