

Summaries

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Reader's Guide

Narrative Document

The Adopted Budget document for Multnomah County consists of two (2) separate volumes structured as summarized below.

Volume 1 – Narrative Document

Chair's Budget Message – This section presents Chair Diane Linn's budget message to citizens, highlighting major issues, changes in County services, policies and budget decisions for FY '03.

Summaries – This section includes the Budget Manager's Message, providing an introduction to the budget, explaining the major issues affect budget decisions, and offering a summary of resources and requirements.

Service Area Groups – The budget and operations of the County are structured around the following service areas: Public Safety (Sheriff's Office, District Attorney, and Community Justice); Health and Human Services (Health Department, Office of School and Community Partnerships, and the Department of County Human Services) and General Government (Library, Non-Departmental, and Business and Community Services).

Department Budgets – Within in the Service Area Groups are the Department-specific budgets. These sections include:

- *Table of Contents*
- *Department Services, a description of each department and what it does*
- *How the Department Delivers Its Services*
- *Department Organization*
- *Budget Issues and Highlights, a review of some of the revenue and expenditure concerns affecting the department this year*
- *The FY '03 Budget, with budget trends, costs by division, and staffing by division*
- *Division Description: the purpose, responsibilities, and services of each division within a department*
- *Action Plans for what the division expects to accomplish during the coming fiscal year*
- *Significant Budget Changes for each division, detailing its efforts at streamlining processes and implementing shared services*
- *Budget Trends, a table showing how the division allocates resources by major category (Personal Services, Contractual Services, Materials and Supplies, and Capital Outlay)*
- *Program Narrative: descriptions of each program in the division, with FY '02 and 2003 staffing summaries*

Capital Budget – This section includes an introduction to the County's Capital Improvement Plans and explains the decision process for funding both capital projects and projects within funds such as Asset Preservation or Transportation.

Financial & Budget Policies – This is a summary of the financial policies of the County. It explains the background for the policies and has a statement of the policy directions approved by the Board of County Commissioners.

Appendices – Appendices include economic and demographic information as

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well as information on Multnomah County's governance structure. This information will help the reader understand the environment in which decisions are reached. The section also includes information on the basis for accounting (which details funds and their uses), a glossary, the detail of service reimbursement between funds, and the detail of cash transfers.

Detail Document *Volume 2 – Detail Document*

This document displays the object code information for each major division in the County, the individual personnel information for those divisions, and a financial summary with revenue information for each income source as well as summaries of revenues and expenditures in each fund maintained in the accounting. Also included is a Financial Summary Section which provides a categorical review of expenditure and revenues by Fund by Department.

Other Financial Information *Where to Find Other Financial Information*

Consolidated Annual Financial Report – reports actual revenues and expenditures of the County for the last completed fiscal year, discusses financial policies, and provides demographic and economic information about the region. The CAFR, required by state statute, is prepared in accordance with GAAP. It reconciles differences between the budgetary basis – as presented in the annual Adopted Budget – and the modified accrual method used for the CAFR.

Tax Supervising and Conservation Commission Annual Report – discusses the property tax system and taxing levels for all governments in Multnomah County, and summarizes budgets and actual revenues and expenditures for all governments in Multnomah County.

County Auditor's Financial Trends Report – discusses the performance of the County and the region according to guidelines chosen by the International City Managers' Association.

The Progress Board Benchmarks Web Site – contains data and graphic information about benchmarks obtained through surveys and other analysis: www.p-m-benchmarks.org.

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Budget Manager's Message

Introduction

The financial context for Multnomah County's FY '03 Adopted Budget was set last year with the economic downturn starting in the first six months of the 2001 and accelerated by the tragic events of September 2001. In September, the County realized that Business Income Tax (BIT) revenue was significantly impacted by the downturn. Receipts for FY '01 were \$14 million below budget, requiring the use of \$10 million of reserves at year end. Based on these results, it was clear that estimates for FY '02 were no longer appropriate. Involving the entire organization as well as its community stakeholders, the Chair initiated a process that resulted in a budget reduction of \$11.9 million. This enabled the County to end the FY '02 with a positive cash balance and to add over \$4 million back to reserves. During this process the Board reconfirmed its commitment to its strategic benchmarks, heard testimony from citizens and community groups, and balanced the budget while preserving the services that are most essential to county citizens.

