



Multnomah County Oregon

Board of Commissioners & Agenda

connecting citizens with information and services

BOARD OF COMMISSIONERS

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ANY QUESTIONS? CALL BOARD

CLERK DEB BOGSTAD @ (503) 988-3277

Email: deborah.l.bogstad@co.multnomah.or.us

INDIVIDUALS WITH DISABILITIES PLEASE
CALL THE BOARD CLERK AT (503) 988-3277,
OR MULTNOMAH COUNTY TDD PHONE
(503) 988-5040, FOR INFORMATION ON
AVAILABLE SERVICES AND ACCESSIBILITY.

NOVEMBER 13, 19 & 20, 2001 BOARD MEETINGS FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:30 a.m. Tuesday November 13 Budget Work Session
Pg 2	6:00 p.m. Monday November 20 Public Budget Hearing
Pg 2	9:30 a.m. Tuesday November 20 Budget Work Session
***	Thursday November 15, 2001 & November 22, 2001 Board Meetings Cancelled
Pg 3	Multnomah Community Television Cable Play Back Schedule for Evening Budget Hearings
***	Board and Agenda Web Site: http://www.co.multnomah.or.us/cc/index.html

Thursday meetings of the Multnomah County Board of Commissioners are cable-cast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 9:30 AM, (LIVE) Channel 30
Friday, 11:00 PM, Channel 30
Saturday, 10:00 AM, Channel 30
(Saturday Playback for East County Only)
Sunday, 11:00 AM, Channel 30

Produced through Multnomah Community
Television
(503) 491-7636, ext. 333 for further info
or: <http://www.mctv.org>

Tuesday, November 13, 2001 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BUDGET WORK SESSION

WS-1 The Board of Commissioners, Auditor, District Attorney, Sheriff and Invited Participants Will Meet to Review Priorities, Issues and Ideas, and to Discuss Mid-Year Reductions to the 2001-2002 Multnomah County Budget. Facilitated by John Rakowitz and John Ball. **[This is a Public Meeting and Interested Persons are Welcome to Attend, However Public Testimony Will be Taken During Budget Hearings Scheduled in November.]**

Monday, November 19, 2001 - 6:00 PM
North Portland Branch Library Conference Room
512 N Killingsworth Street, Portland

PUBLIC BUDGET HEARING

PH-3 Opportunity for Public Input on Proposed Mid-Year Reductions to the 2001-2002 Multnomah County Budget. Please fill out a speaker card available at the back table and present it to the Clerk. Testimony Limited to Three Minutes Per Person.

Tuesday, November 20, 2001 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BUDGET WORK SESSION

WS-2 The Board of Commissioners, Auditor, District Attorney, Sheriff and Invited Participants Will Meet to Review Priorities, Issues and Ideas, and to Discuss Mid-Year Reductions to the 2001-2002 Multnomah County Budget. Facilitated by John Rakowitz and John Ball. **[This is a Public Meeting and Interested Persons are Welcome to Attend, However Public Testimony Will be Taken During Budget Hearings Scheduled in November.]**



Deborah Bogstad, Board Clerk

MULTNOMAH COUNTY OREGON

Multnomah County Chair's Office
501 SE Hawthorne Boulevard, Suite 600
Portland, Oregon 97214
(503) 988-3277 phone
(503) 988-3013 fax

PUBLIC BUDGET HEARING CABLE PLAYBACK TIMES

Budget Hearing for Tuesday, November 6, 2001 - 6:00 PM
Gresham Branch Library, Conference Room
385 NW Miller Street, Gresham

Friday	November 9	9:00 AM	Channel 30
Monday	November 12	9:30 PM	Channel 30
Wednesday	November 14	11:00 PM	Channel 21
Monday	November 19	3:00 PM	Channel 21

Budget Hearing for Thursday, November 8, 2001 - 6:30 PM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

Thursday	November 8	6:30 PM - LIVE	Channel 30
Monday	November 12	3:00 PM	Channel 21
Friday	November 16	9:00 AM	Channel 30
Tuesday	November 20	11:00 PM	Channel 21

Budget Hearing for Monday, November 19, 2001 - 6:00 PM
North Portland Branch Library Conference Room
512 N Killingsworth Street, Portland

Friday	November 23	9:00 AM	Channel 30
Monday	November 26	5:00 PM	Channel 30
Tuesday	November 27	11:00 PM	Channel 21
Friday	November 30	11:30 PM	Channel 21

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(503) 491-7636, ext. 333 for further info
or: <http://www.mctv.org>

MEETING DATE: November 20, 2001
AGENDA NO: WS-1
ESTIMATED START TIME: 9:30 AM
LOCATION: Boardroom 100

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Board, Auditor, DA, Sheriff and Invited Participants Budget Work Session

BOARD BRIEFING: DATE REQUESTED: Tuesday, November 20, 2001
REQUESTED BY: Chair Diane Linn
AMOUNT OF TIME NEEDED: 2.5 hours

REGULAR MEETING: DATE REQUESTED: _____
AMOUNT OF TIME NEEDED: _____

DEPARTMENT: Non-Departmental DIVISION: Chair's Office

CONTACT: John Rakowitz/John Ball TELEPHONE #: 503 988-5137 / 988-3958
BLDG/ROOM #: 501/600

PERSON(S) MAKING PRESENTATION: Facilitated by John Rakowitz and John Ball

ACTION REQUESTED:

[] INFORMATIONAL ONLY [x] POLICY DIRECTION [] APPROVAL [] OTHER

SUGGESTED AGENDA TITLE:

The Board of Commissioners, Auditor, District Attorney, Sheriff and Invited Participants Will Meet to Review Priorities, Issues and Ideas, and to Discuss Mid-Year Reductions to the 2001-2002 Multnomah County Budget. Facilitated by John Rakowitz and John Ball. **[This is a Public Meeting and Interested Persons are Welcome to Attend, However Public Testimony Will be Taken During Budget Hearings Scheduled in November.]**

SIGNATURES REQUIRED:

ELECTED OFFICIAL: Diane M. Linn

(OR)
DEPARTMENT MANAGER: _____

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ (503) 988-3277 or email
deborah.l.bogstad@co.multnomah.or.us



Diane Linn, Multnomah County Chair

Suite 600, Multnomah Building
501 SE Hawthorne Boulevard
Portland, Oregon 97214-3587
Email: mult.chair@co.multnomah.or.us

Phone: (503) 988-8308
FAX: (503) 988-3093

MULTNOMAH COUNTY BOARD AND LEADERSHIP MEETING

November 20, 2001

Multnomah Building, 501 SE Hawthorne, 1st Floor Boardroom, Portland OR 97214
9:30AM – 12:00Noon

9:30AM	I.	Convene and Welcome	Chair Diane Linn
9:35AM	II.	Executive Proposal for Rebalancing the FY02 Budget	Chair Diane Linn
10:30AM	III.	CCBAC Comments on Budget Rebalancing	M'Lou Christ Dick Wegner
10:45AM	IV.	Board Discussion	Chair Diane Linn
12:00Noon	V.	Adjourn	

BOGSTAD Deborah L

From: SODEN Stephanie A
Sent: Monday, October 29, 2001 3:18 PM
To: #ALL CHAIR'S OFFICE; #ALL DISTRICT 1; #ALL DISTRICT 2; #ALL DISTRICT 3; #ALL DISTRICT 4; FLYNN Suzanne J; SCHRUNK Michael D; SHERIFF; SPONSLER Thomas; PHELAN Judy N; OLDHAM Daniel H; SIMON Barbara M; FULLER Joanne; ROOD Jim; SCOTT Rich K; MINDT Pam; TREB Kathy A; JOPLIN Lore A; MILLER Maggie L; COOPER Ginnie; GIBBON Cindy; SHORTALL Mary; BERGSTROM Julie; ESPANA Rey; POE Lorenzo T; MCCONNELL Jim; CHUCKOVICH Denise E; STEWART MaryAnn; KLINK Howard A; LI Mary T; LEAR Wendy R; TINKLE Kathy M; TURNER Kathy G; TEBBEN Christine T; JOHNSON Cecilia; BOYER Dave A; WARREN Dave C; CAMPBELL Mark; NEBURKA Julie Z; MOUNTS Tony D; DARGAN Karyne A; STUMP Sheryl M; MARTIN Lyne R; MCGILLIVRAY Doug; SIMPSON Thomas G; PARNELL Gail E; ERVIN Vicki K; SAMPLE Christopher E; YEO Lisa; ELLIS Bob L; TUNEBERG Kathleen A; SHIRLEY Lillian M; FORD Carol M; FRONK Tom R; OXMAN Gary L; HOUGHTON David B; ABDELLATIF Vanetta M; YOUNG Darlene; SPENCE Jane C; BELCOURT Joy; SAWYER Gary A; EMPEY Gordon B; GUIST Connie; GUINEY Tom M; TILLMAN-REARDON Tricia; SARAGOZA Consuelo C; HUBBARD Arna; RANKIN Wendy J; WICKHAM Lila A; WALLINDER Janet L; OSWALD Michael L; THOMAS Bob C; PEARSON Stephen E; JOSLIN Amy M; WILCOX R Peter; YANTIS Wanda; HENDEL Gary L; ROWTON John M; LASLEY E. Harold; GHEZZI Stan M; SCHILLING Karen C; HOVDEN Robert A; HAUSKINS Don E; HANSELL Tom J; BUSSE Kathy A; MUIR Susan L; BROWN Daniel R; #ALL PAO STAFF
Subject: State budget rebalance update

This email is a progress report on the status of the state budget rebalance process.

