

## Attachment C - FY 2010 Budget Notes

Adopted June 4, 2009

### Full Faith and Credit Debt Issuance (Kafoury)

The FY 2010 Budget contains a placeholder appropriation of up to \$24.6 million for a Full Faith and Credit bond. Bonds will only be issued with Board approval of the amount and list of projects to be funded. This budget note delineates the process.

Five million is incorporated into the FF&C issue to finance the new Assessment & Taxation system. By adoption of the budget, the bonds for this project are already approved and are not part of the process outlined below. Combining the financing of this system with the FF&C for capital projects will save costs associated with the issuance of debt.

1. Facilities and Information Technology will identify a complete list of essential capital projects and identify any funding alternatives such as federal stimulus capacity for those projects.
2. The complete project lists will be vetted through two subcommittees of the Operations Council:
  - Facilities and Property Management Subcommittee
  - Information Technology Advisory BoardBoard Staff will be invited to participate on each group for this process.
3. The subcommittees will:
  - Develop the rating, ranking, and “essential for 2010” criteria
  - Review, analyze, and vet the project lists
  - Rank projects in priority order
  - Deliver a recommendation to the Board at a public work session by August 31, 2009 (or after the State budget is final) that includes the complete project lists ranked, proposed amount of the bond and project list.
4. At the same public work session, the Chief Financial Officer will present a detailed schedule of annual debt payments and anticipated revenue for the full seven years of the bond.
5. This debt will only be issued with Board approval of the amount and project list.

### Bridges to Housing (Kafoury)

Bridges to Housing currently serves 125 families at an annual cost of \$770,000. The Board’s intention is to maintain Bridges to Housing at its current capacity. Program offer 25114A allocates general funds for 40 families in FY 2010. Private funds raised by Neighborhood Partnership Fund will fund the remaining 85 families in this fiscal year. Bridges to Housing and Neighborhood Partnership Fund staff will report back to the Board in January 2010 with an update of fundraising activities so that there is a clear understanding of what it will take to maintain these services in FY 2011. By allocating general fund dollars,

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the Board reaffirms the county's commitment to serving homeless families as our part in the Ten Year Plan to End Homelessness.

### State Funding – Rebalance Process (Wheeler)

At the time of the adoption of the County budget, the State had not completed its budget deliberations. Major reductions/revenue increases were being discussed that would impact the County's ability to deliver a variety of services including mental health, alcohol and drug, dental, health, community corrections, and transportation services.

In some cases, the possible reductions would impact the ability of a system that is partially funded by state funds and partially funded by County General Funds to continue to deliver quality services. The timing of the reductions may well necessitate a second round of employee layoffs and bumping. In some cases, the ability of the state and county to continue to deliver services may depend upon revenue decisions placed on future ballots.

For these reasons, the County Board may want to reconsider the tradeoffs that have been made in the FY 2010 County budget. The lack of time to deliberate on these tradeoffs may cause the County Board to want to consider funding some of the state cuts with one time only funds in order to allow a more thoughtful approach to these policy, program and personnel decisions.

As soon as the state completes its FY 09-11 budget, the Chair will convene work sessions with the Board to discuss the impact of the State's budget on the County's ability to deliver services. At the same time, the Chair will bring options to the Board concerning where he would suggest appropriating one time only funds depending on the Board's deliberations.

### Evidence-Based Sentencing Initiatives (Shiprack)

Data-driven reforms in sentencing are being developed around the nation that protect public safety, hold offenders accountable, and reduce corrections costs.

The co-chairs of Oregon's Ways and Means committee reference nearly 78 million in line-item savings in their May 18, 2009 recommended budget due to changes in sentencing and other changes to reduce the need for prison beds. Their budget note references strategic cuts and investments at different points of entry, incarceration, and post-incarceration to realize short term and long term savings between \$75 to 100 million.

In a study published in May, 2009, the Pew Center's Public Safety Performance Project recommends 10 Evidence-Based sentencing

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initiatives to control crime and reduce costs.

In Multnomah County, sentencing recommendations are made by the District Attorney's office. The Board of County Commissioners asks the District Attorney to 1.) track the legislative workgroup's progress 2.) review the ten evidence-based sentencing strategies from Pew's Public Safety Performance Project and 3.) brief the Board at a public meeting no later than mid-September 2009 on their review and implementation of these sentencing strategies.

### **FY 2011 Budget Process (Shiprack)**

The Board seeks a transparent and inclusive budget process for FY 2011. By September 15, 2009, the Board will debrief the County's FY 2010 budget process in a worksession. At this worksession, the Board expects to review options for strengthening the current process, including recommended best practices for budgeting.

The options should include recommendations that:

- Focus limited resources to provide quality services to residents.
- Deliver government services more efficiently and effectively.
- Create a budget that funds County core services in a way that supports the Board's values.
- Reflect neutral principles of good government and financial management.
- Leverage scarce resources.

### **Library Materials Management Project (McKeel)**

After the State rebalance process, it is the intent of the Board of County Commissioners to revisit the Materials Management project to determine if half of the project cost (\$800,000) can be funded with one-time-only funding instead of financing 100% of the project.