The process for the FY '03 Adopted Budget began in January 2002, shortly after the conclusion of the rebalancing process. The General Fund Five-Year Forecast was updated, using the most recent revenue estimates and the results of the Mid-Year Rebalancing process. The Forecast showed that while progress had been made, there was still a gap of almost \$11 million to close in order to present a balanced FY '03 budget proposal. In addition, the Board's financial policies set a General Fund reserve target of 5% of current revenue. Reaching this goal increased the target by another \$5.9 million.

In addition to the challenges presented by the County's own revenue streams, in February the State of Oregon embarked on a process to rebalance its own budget based on revised estimates of income tax revenue. The County receives approximately 30% of its total revenue from State sources. Programs in every department were at risk. Decisions were not reached until early March and there are still outstanding challenges to the Governor's plan. This budget incorporates known reductions to State funded programs.

Executive Direction

The Chair's direction to departments was based on achieving a \$16.7 million reduction in order to create a sustainable service system and to fully fund General Fund reserves. With the exception of the Library, all General Fund departments were instructed to prepare budgets with 5.4% less in General Fund support than necessary to sustain their current service levels. While the reduction targets were spread across the organization, the Chair instructed the departments not to mechanically make across-the-board reductions. Using information and discussions from the mid-year rebalancing process, the Chair requested that departments prioritize their reductions to preserve core County service systems and programs serving the most vulnerable.

The Chair's instructions to departments included:

- Utilize realistic revenue projections and minimize the use of one-time-only solutions in order to create a sustainable service delivery system.
- Examine programs and services against the County's core mission. Give

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- priority to services that support the core mission.
- Minimize the negative impact of service delivery cuts to citizens.
- Communicate the impact of cuts on measured outputs and outcomes.
- Identify, communicate, and minimize cross-departmental impacts.
- Avoid across-the-board cuts.
- Avoid cuts that reduce revenues.
- Consider the effect of budget decisions on County workforce:
 - Morale
 - Safety
 - Retention/recruitment/workforce development.
- Provide funding for two new initiatives – Emergency Preparedness and Diversity

In addition to the Chair's specific instructions for the FY '03 budget, the County is guided by many sources, including Oregon Budget Law, the Board's Strategic Benchmarks, department strategic plans, and other adopted plans and policies such as the adopted Financial Policies and capital plans.

Other Policy Direction for the FY 2003 Budget

Service Priorities from Mid-Year Rebalance and FY '03

The Board held numerous work sessions and three public hearings in the process of rebalancing the FY '02 budget. To begin the process, the Board held a retreat in which it discussed priorities for balancing the budget. The commissioners agreed that the County's service system needed to be sustainable within available revenues, to provide for prudent reserves, and to maximize outside sources of revenue. When considering large budget reductions, they agreed that it was most important to consider the following:

- **Services to the Vulnerable Poor** – The County's Health and Human Services programs should focus on services to our most vulnerable citizens, including children, the elderly, the disabled, and homeless adults. Services should be available in culturally specific modes.
- **Systems of Care** – The integrated nature of the County's service systems should be maintained. A range of services should be provided, and gaps in the service continuum should be avoided.
- **Unintended Consequences** – Reductions should be chosen that avoid negative impacts on partners, on other County services, and on one geographic area to a greater degree than others.
- **Organizational Capacity** – The County should retain the ability to make data-driven decisions and to build its cultural competencies.

Oregon Local Budget Law

This budget is also governed by Oregon Local Budget law (ORS Chapter 294), which requires local governments to adopt balanced annual budgets by June 30 for the next fiscal year and prescribes a process for citizen participation in the review of the budget proposals, including the holding of public hearings, notice

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requirements, and taxation requirements and limits. Multnomah County works hard to ensure compliance with all aspects of Oregon's laws. Oregon Budget Law was changed in the last legislative session, and HB 2022 now permits the use of biennial budgets. The County will be exploring the possibility of preparing a two-year budget in the future.

For much of the past year, Oregon has been experiencing a recession. The Northwest has been hurt more than the rest of the nation because the downturn has hit hardest in the high tech and telecommunications industries, the same areas of the local economy that experienced the fastest growth during the 90's.

Economic Assumptions

Economists predict that the regional economy will improve slowly during the coming year. Forecasts call for the economy to revive in the second half of this year as a result of construction employment strengthened by state transportation projects and the continuation of strong residential housing starts. Job growth is predicted to rise slowly, and unemployment in the region will likely remain high into 2003. The inflation rate is predicted to remain low along with the cost of capital due to Federal Reserve monetary policies.