As mentioned during the 10/16/01 Board briefing and in the October Capitol News (attached), the current state budget (2001-03) is experiencing a \$300 million shortfall, which will likely impact county programs funded by the state. Some legislative leaders are predicting that this shortfall will increase to \$600 million by the time a Special Session is called by the Governor in January, 2002.

Governor Kitzhaber has asked state agencies for budget rebalance proposals in both administrative and program areas. 10% in administration cuts (in increments of 2%) were submitted by agencies to the Department of Administrative Services (DAS) on Friday, October 26. According to the Oregonian newspaper, these cuts included reductions in employee travel, reimbursements, professional dues, and memberships. Two recent newspaper articles (dated October 27 and 28, 2001) about the state budget can be found at the following website: www.oregonlive.com. Articles can be found under News + Biz/News Archives/30-Day Archive/More News.

State agencies' program rebalance proposals (also a 10% reduction, in increments of 2%) are due to DAS by Friday, November 16. It is our intention to obtain this information and present it to the Board of Commissioners on Tuesday, November 20.

The Public Affairs Office will continue to forward state budget rebalance information (via email, Capitol News and Board briefings) as it is released. Please do not hesitate to contact either Gina or I if you have any questions.



Capitol News
10-01.doc (280 KB...

Stephanie Soden
Multnomah County Public Affairs Office
501 SE Hawthorne Blvd., Ste. 600
Portland, OR 97214
(503) 988-6045
(503) 988-6801 fax
(503) 921-4617 pager
stephanie.a.soden@co.multnomah.or.us



Capitol News

A source of legislative information for Multnomah County
by the Public Affairs Office



October 2001

Special Legislative Session Ahead

Legislative leaders and Governor Kitzhaber are discussing the possibility of holding a special session to rebalance the current 2001-03 state budget.

According to the September Economic and Revenue Forecast, the state budget is currently facing an estimated \$300 million shortfall. Last week, state economists predicted that by December, this amount would increase. Visit the Office of Economic Analysis' website at www.oea.das.state.or.us to learn more about the state revenue projections.

The special session is tentatively scheduled for January 2002. Information about possible budget cuts has not been released to date. The Public Affairs Office will continue to update stakeholders on developments of the state budget rebalance.

To find out more about the special session, visit the Oregon Legislature's website at www.leg.or.state.or.us.

Governor's Budget Directives

On October 5, 2001, Governor Kitzhaber issued a memo to state agencies directing them to develop budget reduction options to begin rebalancing the current state budget. Two types of reduction options were included: administrative reductions and long-term, prioritized program cuts. The criteria for the two budget options are as follows:

Administrative Cost Reduction Plan

- Agencies are directed to identify reductions in two percent increments for a total of 10 percent.
- Reductions can include actions that are not permanent reductions, but save money for the 2001-03 biennium, including hiring delays and reductions in travel expenditures.
- Budget reduction plans must be submitted to the Oregon Department of Administrative Services (DAS) by October 26, 2001.

Program Cost Reduction Plan

- Agencies are directed to identify permanent program reductions in two percent increments for a total of 10 percent.
- Reductions are to be identified in priority order.
- Agencies are directed to identify the effect of the reduction on stakeholders.
- Budget reduction plans must be submitted to DAS by November 16, 2001.

Principles for Program Reductions

The Governor identified key principles for agencies to consider as they identify long-term program reductions. Principles include the following:

- Define and implement core missions
- Make budget choices explicit
- No thinning the soup
- Minimize the shifting of damage onto others
- Provide a service safety net

- Do least harm
- Prevention is important
- Set performance expectations appropriately

As the state budget reduction plans are finalized and discussed by the Governor and legislative leaders, the Public Affairs Office will continue to update legislative stakeholders.

For more information on the Governor's budget directive or status of the state budget, contact Stephanie Soden in the Public Affairs Office at 503-988-6045 or stephanie.a.soden@co.multnomah.or.us, or visit the Governor's website at www.governor.state.or.us.

November Emergency Board

On November 15 and 16, 2001, the Legislative Emergency Board (E-Board) will meet to discuss possible appropriations from the Emergency Fund.

Details of the November E-Board will be included in the next Capitol News. For more information on E-Board activities, visit the Legislative Fiscal Office's website at www.leg.state.or.us/lfo/home.htm or contact Stephanie Soden in the Public Affairs Office at 503-988-6045 or stephanie.a.soden@co.multnomah.or.us.

Pending Court Decisions

Several issues relevant to the Oregon Legislature are pending in the Oregon Supreme Court.

Redistricting

The Supreme Court passed its deadline of October 15, 2001 to dismiss petitions against Secretary of State Bradbury's redistricting plan. A ruling is expected sometime this week.

Measure 7 – Property Compensation

Oral arguments were heard on September 10, 2001 and the Supreme Court is expected to issue a ruling soon.

Term Limits

Several former legislators are questioning the constitutionality of term limits, based on the single-issue rule (*Armatta v. Kitzhaber*). Oral arguments will be presented in front of the Supreme Court on November 6, 2001.

For more information on pending court cases, visit the Oregon Supreme Court's website at www.ojd.state.or.us.

Senior and Disability Task Force Members Named by Governor

Governor Kitzhaber recently announced the creation of a Task Force on the Future of Services to Seniors and People with Disabilities.

The twenty-five members, appointed by Kitzhaber, will focus on finance and cost containment issues, housing and insurance needs, chronic health problems, issues unique to rural and urban areas, transportation, workforce training, and strategies to replace, modernize or update long-term care facilities. Recommendations on improvements will be presented to the Legislature and Governor before September 1, 2002.

The task force is comprised of seniors, people with disabilities, policymakers, and representatives from both private and nonprofit organizations. Senate Minority Leader Kate Brown (D-Portland) is one of the metro-area task force members.

For more information on the task force, contact Gina Mattioda in the Public Affairs Office at 503-988-5766 or gina.m.mattioda@co.multnomah.or.us.



Diane M. Linn, Multnomah County Chair

To:	Board of County Commissioners
Date:	November 20, 2001
Subject:	2001 Budget Amendment Overview

Leadership in Tough Times

Fiscal Reality

On June 5, 2001 I was sworn in as Chair of the Board of Multnomah County Commissioners. Nine days later I presided over the Board's approval of a budget for the 2001-02 fiscal year – resulting in approximately \$15 million in spending reductions. Less than four months later, we faced an additional decline in revenue - midyear. The Board had to go back to the drawing board and fill a \$22 million hole in the County's general fund and rebalance our budget.

The County's midyear \$22 million shortfall is a result of compounded declining revenues. Final receipts from the 2001 Business Income Tax (BIT) were significantly lower than expected, adversely affecting the County's beginning working capital. Additionally, as a result of our region's fragile economic condition, estimates of future BIT receipts were adjusted to reflect an anticipated further reduction in revenue. We have also experienced underperformance in other resources such as expected jail revenues and motor vehicle rental taxes.

We have entered an age of economic uncertainty and instability – businesses and corporations are experiencing staggering losses and families are struggling to make ends meet. The public sector and government services are vulnerable to the economic downturn, in fact, *we depend* on a healthy economy. **This County will take a more active role in economic development and improving our business environment.**

How we address the midyear budget rebalance will set the tone – financially and structurally – for the future of this jurisdiction and the delivery of services to the community that depends on us.

Results

Financial Stability

Like any successful enterprise – public or private, Multnomah County must pay close attention to current and potential economic and societal trends, as well as build a solid fiscal foundation. We must also look to streamline our services and start putting more money into savings.

