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Executive Budget Message

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Presented by Chair Beverly Stein

Introduction

The passage of Measure 47 posed a major challenge for the county this year. I am pleased to report that county managers and workers have met this challenge with creativity, ingenuity and sensitivity. While mourning the necessity to reduce services and dismantle systems which have taken years to build, they have found opportunities to reduce administrative costs, to improve services, to leverage resources, to find new partners, and to implement the most promising practices gleaned from the best research.

This approach is consistent with our vision for quality service. We are committed to providing excellent, quality, customer-focused service which is a good value for the tax dollar. We are also committed to Multnomah County being a good place to work. This has not changed with Measure 47. My budget instructions to departments asked them not to "thin the soup", recognizing that whatever we continue to do needs to be done well. Measure 47 or Measure 50 will cap property tax growth at 3% which means we will not grow out of this problem and when inflation exceeds 3% we will lose more services.

Even with restricted resources in this budget I have also tried to keep faith with the mission the Board and department managers adopted last September. Our mission is very basic: every person should have an increasing sense of personal opportunity and success and every person should have an increasing sense of safety and security.

We are fortunate to have engaged in some planning efforts in recent years which are assisting us in making the service reductions due to Measure 47 in a responsible manner. Specifically, we have the benefit of the Strategic Plan for Information Technology, the Long Range Facilities Plan, the Commission on Children and Families strategic plan and the planning activities of the Local Public Safety Council. County employees have been learning about responding to change, improving systems and increasing productivity through our RESULTS initiative. These have all helped us in meeting the challenge of Measure 47.

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Financial Assumptions and Legislative Actions

We had to make a number of assumptions in order to build this budget. The financial picture still remains cloudy because of large questions regarding the implementation of Measure 47 or Measure 50.

We are assuming that the property taxes in the General Fund and levy funds will be cut \$32.8 million by Measure 47 (without Measure 50). The 1996-97 expenditures in these funds totaled \$243.4 million. The 1997-98 budget is \$230.3 million – an absolute dollar reduction of \$13 million. If we compare what the planned services for 1997-98 would cost (including expanded public safety and library programs), the reduction is \$26.5 million.

The legislature could take actions in the next few months which would assist the county and other local governments to respond to Measure 47 cuts:

- ◆ vote by mail for all elections would save us \$750,000 over the biennium in elections costs;
- ◆ county costs of collecting school property taxes could be paid by the state as part of education funding;
- ◆ state funding for “safety net clinics” would help us leverage funds to maintain our primary health care clinics.

This budget went to press before we knew what the impact of Measure 50 would be on the county. Our current estimates are that Measure 50 would increase our revenues by approximately \$5.5 million. If it passes and we receive additional funds I will recommend restoration of:

- ◆ additional library hours at Central Library and in some branches;
- ◆ health services at neighborhood sites, in school based clinics and in primary care clinics;
- ◆ meals and transportation for low income elderly;
- ◆ programs to assist single mothers climb out of poverty;
- ◆ residential mental health services to adults;
- ◆ senior center services and intergenerational projects;
- ◆ Deputy District Attorneys to prosecute felonies and assist civil commitments and victims;
- ◆ community action programs to reduce poverty;
- ◆ groupworkers and mental health assistance for juveniles in custody;
- ◆ juvenile prevention and intervention services;
- ◆ alcohol and drug services and graduated sanctions for juveniles;
- ◆ transition services for women offenders;
- ◆ reducing deferred maintenance on county facilities;
- ◆ improving our information services system.

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Response To Citizen Input

We conducted 10 community meetings early in this budget process to get citizen suggestions for services to target for the cuts required by Measure 47. The three top ranked areas were:

- ◆ public safety-specifically not building or waiting to build the new jail;
- ◆ environmental services including elections, assessment and taxation, and animal control;
- ◆ consolidation and elimination of service duplications as ways to reduce costs and improve services.

In response to this:

- ◆ this budget postpones operating the new jail but allocates money for double bunking 200 beds in existing jails (pending approval by the Board and Federal Court) and adding an additional 90 beds for county inmates at the Inverness jail;
- ◆ this budget proposes greatly reduced funding for assessment and taxation. The ongoing General Fund support is cut back \$2.8 million and 52 positions, mostly in the appraisal program. This cut becomes effective in October after the 1997 tax bill is out. If Measure 50 passes we will save an additional \$900,000 in assessment and taxation costs;
- ◆ proposes a one year phase out of general fund support for animal control to allow time to develop a partnership with the Humane Society, gain voter approved user fee increases, and receive ongoing contributions to a foundation from the pet food industry;
- ◆ Mayor Vera Katz and I have initiated discussions with elected officials regarding consolidation of cities and the county and are actively pursuing with them a variety of functional consolidations or new ways to cooperate in shared work.

