



STATE OF OREGON

INTEROFFICE MEMO

TO: Governor Atiyeh

DATE: February 9, 1982

FROM: Bob Oliver

SUBJECT: Cabinet Meeting, February 9, 1982

Leo Hegstrom said DHR management is flying in a holding pattern, pending outcome of the legislative session. The agency originally had established March 1 as the effective date of certain cuts, but there may be need for a delay. He will have a memorandum in your hands promptly.

Jerry Brown indicated the federal government has agreed to allocate another 10 percent of remaining energy subsidy monies. Ten percent still remains unallocated.

Verne Duncan described an early retirement option the Department of Education intends to offer certain employes, in situations where it will benefit both the agency and is acceptable to the employe. (Dave Frohnmayer later indicated the need for involvement of his office prior to the signing of any agreements along these lines, because pension plans usually involve vested rights.)

Hazel Hays had nothing to report.

Joe Treleaven said a project of the Developmental Disability Council, involving a report and plan for comprehensive programs involving treatment of mentally retarded individuals, will be ready in three months. The proposals in this report will have an impact on several agencies in the human services area.

Joil Southwell said he is intensifying DVR's efforts in assisting employes to effect "job modifications," accommodating the special needs of the handicapped and allowing them to perform productive work.

Roy Green said income of his agency's programs for the current fiscal year will be down about \$10 million, all in Other Funds. He said there will be no problem during the current fiscal year, but if the situation continues there could be serious difficulties in the 1982-83 fiscal year.

Dave Frohnmayer described the Department of Justice's reorganization, which, among other things, will involve designation of an "attorney-in-charge" for each agency. His agency is publishing a booklet on the Administrative Procedure Act, which will be available shortly. It is primarily intended to facilitate proper adoption of rules by agencies. Dave indicated numerous law-enforcement officials throughout the state are expressing concern over "sting" operations in the



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Governor Atiyeh
February 9, 1982
Page 2

news lately around the state, which are not always being conducted in the most professional manner. (For example, there is a fine line between an undercover agent's action in persuading a drug dealer to make an illegal sale, which is OK; and in persuading an individual to obtain and sell a drug illegally, when that individual might not otherwise have committed a wrongful act.)

Dick Grant described the continuing controversy over his denial of a certificate of need for Salem Methodist Home. He said many persons fail to understand that his action does not restrict the home's ability to offer residential retirement services, but only prevents it from offering skilled nursing care.

Fred Miller said the Highway Division has been successful in re-hiring several persons who were laid off from other state agencies by reason of General Fund budget cuts.

Roy Lieuallen was describing progress in selecting his successor when you and Gerry entered the room.

cc: Gerry Thompson