During this budget rebalance we've done more than place a band-aid on our fiscal wound, hoping that the cause of the wound will go away. We've looked to the cause and begun to shape solutions.

The County currently enjoys a superior bond rating. But we are in jeopardy of losing that rating if we fail to maintain our General Fund reserves this year **and** increase our reserves next year and beyond. Dipping into our General Fund reserves, as the County has done for years to balance the budget, was not an option during this budget rebalance. *And it will not be considered in the future.* The Board has made a clear policy commitment to building up the County's General Fund reserves in our subsequent regular budget cycles.

We don't believe that the two-year underperformance of the Business Income Tax will correct itself. This is not a one-time loss that requires a one-time fix. The Board has taken proactive and bold steps in forming and approving a Community Partnership Agreement with the Cities of Portland and Gresham, the Portland & East County Chambers of Commerce, business associations and the Association of Portland Progress to assess the region's economic competitiveness. This undertaking will provide a means for the County to be better able to predict future revenue.

The County's budget balancing process will not end in January 2002. We are dependent upon funding streams from the state and their coffers are experiencing a *severe* fiscal threat. The Governor has called a special session to address a **shortfall of upwards of \$300 million** – perhaps more. The Legislature and Governor will be hard pressed to identify such massive savings without cutting school funding, the Oregon Health Plan and human services.

Where does that leave us? Approximately 30% of the County's total budget is resources received from the state. We will not escape harm from the results of state General Fund budget cuts, but we've poured the concrete for our financial foundation during this budget process, which will help mitigate potential repercussions from any state cuts.

Realized Revenue

The County's budget rebalance team has done a remarkable job in identifying and capturing unincorporated resources. While we began with a \$22 million hole, after sharpening our pencils and applying good management strategies, we were able to fill the hole with \$11 million of unanticipated revenue – bringing us halfway to our goal - *before* looking at efficiencies and reductions.

Integrity of Systems

As you look at specific line item reductions in the executive budget amendment, you will not be able to get the full picture. While the \$4.5 million in administrative cuts in different areas in the County are obvious, most other reductions need to be elaborated upon.

There are a number of one-time savings made possible by delaying implementation of particular programs. This in no way should be taken to mean an abandonment of future support for these programs. The Board has made a clear commitment to ensuring that they will be funded.

After passage of our 2001-02 budget rebalance, we will continue to find ways to save money which can then be applied to implementation and expansion of services put on hold during our midyear rebalance.

Public Safety:

I am confident that we were able to maintain the integrity of our Public Safety system throughout this budget process. We have taken the Correctional Facility in Troutdale offline for now, but we have not undercut our capacity to incarcerate offenders when needed to protect the public. Our criminal justice system is experiencing unique trends that allow us to take advantage of immediate opportunities. We have also maintained the District Attorney's ability to prosecute and this jurisdiction's ability to supervise offenders – before and after incarceration.

The Board recognizes that the public safety seas are changing. This Board and all the County's public safety officials are in agreement of the growing need for alcohol and drug and mental health treatment in our criminal justice system. We can and will do a better job in reducing recidivism and helping offenders become active and productive members of society. I am committed to further analysis and tapping into important work being done across departments, jurisdictions and by noteworthy, independent resources like the Citizens Crime Commission.

Libraries:

We face a considerable challenge within our world-class library system. The Library has identified reductions that can be made without significantly affecting services to the public and I have included those reductions in my executive budget amendment. The Library Department has told us it will have to make additional reductions during the next budget cycle before new levy funds are approved by the voters.

County libraries are educational institutions, exceptional storehouses of information, and community gathering places. They inspire our kids to read. They help students with their homework. They teach seniors how to use technology. They help limited and non-English speakers with language and life skills. And they are *the only County service that relies on a local option levy for over 50% of its operating funds*. The levy expires in July 2003 and I fully expect to ask voters to renew Library funding in Spring of 2002. I am committed to promoting and ensuring passage of the Library levy and hope the public will join me in recognizing the indispensable function our libraries provide.

Health & Human Services:

It's important to note **what's not on the list** of rebalance reductions. The County is often the only means of support for our most vulnerable residents and we have proposed no reductions that would affect existing programs that our community depends on to live, grow and thrive.

We remain committed to our safety net services; supporting homeless youth and families; County domestic violence programs; our neighborhood family centers; Schools Uniting Neighborhoods; and many other valuable services and programs. We will stay the course to improve our current mental health care system and have not reduced our mental health budget.

Health & Human Services are fundamental to what this jurisdiction does. The Board has recognized that and we have affirmed our commitment – knowing full well that we must be prepared to address repercussions that will come from future state cuts.

Organizational Structure

In these new and rapidly shifting times, we must look at our organizational structure and the efficiency of our business operations.

The time has come for Multnomah County to move away from an individual department approach to providing services. We cannot continue to act as a “holding company” with nine independent subsidiaries, but must move to one core enterprise that provides several but integrated lines of service. During this budget rebalance we have made significant administrative and departmental adjustments to streamline our organization.

By taking a systems approach we were able to identify efficiencies and become more cost effective in our business practices and service delivery. After looking at departmental functions and structures, I have recommended the merger of our Department of Support Services and Department of Sustainable and Community Development and the merger of the County’s Aging and Disability Services with the Department of Community and Family Services.

The restructuring of our departments and programs will go through a formal process for reformation based on policy guidelines and enhancing our organizational performance.

Initiatives

There are important areas of operation where the County can and will do better. Our fragile times require us to be better prepared for emergency and crisis situations, better able to support all kids in schools, and better able to address our region’s fast changing demographics by strengthening our commitment to diversity and cultural competency. These initiatives are cost neutral at this time.

Emergency Preparedness:

As a result of recent national tragedies, our focus must turn to enhancing our level of continual emergency preparedness. By the beginning of the next calendar year, after careful review and coordination, I will request support from the Board and involved departments to bring us to a new level of awareness and preparedness. In the event of an incident, this jurisdiction will have the ability to respond effectively and rapidly. We will be able to protect our employees, our facilities and the community if threatened by a natural disaster, hazardous conditions, threatening action or health incident. I will continue to make this a priority and expand our services and resources in this field.

Support for Kids in School:

School success and support for our public education system has always been central to my life’s work and is a key focal point of my administration. There has been considerable progress made and we still have much to do to increase student success, narrow the achievement gap and ensure that all students and their families across the County have access to the supports that make it possible for young people to succeed in school and ultimately, in life.

I am dedicated to strengthening the County’s partnership with our Public School Districts and other jurisdictions. That is why I have proposed the establishment of the **Office of Community School Partnerships** during this budget rebalance. The Office will focus on alignment of school based services, strengthening existing partnerships, expanding proven programs and practices and ensuring cultural competency.

The Office of Community School Partnerships is both a reiteration of my policy priorities as well as a considerable structural change in the County. I am very excited about what this Office will mean for the Multnomah County and for kids and families in our region.

Meeting Opportunities and Challenges of our Changing Community:

Over the past 10 years Multnomah County's Latino population has grown by 185%. The Asian and Pacific Islander Communities have each grown by almost 50%. We need to reevaluate and expand our capacity to serve the various needs of increasing special populations and continue to focus and augment what we already do in regards to diversity.

Diversity doesn't just mean hiring and retaining employees – on which Multnomah County continues to lead the way in the public sector. It also means restructuring our services to be culturally competent. It means opening more doors and increasing access to our system and programs. Diversity includes increasing partnerships, contracting and procurement opportunities, recruitment and training and it will take an actual, future resource commitment.

In these lean fiscal times, I made sure that a clear and noticeable focus on diversity was prioritized in the budget rebalance. The Board will continue ensuring that everything we do at the County provides equal opportunities for people from all diverse backgrounds. I will continue to lead the charge in paying close attention to our diversity practices and commit to dedicating real resources to reflect the demographically evolving County we've become.

Process

Formation and Inclusion

On October 15, 2001 the Board, other County elected officials, department managers and staff began the process of rebalancing the budget. At that time we reviewed our financial situation, reiterated our policy priorities, determined the outline for the process and started down the road of identifying efficiencies and cost savings.

From the inception of the budget rebalance process, I rejected the option of constructing an executive budget single-handedly. This *was not* a process that occurred behind closed doors. Nor was it a process that offered conciliatory opportunities for input while decisions had already been made. We solicited ideas and concerns from interested and involved parties in various ways.

We tapped into the skill and knowledge of our employees, made sure that all County elected officials were consistently at the table, reached out to our clients and consumers, our partners and stakeholders, and made every effort to provide an opportunity for public input.