Our Department Citizen Budget Advisory Committees have reviewed the budget submissions and identified the following areas as issues:

- ◆ Lack of stable funding and sufficient capital investment in county facilities;
- ◆ Need for location and co-location of services in neighborhoods to improve services, and to increased understanding and support of county programs;
- ◆ Need for emphasis on wider partnerships and collaborations to increase service levels.

This budget replaces the money for infrastructure which was taken out last year for our contribution to schools. We still have large liabilities regarding our facilities maintenance and renovation.

New efforts to co-locate programs in the county include One Stops for workforce development, Whitaker School program for health and truancy reduction programs, and a new school based health clinic.

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The advocacy for locating programs in the community and the emphasis on partnerships is consistent with the community building initiative described below and I welcome the help of the citizens on our CBACs in advancing that initiative.

Measure 47 Reductions

The big losers under Measure 47 are services which are greatly dependent on the county's general fund dollars and don't have special public safety preference under Measure 47. This means that the cuts fall disproportionately on health care and libraries. Here is a sampling of just a few of the budget cuts:

In the Health Department:

- ◆ East County and North Portland health clinics will close, eliminating clinic capacity for about 10,000 uninsured clients due to a \$4 million budget cut. We are continuing to work with other health care partners and the State to address this issue and I have included \$1.3 million in my budget as a County contribution to a potential public/private partnership;
- ◆ Eliminating \$700,000 in General Fund support for the Women's Infants and Children's nutrition (WIC) program;
- ◆ Reducing staff by 7.5 FTE in the Sexually Transmitted Disease and HIV Clinics for a cut of \$440,000.

In the Library:

- ◆ Cutting hours at eight library branches to 19 per week, cutting 31 FTE, saving \$1.2 million;
- ◆ Cutting hours at Central Library to 38.5 per week, cutting 10 FTE, saving \$500,000.

Plus:

- ◆ Cutting 52 positions in Assessment and Taxation to save \$2.5 million;
- ◆ Not opening a new jail, saving \$3 million;
- ◆ Not opening a new Alcohol and Drug facility saving \$1 million;
- ◆ Reducing the felony trial unit in the DA's Office saving \$286,000;
- ◆ Ending the Safety Action Team program saving \$230,000;
- ◆ Cutting the Budget and Quality Office by 3 positions saving \$230,000;
- ◆ Cutting 3 positions from Animal Control saving \$200,000.

And there are many, many more

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Public Safety and Library Levies

The allocation formula still pending in the Legislature causes the property taxes paid by individuals to be distributed to taxing districts based on those districts' 1997-98 levies. Because the Public Safety Levy, in particular, is so much higher than it was in 1995-96, the Measure 47 base year, the County will collect a larger share of the property taxes than we did in 1995-96 minus ten percent.

While this is helpful, the proposed budget uses this levy to pay only for items which were described in the public safety levy campaign. However, we could legally use the \$2.1 million of unallocated Public Safety Levy Fund revenue for other public safety programs which could free up general funds for other uses. This will be a Board decision during our budget deliberations.

Library and public safety program advocates have approached the County with proposals to initiate levies outside the Measure 47 or Measure 50 limits in 1998. Some of the ways the proposed budget allocates one-time-only money are based on the assumption that such levies will be proposed and will be approved.

Use of One Time Only Resources

Immediately upon the passage of Measure 47 we made reductions in services and monitored new hires closely in order to build up a one time only fund to help with transition to a lower budget. This proved to be a worthwhile strategy. We will be using one time only money from the general fund and the jail levy to fund:

- ◆ animal control;
- ◆ corrections officers at Inverness Jail and on work crews;
- ◆ providing bridge funding at Central Library and for library phone response to citizens;
- ◆ continuing Assessment and Taxation staff in full operation until the fall to get out the 1997 tax bill and developing a new computer system to respond to the numerous changes in the law.

Impact on Workforce

Ballot Measure 47 will cut approximately 232 positions from the county workforce this year. Sixty-eight more positions are funded on a one time only basis. The reductions are largest in Health with 120 positions, the Library with 86 positions and the Department of Environmental Services (DES) with 68 positions.

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Unrelated to Ballot Measure 47, the State of Oregon is transferring various responsibilities to the County which will increase workforce in those areas. The Sheriff, the Department of Juvenile and Adult Community Justice and Corrections Health have added a total of 90 employees with state funds to implement SB 1145. The Department of Aging Services will add 136 employees due to the transfer of Disabled Services from the state to the county.

Meeting Our County Long Term Benchmarks

The Board of County Commissioners adopted a vision and three long term benchmarks in September 1996. We believe that making progress on these benchmarks is essential for reaching our vision. These benchmarks are:

- ◆ Reducing the number of children in poverty;
- ◆ Increasing the number of young people who graduate from high school prepared for their roles as citizens, workers and parents;
- ◆ Reducing crime.

Regardless of the constraints of Measure 47 this budget attempts to make modest and determined efforts towards these goals, recognizing that significant progress can only be achieved through increased collaboration, creative leveraging of resources, and the willingness to change how we work.