Property Tax

Property Tax is the largest General Fund revenue source. In FY '03, property taxes are projected to be 21% of total revenues. The property tax structure changed in 1998 to limit growth in the assessed value of property to three percent per year, plus the value of new construction. In order to keep service levels intact, either inflation must fall below three percent or new construction must raise assessed values to a level high enough to support service growth. For several years this has not been a problem.

This year, the economic slowdown has resulted in the loss of major property taxpayers like Fujitsu Electronics in Gresham. While housing starts have been relatively strong due to low interest rates, growth in valuation won't be known until September. The FY '03 Adopted Budget assumes property values will rise and support a 4.4% increase in revenue.

Business Income Tax

The Business Income Tax constitutes approximately 10% of the General Fund's revenue. Its drop during the past two fiscal years has been the primary source of the County's financial problems. Because of the slow recovery, the Budget assumes a modest drop in Business Income Tax during FY '03. The manufacturing sector is not expected to show growth until well into next year. The most recent economic forecast from the State's Office of Economic Analysis notes several risks to the recovery, including higher oil prices that support a conservative revenue estimate.

January General Fund Forecast

In January the Budget Office updated the General Fund forecast, projecting anticipated revenue and incorporating the FY '02 Rebalancing strategy. A summary schedule of the forecast is presented below. The forecast incorporates

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the Property and Business Income tax assumptions discussed above. The balance of General Fund revenue is projected to be essentially flat over current year estimates.

Expenditures, prior to incorporating the year-to-year impact of the FY '02 Rebalancing Strategy, were projected to be approximately 4% over current year estimates. While annualized savings from the Rebalancing Strategy reduce the deficit, the need to replenish the reserves nearly offsets these savings. The forecast projected a gap of approximately \$16.7 million. Department General Fund allocations were reduced by 5.4% in order to close this gap.

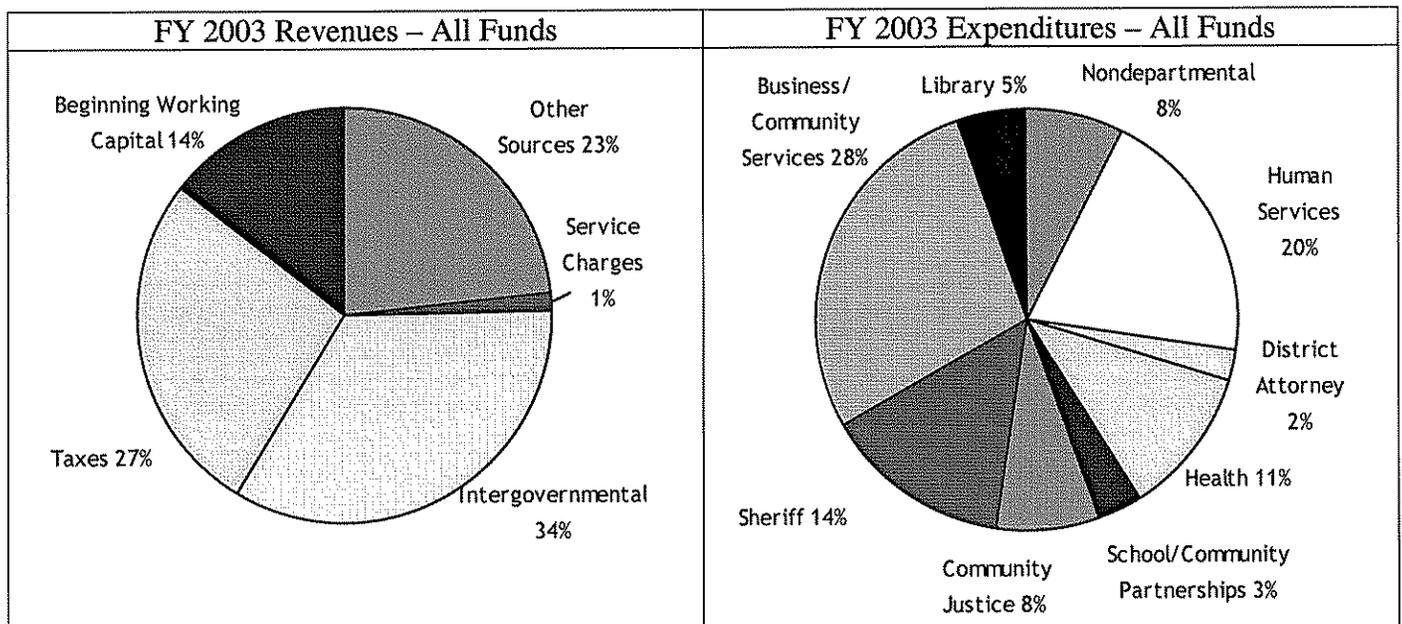
General Fund Forecast Summary				
	Adopted FY 01-02	CYE FY 01-02	Forecast FY 02-03	% Change CYE to Forecast
Ongoing Revenue				
Property Taxes	172,984,447	174,811,552	182,473,846	4.4%
BIT	37,176,808	30,240,000	29,635,200	-2.0%
All Other Sources	81,122,889	79,637,235	79,094,049	-0.7%
Total Revenue	291,284,144	284,688,787	291,203,095	2.3%
Expenditures				
Departmental	296,049,009	281,335,367	292,100,724	3.8%
Non-Departmental	16,040,300	15,719,494	16,054,774	2.1%
Total Expenditures	312,089,309	297,054,861	308,155,498	3.7%
Gap Before Rebalancing		(12,366,074)	(16,952,403)	
Rebalancing Strategy		(11,864,539)	(6,186,637)	
Surplus/(Deficit) After Rebalance		(501,535)	(10,765,766)	
Addition to Reserve to Achieve 5% Target			5,889,475	
Target FY02-03 General Fund Reduction			\$16,655,241	