A true open process may, at times, appear confusing and making preliminary information available lends itself to misinterpretation; however, I remain committed to full inclusion and am confident that the final product is a genuine reflection of a combination of valuable input.

Policy Guidelines & Benchmarks

It has been fundamental to my administration that this budget rebalance process – and any future budget exercises - avoid the path of a simple, percentage, across-the-board cut. Traditionally, the County has asked departments to reduce their individual budgets to address a shortfall without looking across departments.

It is no longer an option for Multnomah County and departments therein to make budget decisions in isolation. Throughout the process, we remained committed to our benchmarks, Board policy direction and – most importantly – the quality of service delivery to the people we serve.

The Board reviewed and expanded our strategic benchmarks, which provided us parameters in which to make budget decisions. They are:

- Reducing Poverty
- Increasing School Success
- Enhancing Public Safety
- Increasing Health and Mental Health
- Increasing Accountability and the Responsible Use of Public Funds

A Budget Analysis Group (the Core Team), consisting of departmental representatives from across the County, was asked to look for budget reduction opportunities that cross department lines that maintain key services, while always keeping in mind the Board's benchmarks.

Accelerated Timeline

The County had approximately six weeks to find \$22 million dollars. That equates to identifying half a million a day in savings. This fast and furious timeline has required the County to be focused and vigilant in addressing our immediate fiscal challenge while laying the foundation for future financial and organizational stability.

Acknowledgements

I would like to thank the Board, the Sheriff, the District Attorney, the Auditor and our Budget Core Team for their diligence, thoughtfulness and long hours spent on putting together a package that keeps the County whole and maintains our essential services.

I also want to thank our partners, community and business leaders and the general public for engaging in the process and providing valuable input. Change and policy direction must come from the ground up and be reflect the will of the people.

I have been enormously impressed and appreciative of the work and input from Multnomah County employees and our labor organizations. This jurisdiction has stepped up to the plate and made difficult decisions in tough, economic times.

I am proud of this executive budget amendment that I am presenting to the Board and the public today. I am certain that we are a stronger, more united organization as a result. I look forward to leading us to new, solid financial ground and setting the stage for a 21st Century Multnomah County.

Summary of Executive FY02 Budget Rebalancing Recommendation

Service Area/Proposed Action	2002			FTE	2003 Estimate	
	OTO	Ongoing	Total		low	high
Law Enforcement						
1 Reduce BOEC costs	20,000		20,000		20,000	200,000
2 Cut overtime budget	76,000		76,000			
3 Cut 1.0 FTE background investigator		55,093	55,093		55,093	55,093
Law Enforcement	96,000	55,093	151,093	0	75,093	255,093
MCSO Detention						
			0			
1 Temporarily close MCCF	0	382,691	382,691	13.20	1,842,000	1,842,000
2 Permanent closure or other Sheriff cuts						713,000
3 Cut three Jail Stewards	0	105,496	105,496	3.00		
4 Cut overtime budget	324,000		324,000			
5 Cut 1.5 FTE Community Health Nurses providing 7 day/week staffing at MCCF.		69,300	69,300	1.50		
6 Cut 2.0 FTE Program Administrators and 1.0 FTE Counselors		88,552	88,552	3.00		
MCSO Detention	324,000	646,039	970,039	20.7	1,842,000	2,555,000
Justice System						
1 Reduce LPSCC Allocation		30,000	30,000		30,000	30,000
2 Holds vacant 2 FTE Parole / Probation Officer positions budgeted to provide community and restorative justice related services.	130,000		130,000			
3 Cuts \$30,600 in capital equipment in the District Attorney's Office	30,000	0	30,000			
Justice System	160,000	30,000	190,000	0	30,000	30,000
Library *						
1 Cut remainder of proposed North Interstate library branch budget.	105,823	0	105,823	3.00		
2 Cut \$100,000 from Professional Services for systemwide programs and special events.	100,000	0	100,000			
3 Reduce the Library's Book Budget	420,000	0	420,000			
4 Salary savings due to not filling open positions at Central Library for the remainder of the fiscal year and a cut of one FTE; reduction in new positions planned for the reopened Hollywood branch library.	331,758	135,281	467,039	2.50	241,000	241,000
5 Cut funding to the Corbett School District.	0	100,000	100,000		100,000	100,000
Library	957,581	235,281	1,192,862	5.5	341,000	341,000
* Specific reductions may change as FY02-03 Budget is developed						
Alcohol and Drug Treatment						
1 Delay implementation of Drug Treatment Court for Individuals with Co-Occurring Disorders until 7/1/02	125,000		125,000			
2 Fund Mentorship Program w/DOC \$\$ rather than General Fund	150,000	0	150,000			
3 Eliminate Contracted Services with Unity for Project Oasis Housing for offenders with co-occurring disorders (substance abuse & mental health).		62,500	62,500		125,000	125,000
4 Reduce implicit GF subsidy for DUII Evaluation	0	100,000	100,000		200,000	200,000
Alcohol and Drug Treatment	275,000	162,500	437,500	0	325,000	325,000
Kids and Schools						
1 Reduce SUN School Funding	20,000	0	20,000			
Kids and Schools	20,000	0	20,000	0	0	0

Summary of Executive FY02 Budget Rebalancing Recommendation

Service Area/Proposed Action	2002			FTE	2003 Estimate	
	OTO	Ongoing	Total		low	high
Adult Education, Counseling, and Support			0			
1 Delay implementation of expanded offender housing (Beaver Hotel)	137,000		137,000	0.37		
2 Fund Transitional Employment services contract w/DOC \$\$ from 1/1-6/30		40,000	40,000		40,000	40,000
3 Fund contract for services to women w/histories of prostitution from DOC \$\$ for period of 1/1-6/30	0	100,000	100,000		200,000	200,000
Adult Education, Counseling, and Support	137,000	140,000	277,000	0.4	240,000	240,000
Teen Services and Supervision			0			
1 Delay full implementation of the Juvenile Treatment Foster Care Program	285,000	0	285,000			
2 Youth Employment Program		25,460	25,460		50,000	50,000
3 School-based Mental Health (Funds 1 FTE Anger Management Counselor at Open Meadow Alternative School)		10,000	10,000		20,000	20,000
4 Temporarily reduce Juvenile Court counselor positions until 7-1-01	97,500		97,500	3.00		
Teen Services and Supervision	382,500	35,460	417,960	3.0	70,000	70,000
Aging & Disability Services			0			
1 Cut integration services for 18-25 year olds with developmental disabilities		117,200	117,200		234,000	234,000
2 Reduce ADS professional services	30,000	0	30,000			
Aging & Disability Services	30,000	117,200	147,200	0	234,000	234,000
Health Services			0			
1 Close existing dental clinic site; redistribute staff to other sites. Move equipment to new East County facility; cut equipment budget.	175,000		175,000			
2 Increase revenues for Family Planning Enhancement Program; reduce GF in a corresponding amount	270,000	530,000	800,000			
3 Centralize client account processes; postpone facilities upgrades for JCAHCO standards; eliminate Saturday after hours clinic; personnel savings.	250,000		250,000	1.50		
Health Services	695,000	530,000	1,225,000	1.5	0	0
Sustainability			0			
1 Postpone Sustainability Program's Pollution Prevention position until 7/1/02	30,000	0	30,000	1.00		
Sustainability	30,000	0	30,000	1.0	0	0
Telecommunications			0			
1 Reduce number of phones, cell phones and pagers -- Telecom office survey resulted in reductions in all departments but two, effective 11/1/01 totaling \$23,648 FY 01-02 and \$35,474 FY 02-03/ongoing. Columns at right show estimated GF impact.		1,094	1,094		16,000	16,000
2 Reduce Telecom Fund capital balance -- resulting from deferred capitals projects	178,982	0	178,982			
Telecommunications	178,982	1,094	180,076	0	16,000	16,000
Flat Fee			0			
1 Reduce PC cost to \$1900 or \$2000/yr (effective next year)		0	0		114,000	228,000
Flat Fee	0	0	0	0	114,000	228,000