Reducing Children in Poverty

Reducing the number of children in poverty is clearly linked to job opportunities and family wages for parents. Currently the City of Portland, Washington County and Multnomah County are creating a new Workforce Development Board to address the needs of the emerging, transitional and current workforce.

We have recently completed an assessment of the county's role in workforce and found that the Strategic Investment Program is a cutting edge example of what works in connecting poor people to jobs. We are now ready to help make the links between our social services and workforce efforts.

If we have additional restorations, I would urge the Board to start a program recommended by the Community Action Commission to help single mothers to get and hold stable jobs that will begin their path out of poverty.

Increasing High School Graduation Rate

Increasing high school graduation can be assisted by family support efforts and social services linked to the schools. While the County is not in a position to repeat its 1995-6 \$10,000,000 one time only contribution to county schools, I am proposing that we continue to fund a number of initiatives that we assumed from schools last year - including school based alcohol and drug services, anti-violence programs, and early screening and referral services for children with disabilities. In addition, we will

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continue our work in school based health clinics and propose to use additional revenue from health plan reimbursements to open a new clinic.

I am proposing modest increases in existing community based school retention efforts by opening a Family Resource Center at Whitaker School, providing assistance to the families of elementary and middle school Hispanic youth, and expanding the very successful Self Enhancement, Inc. Through the Health Department, I am providing additional community health nurses to assist clients through the Caring Communities and Family Resource Centers.

Reducing Crime

Crime is decreasing in our community and we need to make sure it continues to decline while we improve people's sense of safety. Juvenile crime is a problem which needs special attention, especially violent juvenile crime. The Local Public Safety Council and the Multnomah Commission on Children and Families have jointly designed a plan for fighting juvenile crime with sanctions, services and prevention measures.

This budget includes a three pronged effort:

- ◆ Prevention and early intervention: A combination of mentoring, anti-truancy efforts, parent training and after school activities designed to help youth at risk. Other programs will focus on youth accountability and staying in school.
- ◆ Early intervention: In cooperation with the Portland Public School District and North Portland Youth Service Center, we have developed two truancy reduction pilots. The focus is on truancy follow up, mentoring, and family services.
- ◆ Sanctions: The system of sanctions for youth on probation will include increased community service, victim restitution and a combined day reporting center and school for youth released from detention.

Using the latest research about what works to reduce recidivism, the Department of Juvenile and Adult Community Justice has designed a new system of supervision which targets resources to those who pose the greatest danger to the public. Sanctions are also being designed to be swift and sure to increase accountability. As part of this system, caseloads will be a more manageable size for probation officers and sanctions and resources will be available for those offenders who pose the greatest continuing danger to our community.

For adult offenders, Sheriff Dan Noelle has proposed a plan to reduce matrix releases, better expedite the booking process and to provide for better assessment and classification of inmates as they arrive in the jail. This increases safety and reduces the cost of transportation. The plan calls for adding more beds to the Justice Center Jail by double bunking. These beds will increase the capacity of the system and reduce matrix releases. This will allow inmates to be properly assessed prior to their movement in the system and gets them out of booking more quickly thus reducing the amount of time law enforcement officers spend waiting to book offenders. At the Sheriff's recommendation,

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we are also funding the Gresham Holding Facility. The funds are available because of the extra money in the levy.

Community Building Initiative

Progress in achieving our benchmark outcomes is dependent on our ability to leverage community, individual and family resources. A healthy community has good schools, well maintained physical infrastructure, affordable housing, social supports and opportunities for citizen involvement.

We have recently started working on a Community Building Initiative with the City of Portland and other partners. It is intended to be a comprehensive way of creating healthy communities and strong families by recognizing the need to connect our investments in human capital, physical capital and social capital at the neighborhood and community level.

Human capital investments are the things that we do to help people maximize their strengths and overcome problems through our social services and schools. Physical capital includes housing and other civic facilities. Social capital is about the relationships we have with each other and the ways we work together in congregations, community based organizations and other volunteer efforts. Combining these efforts at the local level has the potential of increased satisfaction with government, better service and stronger more resilient communities.

Citizen Assistance

Citizens can assist the County in several ways to help us through this financial crisis:

- ◆ approve user fee increases which I hope the Board will propose to voters in November, 1998;
- ◆ volunteer at a local branch library so we may continue Saturday services throughout the community;
- ◆ volunteer to help a child in school or become a Big Brother or Big Sister through a Family Center or get involved in other community activities;
- ◆ advocate for statewide tax reform so that our community can meet its shared goals for our children, our safety, and our future.

Conclusion

I want to thank the department directors and department staff for their cooperation in developing this budget. The stress of Measure 47 could have resulted in internal competition and distrust. It did not. Our management team held together and worked together to make sure this was a fair budget for all.

I also want to thank Vickie Gates, Dave Warren, the budget staff, and Bill Farver for their excellent work in trying times. Their dedication and skills made this budget one I am proud to present to you.