Summary of Executive FY02 Budget Rebalancing Recommendation

Service Area/Proposed Action	2002			FTE	2003 Estimate	
	OTO	Ongoing	Total		low	high
Facilities Management			0			
1 Suspend Asset Preservation for FY 2001	2,300,000		2,300,000			
2 Reduce custodial level of service from 5 to 3 days per week in general office space - bathrooms still 5 days		150,000	150,000		300,000	800,000
3 Reduce Building Management charges at monthballed MCCF (Sheriff) and CHJ		100,000	100,000		180,000	180,000
Facilities Management	2,300,000	250,000	2,550,000	0	480,000	980,000
Housing Program / Economic Development			0			
1 Cut Housing Program/Economic Development Support FTE	27,331	0	27,331	1.00		
Housing Program / Economic Development	27,331	0	27,331	1.0	0	0
Records / Distribution			0			
1 Shift Record .20FTE to mail Distribution		8,877	8,877			
2 One mail stop per day		0	0	0.00	50,000	50,000
Records / Distribution	0	8,877	8,877	0	50,000	50,000
Admin / Position Cuts			0			
1 Undersheriff vacancy	66,667		66,667			
Admin / Position Cuts	66,667	0	66,667	0	0	0
Communications			0			
1 Eliminate temporary employee for MINT publishing and development of DSS MINT content	0	12,000	12,000		24,000	24,000
Communications	0	12,000	12,000	0	24,000	24,000
Spending Control			0			
1 Reduce drugs line item in Pharmacy budget; hold 0.5 FTE vacant - Health	200,000		200,000			
Spending Control	200,000	0	200,000	0	0	0
Nondepartmental			0			
1 Discontinue payment to county school fund (State pays costs)	0	1,575,000	1,575,000		1,575,000	1,575,000
2 Discontinue funding of nond programs	0	0	0		650,000	650,000
Nondepartmental	0	1,575,000	1,575,000	0	2,225,000	2,225,000
Tap Dedicated Resources			0			
1 Shift partial funding for Sustainability Mgr to FM Fund for the balance of the year	27,688		27,688			
Tap Dedicated Resources	27,688	0	27,688	0	0	0
Purchasing Supplies and Services			0			
1 Mandate use of Central Stores for purchases of office supplies	0	70,000	70,000			
Purchasing Supplies and Services	0	70,000	70,000	0	0	0
Debt Payment			0			
1 Convert part of Capital Debt Fund Reserve into one payment.	1,100,000	0	1,100,000			
Debt Payment	1,100,000	0	1,100,000	0	0	0
Expenditure Reductions	7,007,749	3,868,544	10,876,293	33.1	6,066,093	7,573,093
Revenues Available						
Property Tax		1,775,893	1,775,893		1,775,893	1,775,893
Beginning Working Capital (GF)	2,000,000		2,000,000			
Federal Bed Rental Revenue	502,799		502,799			
Pay to Stay Fee Collection		951,544	951,544		951,544	951,544
SCAAP increase	424,643		424,643			
Indirect Cost from Jail Levy Fund		2,931,994	2,931,994		2,931,994	2,931,994
Jail Levy Fund Contingency	200,000		200,000			
Revenues	3,127,442	5,659,431	8,786,873		5,659,431	5,659,431
Total General Fund	10,135,191	9,527,975	19,663,166		11,725,524	13,232,524



MULTNOMAH COUNTY OREGON

DEPARTMENT OF SUPPORT SERVICES
FINANCIAL OPERATIONS DIVISION

BUDGET
EVALUATION & RESEARCH

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MULTNOMAH BUILDING
501 SE HAWTHORNE BLVD
4TH FLOOR
P.O. BOX 14700
PORTLAND, OREGON 97293-0700

TO: Board of County Commissioners
FROM: Tony Mounts, Dave Warren
DATE: November 19, 2001
SUBJECT: Financial Overview of Budget Rebalancing 2001-02

In September it became clear that the revenues underpinning the General Fund Budget for 2001-02 were significantly overstated for several reasons.

- Business Income Tax receipts in 2000-01 fell more than \$6 million below the estimate for that year; that meant that the Beginning Working Capital (the General Fund beginning balance) for 2001-02 was going to be lower than budgeted, it also implied that the Business Income Tax for 2001-02 was overestimated as well.
- The 2001-02 Budget included an estimate of receipts from the Motor Vehicle Rental Tax, paid in large part by visitors who rent cars at the Portland Airport. That revenue source appeared to be overestimated in the budget by \$1.3 million.
- A number of programs were continued in the 2001-02 budget based on expectations of increased operating revenue. Those expectations for the jail and the primary care health clinics appeared to be \$7 million higher than the first quarter's receipts would justify.

[All of these facts are laid out in the September Estimate on the attached "Updated Financial Situation SUMMARY 11/19/2001"]

As a result of this string of bad news, the County undertook to identify \$22 million of expenditure reductions or revenue enhancements to balance the General Fund. The results of that effort are included in the set of budget modifications summarized on the attached Excel spreadsheet "Summary of Executive 02 Budget Rebalancing Recommendation".

The Budget Modifications will:

1. Record reduced General Fund revenues alluded to above:

	\$ millions
Business Income Tax	(\$ 6.9)
Beginning Working Capital	(7.2)
Motor Vehicle Rental Tax	(1.3)
Federal Bed Revenue	(2.9)
Animal Control Fines and Fees	(0.3)
	(\$ 18.6)

Note that \$951,444 of reduced "Pay to Stay" revenue is not included. The Sheriff has committed to underspending sufficiently to offset any underrecovery in this category.

2. Record increased General Fund revenues that occurred during October and November.

	\$ millions
Property Tax	\$ 1.8
Beginning Working Capital	2.0
SCAAP increase	0.4
Indirect Cost from Jail Levy Fund	2.9
Unspent Balance from Jail Levy Fund	0.2
	\$ 7.3

Note that \$502,799 was added to General Fund Contingency by a separate cut in the General Fund support of gang programs in DCJ because of increased State funding that became available in July. This cut was specifically identified by the Board as an offset to reduced Federal Bed Revenue.

3. Reduce spending authorization for departments as detailed on the attached "Summary of Executive 02 Budget Rebalancing Recommendation"

	\$ millions
One Time Only Savings	(\$ 7.0)
Ongoing Reductions (2002 amounts)	(3.9)
	(\$ 10.9)

The package complies with the Board's policy on Recurring Costs and One-Time-Only Revenues by cutting sufficient programs to bring ongoing expenditures into synch with ongoing revenues. The ongoing reductions listed on the attachment will, if continued into next fiscal year, reduce the County's General Fund requirements between \$11.7 and \$13.2 million. This will offset the estimated ongoing revenue shortfall and will allow the County to begin to contribute toward rebuilding General Fund reserves in next fiscal year's budget.

The actions proposed, however, do not add to the reserves of the County in this fiscal year. That will need to be addressed as part of the 2002-03 budget process.

Updated Financial Situation SUMMARY
11/19/2001

Revenue Source	FY 01-02 Budget	September Estimate	September Shortfall	Revisions through 11/19	Current Shortfall
Property Tax	172,984,447	172,984,447	0	1,775,893	1,775,893
Business Income Tax	37,176,808	30,240,000	(6,936,808)	0	(6,936,808)
Department of Corrections Revenue	29,640,853	29,667,394	26,541	0	26,541
DCJ	19,706,466	19,733,007	26,541		26,541
Sheriff's Office	9,934,387	9,934,387	0		0
Beginning Working Capital (GF)	19,995,165	12,773,340	(7,221,825)	2,000,000	(5,221,825)
Motor Vehicle Rental Tax	13,590,129	12,260,375	(1,329,754)	0	(1,329,754)
Federal Bed Rental Revenue	8,305,651	5,367,793	(2,937,858)	502,799	(2,435,059)
Recording Fees	3,550,000	3,850,000	300,000	0	300,000
A & T Supplement	3,465,710	3,339,373	(126,337)	0	(126,337)
Animal Control Fines and Fees	1,432,000	1,174,508	(257,492)	0	(257,492)
Pay to Stay Fee Collection	1,000,000	48,456	(951,544)	951,544	0
SCAAP increase	300,000	300,000	0	424,643	424,643
Indirect Cost from Jail Levy Fund	0	0	0	2,931,994	2,931,994
Balance of Jail Levy Fund after COLA			0	200,000	200,000
Subtotal General Fund			(19,435,077)	8,786,873	(10,648,204)
DUII Fee Revenues	538,529	320,000	(218,529)	0	(218,529)
Strategic Investment Program	1,310,001	1,310,001	0		0
Federal Financial Participation	5,200,000	5,200,000	0		0
CFS	1,100,000	1,100,000	0		0
Health	4,100,000	4,100,000	0		0
Primary Care Revenues	22,013,950	18,779,493	(3,234,457)	3,234,457	0
Gas Tax	25,974,206	25,974,206	0		
Total Estimated Shortfall (All Sources/Funds)			(22,888,063)	12,021,330	(10,866,733)
Chair's Proposal					
One Time Only Reductions					7,007,749
Ongoing Reductions (2002 amounts)					3,868,544
Remaining Shortfall					9,560

Updated Financial Situation

11/19/2001

GENERAL FUND PROPERTY TAX REVENUE			
	Budgeted Estimate	Tax Bill Data	Additional Available
Permanent Rate times Property Value	178,829,783	181,289,785	
Less Compression	(1,434,065)	(1,374,530)	
Less Delinquencies and Discounts	<u>(10,133,743)</u>	<u>(10,877,387)</u>	
Taxes Available for Expenditure	167,261,975	169,037,868	1,775,893

			Additional Available
BEGINNING WORKING CAPITAL			
Retroactive rate change for FQHC visits will decrease 2000-01 Health Department General Fund Support		estimated	2,000,000

			Additional Available
FEDERAL BED RENTAL REVENUE			
Bud Mod DCJ 01 recorded additional OYA revenue for Multi-Systemic Treatment and reduced General Fund support as required by the budget note setting out a three-tiered process for dealing with a shortfall in INS/Federal Marshal bed rental.			502,799

			Additional Available
PAY TO STAY FEE COLLECTION			
Sheriff Noelle has made a commitment to cover the projected shortfall in this revenue source by spending restrictions over and above the anticipated 98% level.			951,544

			Additional Available
PRIMARY CARE REVENUES			
Rate change for FQHC visits will offset the potential shortfall in primary care clinic recoveries.			3,234,457

			Additional Available
SCAAP ABOVE BUDGET			
US Dept. of Justice State Criminal Alien Assistance Program grant has been announced at \$724,643. The budget assumed \$300,000.			424,643

			Additional Available
INDIRECT COST FROM JAIL LEVY FUND			
Restores indirect cost payments to the General Fund, omitted from the Adopted Budget			2,931,994

			Additional Available
RECOVER BALANCE OF JAIL LEVY FUND			
Reduce Cash Transfer to balance the Levy Fund to \$0 after paying COLA to Fund employees		estimated	200,000

Summary of Executive FY02 Budget Rebalancing Recommendation

Service Area/Proposed Action	2002		Total	FTE	2003 Estimate	
	OTO	Ongoing			low	high
Law Enforcement						
1 Reduce BOEC costs	20,000		20,000		20,000	200,000
2 Cut overtime budget	76,000		76,000			
3 Cut 1.0 FTE background investigator		55,093	55,093		55,093	55,093
Law Enforcement	96,000	55,093	151,093	0	75,093	255,093
MCSO Detention			0			
1 Temporarily close MCCF	0	382,691	382,691	13.20	1,842,000	1,842,000
2 Permanent closure or other Sheriff cuts						713,000
3 Cut three Jail Stewards	0	105,496	105,496	3.00		
4 Cut overtime budget	324,000		324,000			
5 Cut 1.5 FTE Community Health Nurses providing 7 day/week staffing at MCCF.		69,300	69,300	1.50		
6 Cut 2.0 FTE Program Administrators and 1.0 FTE Counselors		88,552	88,552	3.00		
MCSO Detention	324,000	646,039	970,039	20.7	1,842,000	2,555,000
Justice System						
1 Reduce LPSCC Allocation		30,000	30,000		30,000	30,000
2 Holds vacant 2 FTE Parole / Probation Officer positions budgeted to provide community and restorative justice related services.	130,000		130,000			
3 Cuts \$30,600 in capital equipment in the District Attorney's Office	30,000	0	30,000			
Justice System	160,000	30,000	190,000	0	30,000	30,000
Library *						
1 Cut remainder of proposed North Interstate library branch budget.	105,823	0	105,823	3.00		
2 Cut \$100,000 from Professional Services for systemwide programs and special events.	100,000	0	100,000			
3 Reduce the Library's Book Budget	420,000	0	420,000			
4 Salary savings due to not filling open positions at Central Library for the remainder of the fiscal year and a cut of one FTE; reduction in new positions planned for the reopened Hollywood branch library.	331,758	135,281	467,039	2.50	241,000	241,000
5 Cut funding to the Corbett School District.	0	100,000	100,000		100,000	100,000
Library	957,581	235,281	1,192,862	5.5	341,000	341,000
* Specific reductions may change as			FY02-03 Budget is developed			
Alcohol and Drug Treatment			0			
1 Delay implementation of Drug Treatment Court for Individuals with Co-Occurring Disorders until 7/1/02	125,000		125,000			
2 Fund Mentorship Program w/DOC \$\$ rather than General Fund	150,000	0	150,000			
3 Eliminate Contracted Services with Unity for Project Oasis Housing for offenders with co-occurring disorders (substance abuse & mental health).		62,500	62,500		125,000	125,000
4 Reduce implicit GF subsidy for DUII Evaluation	0	100,000	100,000		200,000	200,000
Alcohol and Drug Treatment	275,000	162,500	437,500	0	325,000	325,000
Kids and Schools			0			
1 Reduce SUN School Funding	20,000	0	20,000			
Kids and Schools	20,000	0	20,000	0	0	0

Summary of Executive FY02 Budget Rebalancing Recommendation

Service Area/Proposed Action	2002			FTE	2003 Estimate	
	OTO	Ongoing	Total		low	high
Adult Education, Counseling, and Support			0			
1 Delay implementation of expanded offender housing (Beaver Hotel)	137,000		137,000	0.37		
2 Fund Transitional Employment services contract w/DOC \$\$ from 1/1-6/30		40,000	40,000		40,000	40,000
3 Fund contract for services to women w/histories of prostitution from DOC \$\$ for period of 1/1-6/30	0	100,000	100,000		200,000	200,000
Adult Education, Counseling, and Support	137,000	140,000	277,000	0.4	240,000	240,000
Teen Services and Supervision			0			
1 Delay full implementation of the Juvenile Treatment Foster Care Program	285,000	0	285,000			
2 Youth Employment Program		25,460	25,460		50,000	50,000
3 School-based Mental Health (Funds 1 FTE Anger Management Counselor at Open Meadow Alternative School)		10,000	10,000		20,000	20,000
4 Temporarily reduce Juvenile Court counselor positions until 7-1-01	97,500		97,500	3.00		
Teen Services and Supervision	382,500	35,460	417,960	3.0	70,000	70,000
Aging & Disability Services			0			
1 Cut integration services for 18-25 year olds with developmental disabilities		117,200	117,200		234,000	234,000
2 Reduce ADS professional services	30,000	0	30,000			
Aging & Disability Services	30,000	117,200	147,200	0	234,000	234,000
Health Services			0			
1 Close existing dental clinic site; redistribute staff to other sites. Move equipment to new East County facility; cut equipment budget.	175,000		175,000			
2 Increase revenues for Family Planning Enhancement Program; reduce GF in a corresponding amount	270,000	530,000	800,000			
3 Centralize client account processes; postpone facilities upgrades for JCAHCO standards; eliminate Saturday after hours clinic; personnel savings.	250,000		250,000	1.50		
Health Services	695,000	530,000	1,225,000	1.5	0	0
Sustainability			0			
1 Postpone Sustainability Program's Pollution Prevention position until 7/1/02	30,000	0	30,000	1.00		
Sustainability	30,000	0	30,000	1.0	0	0
Telecommunications			0			
1 Reduce number of phones, cell phones and pagers -- Telecom office survey resulted in reductions in all departments but two, effective 11/1/01 totaling \$23,648 FY 01-02 and \$35,474 FY 02-03/ongoing. Columns at right show estimated GF impact.		1,094	1,094		16,000	16,000
2 Reduce Telecom Fund capital balance -- resulting from deferred capitals projects	178,982	0	178,982			
Telecommunications	178,982	1,094	180,076	0	16,000	16,000
Flat Fee			0			
1 Reduce PC cost to \$1900 or \$2000/yr (effective next year)		0	0		114,000	228,000
Flat Fee	0	0	0	0	114,000	228,000

Summary of Executive FY02 Budget Rebalancing Recommendation

Service Area/Proposed Action	2002			FTE	2003 Estimate	
	OTO	Ongoing	Total		low	high
Facilities Management			0			
1 Suspend Asset Preservation for FY 2001	2,300,000		2,300,000			
2 Reduce custodial level of service from 5 to 3 days per week in general office space - bathrooms still 5 days		150,000	150,000		300,000	800,000
3 Reduce Building Management charges at monthballed MCCF (Sheriff) and CHJ		100,000	100,000		180,000	180,000
Facilities Management	2,300,000	250,000	2,550,000	0	480,000	980,000
Housing Program / Economic Development			0			
1 Cut Housing Program/Economic Development Support FTE	27,331	0	27,331	1.00		
Housing Program / Economic Development	27,331	0	27,331	1.0	0	0
Records / Distribution			0			
1 Shift Record .20FTE to mail Distribution		8,877	8,877			
2 One mail stop per day		0	0	0.00	50,000	50,000
Records / Distribution	0	8,877	8,877	0	50,000	50,000
Admin / Position Cuts			0			
1 Undersheriff vacancy	66,667		66,667			
Admin / Position Cuts	66,667	0	66,667	0	0	0
Communications			0			
1 Eliminate temporary employee for MINT publishing and development of DSS MINT content	0	12,000	12,000		24,000	24,000
Communications	0	12,000	12,000	0	24,000	24,000
Spending Control			0			
1 Reduce drugs line item in Pharmacy budget; hold 0.5 FTE vacant - Health	200,000		200,000			
Spending Control	200,000	0	200,000	0	0	0
Nondepartmental			0			
1 Discontinue payment to county school fund (State pays costs)	0	1,575,000	1,575,000		1,575,000	1,575,000
2 Discontinue funding of nond programs	0	0	0		650,000	650,000
Nondepartmental	0	1,575,000	1,575,000	0	2,225,000	2,225,000
Tap Dedicated Resources			0			
1 Shift partial funding for Sustainability Mgr to FM Fund for the balance of the year	27,688		27,688			
Tap Dedicated Resources	27,688	0	27,688	0	0	0
Purchasing Supplies and Services			0			
1 Mandate use of Central Stores for purchases of office supplies	0	70,000	70,000			
Purchasing Supplies and Services	0	70,000	70,000	0	0	0
Debt Payment			0			
1 Convert part of Capital Debt Fund Reserve into one payment.	1,100,000	0	1,100,000			
Debt Payment	1,100,000	0	1,100,000	0	0	0
Expenditure Reductions	7,007,749	3,868,544	10,876,293	33.1	6,066,093	7,573,093
Revenues Available						
Property Tax		1,775,893	1,775,893		1,775,893	1,775,893
Beginning Working Capital (GF)	2,000,000		2,000,000			
Federal Bed Rental Revenue	502,799		502,799			
Pay to Stay Fee Collection		951,544	951,544		951,544	951,544
SCAAP increase	424,643		424,643			
Indirect Cost from Jail Levy Fund		2,931,994	2,931,994		2,931,994	2,931,994
Jail Levy Fund Contingency	200,000		200,000			
Revenues	3,127,442	5,659,431	8,786,873		5,659,431	5,659,431
Total General Fund	10,135,191	9,527,975	19,663,166		11,725,524	13,232,524



Diane M. Linn, Multnomah County Chair

TO : Board of County Commissioners
DATE : November 20, 2001
RE : Office of Community School Partnerships

Background

Multnomah County, the Cities of Portland and Gresham, school districts in Multnomah County, non-profits serving children and youth, and the private sector (businesses, foundations, and individual donors) have longed enjoyed formal and informal relationships in their efforts to promote student success through education, services, volunteerism, philanthropy and advocacy.

Multiple initiatives from the jurisdictions have been started to address emerging crises, new research in best practices, shifts in funding, and changing political leadership. With tax limitations, competing bond and levy measures, declining business and personal income revenues, the time has come to more formally link and systematize the various efforts and strategies.

This paper will provide a foundation for the creation of the **Office of Community School Partnerships** as a vehicle to align the County's school-based and linked services.

Purpose

To manage, expand and align services and supports aimed at school aged children and youth, ages 5-18, in partnership with public schools, local and state governments, businesses, non-profit service providers, foundations and community members.

Goals

1. Children and youth succeed in their education.
2. Governments, school districts, community based organizations will cooperate to improve use of and access to current public facilities and services.
3. Schools and organizations working with children and young people value community, family and business involvement.

Benchmarks and Indicators

It is intended that these goals will be aligned with the key related benchmarks of Multnomah County, City of Portland, City of Gresham, School Districts, Leaders Roundtable, Schools Uniting Neighborhoods (SUN) Sponsor Group and other related entities and organizations.

Indicators will be aligned with current measurements already in use in measuring risk and asset factors in the healthy development of children and young people.

Structure and Roles

Over time, the Office of Community School Partnerships will become a multi-jurisdictional vehicle for school-based and school-linked partnerships, service delivery and alignment. Initially, it will be created as a non-departmental office and the Executive Director will report to Chief of Staff, John Rakowitz.

Key Roles and Strategies

The office will have six key strategies and roles to achieve its purpose and goals. They are:

1. Implementation of Standards and Best Practices
2. Expansion of proven programs and practices
3. Ensuring cultural competency in school-based and school-linked delivery
4. Implementation of Systems Alignment, Equity and Effectiveness across jurisdictions
5. Targeted Initiatives and Partnerships
6. Collaboration with other jurisdictions and districts on partnership efforts and initiatives

Initial Service Mix

As alignment of existing County services will be a key role of the Office, six key school-based and school-linked service delivery programs will be part of the Office. The service areas were chosen because they are school-based or school-linked, have a history of partnership with the districts and the community, and have similar overall goals. All were initiated separately from each other, so alignment with the goal of providing service in school-based and school-linked settings is appropriate.

Office of Community and School Partnerships Programs

As a commitment to the alignment of key school-linked services, the County will initially delegate the management of the following programs to the Office:

- Caring Communities
- Community and Family Service Centers
- Family Resource Centers (school and community-based)
- Schools Uniting Neighborhoods
- Student Retention and School Support Services
- Touchstone

The Office may manage other County, city, district and State services over time.

Relationship of this Office to other County departments and jurisdictions

Service Linkage

The Office of Community School Partnerships will require service linkage to school-based mental health services, alcohol and drug, school-based health clinics, and the Student Attendance Initiative. To support families who have students in school, but may also have children out of school (because they are younger, have dropped out, are in the juvenile system, etc.) and/or have parents who are served by the County, it will be important for there to be service linkage to other early childhood, adult and family support services currently delivered through several departments.

Policy Development, Planning and Evaluation

Policy and planning and staffing of the multi-jurisdictional board, will be provided by and as a part of CCFC as a part of their mission and relationship to this Office. Evaluation will be linked to the County's Evaluation and Research Unit.

Governance

Because our school partnerships involve other governments, a multi-jurisdictional board will support the Office of School Partnerships, staffed through the CCFC. The Multi-jurisdictional Board's membership will build upon the SUN Sponsor Group, including district, County, City, State and private sector representation. Elected Officials will be included, along with lay representation. The multi-jurisdictional board cannot bind any other jurisdiction to action, but multi-jurisdictional representatives will be expected to be champions for the policy initiatives, partnerships and alignment recommendations developed in the collaborative structure.

Over time, the CCFC and Office of Community School Partnerships may become a vehicle for aligning resources and the school-based services from several jurisdictions, secured by Intergovernmental Agreements with cities, districts, non-profits, foundations and other private entities, as appropriate. Initially, Multnomah County will be the managing partner. The role of the managing partner will be to manage and implement policy direction and decisions and manage direct services, through the Office of Community School Partnerships.

Initial Staffing and Budget

An Executive Director will lead the Office.[]Positions and programs will be budgeted out of existing resources. The estimated number of positions is 39.80. Approximately 30 positions are County employees who deliver services directly through Touchstone, school and community-based Family Resource Centers. Along with an Executive Director and Administrative Analyst, other positions manage the contracts for SUN, Caring Communities, Family and Community Service Centers, and Student Retention/Support Services, Of the estimated total budget of \$12,565,000, approximately \$11,530,000, or nearly 92%, is for direct or contracted services.

Policy and planning and staffing of the multi-jurisdictional board, will be provided by and as a part of CCFC as a part of their mission and relationship to this Office.

Deliverables

Office of Community School Partnerships

- Board of County Commissioners Resolution (November-December 2001)
- Development and approval of Alignment Workplan specifically related to the school services study and strategic plan as developed and updated by the CCFC (multi-jurisdictional board) and Board of County Commissioners and other elected bodies as appropriate (plan development and approval - year one, implementation - ongoing)
- Intergovernmental Agreements initiated, in conjunction with CCFC, with City of Portland (January – June 2002)
- Participation with CCFC (or its subcommittee) as ongoing leadership for school aged youth (years one and possibly ongoing)
- Specific Alignment and Partnership Activities
 - i. Implementation of the school aged services study (year one)
 - ii. Development of cluster model of service
 - iii. Delivery/Expansion of the SUN model (years one through three)
 - iv. Development, approval and implementation of three year plan, with annual progress, to address equity of distribution of services, in conjunction with other Multnomah County, City of Gresham, City of Portland, Districts in Multnomah County (plan – year one, implementation – years one to three)
 - v. Rollout of alignment plan in phases (examples follow) (years one through three)
 - 1. SUN, Family Resource Centers (FRC), Family Centers, Caring Communities, Touchstone, Student Support and Retention Services
 - 2. Other programs as appropriate across jurisdictions
 - vi. Annual Report to Policy Boards (CCFC/MJB, Board of County Commissioners, City Councils, School Districts)

If you have questions, or need clarification, please do not hesitate to contact my Chief of Staff, Office of Multnomah County Chair, John Rakowitz at 503 988 3308; john.a.Rakowitz@co.multnomah.or.us or Kathy Turner, Director of Commission on Children and Families at 503 988 3897; kathy.g.turner@co.multnomah.or.us.



Citizen Involvement Committee
MULTNOMAH COUNTY OREGON

2115 SE Morrison, Room 206
Portland, Oregon 97214
(503) 988-3450 phone
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November 15, 2001

To: Chair Diane Linn
Commissioner Maria Rojo de Steffey
Commissioner Serena Cruz
Commissioner Lisa Naito
Commissioner Lonnie Roberts

From: M'Lou Christ, Chair
Central Citizen Budget Advisory Committee

Re: Central CBAC 01/02 Rebalance Budget Report

In the past month the Central Citizen Budget Advisory Committee (CCBAC) and the individual Citizen Budget Advisory Committees have worked diligently to complete their tasks of reviewing budget reduction strategies and providing citizen recommendations. The work and effort put forth with such a short timeline displays the commitment these citizen volunteers bring to this review process.

The members of the Central CBAC wish to commend the County Chair, the County Commissioners, and the Core Budget Group for looking for and finding functional areas to cut rather than requesting across the board percentage cuts from departments. We also commend the group for continuing to support programs for children and the elderly as well as the disabled with the important services of physical and mental health and other programs which receive federal and state funds. We know it has not been easy to balance the budget and meet core County goals while maintaining as many County functions, programs, and employees as possible. We appreciate the fact that tough choices were made. We support your priorities! We also strongly support this plan since it seems to keep the loss of jobs to the lowest practical level. This is important since there is a lot of needed experience in place and the County has not totally implemented their plan of succession for the future.

We also commend Dave Warren and his budget team for working so hard to identify possible savings. The CCBAC appreciates all of the time he spent with our group. The County budget review staff should be recognized for their diligent work

We are in agreement with the Draft Strategy for Rebalancing the FY02 Budget as reviewed on November 14th, with those exceptions described below:

- **Facilities:** It is correct to mothball the Multnomah County Correctional Facility in Troutdale. When more jail space comes on line, this facility should be sold. We recognize that East County does need a booking facility and recommend that the County look for a vacant building to use for this purpose. We further recommend that the County should be aggressive in selling other

properties slated for disposal such as the Hansen Building. Transition from leased space into County-owned space should also be pursued.

- **Libraries:** The Central CBAC is distressed that the Library's book budget is being reduced even as the first new library branches in 30 years are coming into the system to serve long-underserved areas of the County. As the economy worsens, we are also concerned about children and families, businesses, and persons seeking jobs or education losing useful programs and possibly even access. Services offered by the Library are important because they are of high quality, available to all, and generally free. Knowledge of this is always critical, but especially at a time when the Library will need to go to the voters again next year to ask for approval of a new, probably larger levy. Any County program lucky enough to be supported by voters needs to keep faith with the taxpayers.

As we look toward the next budget cycle, the Central CBAC feels that this would be a good time to begin the discussion about what the County is required to provide. For example, does it make more sense for another jurisdiction to maintain the bridges or fund housing programs? If the downturn in the economy continues for several years these are questions that need to be answered. Therefore, we encourage the County to take the leadership in trying to get all levels of government to work together to find ways to restructure functions and responsibilities. The County should also continue to leverage what funds we have left and look for creative ways to generate new monies.

Finally, we truly welcomed the opportunity to participate and provide our recommendations through this rebalancing process. We thank the department representatives and the Citizen Involvement staff whose time, efforts, and enthusiasm contributed greatly to our participation in a successful budget process for the citizens of Multnomah County.

Central Citizens Budget Advisory Committee

M'Lou Christ, Chair, Central CBAC
Douglas G. Montgomery, Ph.D., Department of Community & Family Services
CBAC & Commission on Children, Families, and Community CBAC
Susan Oliver, Department of Community & Family Services CBAC
Anne L. Potter, Ph.D., Department of Health Services CBAC
Bill Hancock, Department of Health Services CBAC
Jim Lasher, Sheriff's Office CBAC
Dick Wegner, District Attorney's CBAC
Susan Hathaway-Marxer, Library CBAC
Mark Jones, Department of Juvenile & Adult Community Justice CBAC
John Mulvey, Non-Departmental CBAC
Tom Doyle, Department of Sustainable Community Development CBAC
Tim Farley, Department of Sustainable Community Development CBAC
Shannon Shoul, Department of Support Services CBAC
Donald Dumont, Department of Support Services CBAC
Fran Landfair, Department of Aging & Disability Services CBAC
Laura Woodruff, Department of Aging & Disability Services CBAC
Kathleen Todd, Citizen Involvement Committee Staff

BOGSTAD Deborah L

From: LINN Diane M
Sent: Tuesday, November 20, 2001 3:05 PM
To: #MULTNOMAH COUNTY ALL EMPLOYEES
Subject: Budget Update - November 20, 2001

I wanted to share with all of you my budget rebalance proposal, which I presented to the Board this morning. I am extremely proud of this executive budget amendment and am enormously appreciative of the diligence, thoughtfulness and long hours spent by all County elected officials, employees, and the community on putting together a package that keeps the County whole and maintains our essential services.

I have attached a copy of my Rebalancing Strategy for your review. My budget message and additional details will be made available on the MINT's budget website by the end of the day. You'll notice that there are minimal employee impacts as a result of the proposed reductions. Approximately 33 positions (FTE) will be effected - most positions are currently vacant. This is a relief for now considering our \$22 million hole and 5,000 total employees.

The Budget Team was able to fill the \$22 million hole with \$11 million of unanticipated revenue - bringing us halfway to our goal - *before* looking at efficiencies and reductions. My executive budget amendment includes \$4.5 million in administrative cuts in different areas in the County. We've also been able to save some money by temporarily mothballing the Correctional Facility in Troutdale, trimming the Library budget and increasing revenues in the Health Department.

There are a number of one-time savings made possible by delaying implementation of particular programs. This in no way should be taken to mean an abandonment of future support for these programs. The Board has made a clear commitment to support the move toward more drug and alcohol treatment in particular.

No cuts to our mental health system and human services are included in this budget proposal. Health and Human Services are fundamental to what we do here. We are often the only means of support for our most vulnerable residents and I have proposed no reductions that would affect existing programs that many people depend on to live, grow and thrive.

The County's budget balancing process cannot end in January 2002. We receive 30% of our total budget from the state of Oregon - who are currently experiencing a shortfall of upwards of \$300 million - perhaps more. We may not escape harm from the results of special session and state General Fund budget cuts, but I believe we've poured the concrete for our financial foundation during this budget process, which may mitigate potential repercussions from state cuts.

In these new and rapidly shifting times, we must look at our organizational structure and the efficiency of our business operations. After looking at departmental functions structurally and functionally, I have recommended the merger of our Department of Support Services and Department of Sustainable and Community Development *and* the merger of the County's Aging and Disability Services with the Department of Community and Family Services. I believe these moves will save on administrative costs and be able to significantly reduce our overhead.

11/20/2001

The restructuring of our departments and programs will continue into next year and go through a formal process for approval of the Board.

Things will begin to look a little different at the County and for a time there will be confusion around management and structural changes. I know that change is unsettling and difficult, but I have complete confidence that we can all get through it and transition into a stronger, more united organization as a result

The Board is scheduled to give final approval of the budget rebalance package on Thursday, November 27, 2001. I will keep you updated on any developments between now and then, but I believe we're 98% of the way through the rebalance process and no further significant changes will occur.

There were so many valuable ideas, suggestions and comments shared during our meetings, through the MINT and direct communication with the Board. For those who attended the budget meetings for department employees, I want to thank you for sharing your thoughts and questions with me and taking time out of your day to participate. I cannot thank you all enough for your contributions and support throughout the process.

Diane Linn
Chair