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FY 2003 Budget Overview

State of Oregon Local Budget Law requires a reporting of the total budget, including total operating costs and internal transactions between funds. The total budget figure overstates actual program expenditures because internal transactions are counted twice. Internal transactions between funds are typically the result of one department providing service to another department, such as information technology or facilities services. Because this overstates what is actually spent, the County often refers to the net budget. The net budget is a more accurate statement of the amount of money the County actually plans to spend during the year. The Adopted Budget for FY '03 equals \$1.03 billion, a decrease of \$142 million from the FY '02 Adopted.

- Total current revenues (excludes cash transfers, service reimbursements, and Beginning Working Capital) \$ 684,746,447
- Total departmental expenditures (including payments from one fund to another and therefore double-counted), \$1,032,291,882
- Eliminating the double count from internal transfers, contingency and reserves the Total County Net Budget is \$787,083,073
- Total Contingency accounts and Reserves, \$49,223,181
- The following graphs show the major revenue sources and the distribution of expenditures among departments.



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General Fund Overview

The County's General Fund is comprised of resources categorized as discretionary and non-discretionary. Discretionary resources are those that the Chair and Board of County Commissioners can allocate to support any department. There are few restrictions on how these resources can be allocated.

Discretionary resources include property taxes, business income taxes, motor vehicle rental tax, and intergovernmental sources. Discretionary resources exclude grants, contract revenues, service reimbursements, and other revenues dedicated for specific purposes.

General Fund resources are also categorized as ongoing (recurring) or one-time-only. An example of a one-time-only resource is a major donation or payment from the settlement of a lawsuit. An example of an ongoing resource is an increase in property tax revenues which is expected to be sustained over time.

In 1997 Measure 50 replaced a tax base and two serial levies (Public Safety and Library). Until now, the County has segregated this revenue as if the levies were still in place. The bulk of the revenue has been budgeted in the General Fund and used for general purposes. The revenue from the two "fossil levies" was received into the General Fund and transferred. In FY '03 the jail fossil levy will not be transferred to the Public Safety Levy fund. These expenditures will be budgeted in the General Fund to simplify accounting.

The following table shows how local spending has changed.

General Comparison	FY 2002	FY 2003	Difference	Percent Change
General Fund Expenditure	291,295,710	292,445,881	1,150,171	0.4%
Library Fund Expenditure	44,751,511	43,526,140	(1,225,371)	-2.7%
Public Safety Levy Fund Expenditure	<u>37,875,072</u>	<u>0</u>	<u>(37,875,072)</u>	-100.0%
Total	\$373,922,293	\$335,972,021	(37,950,272)	-10.1%

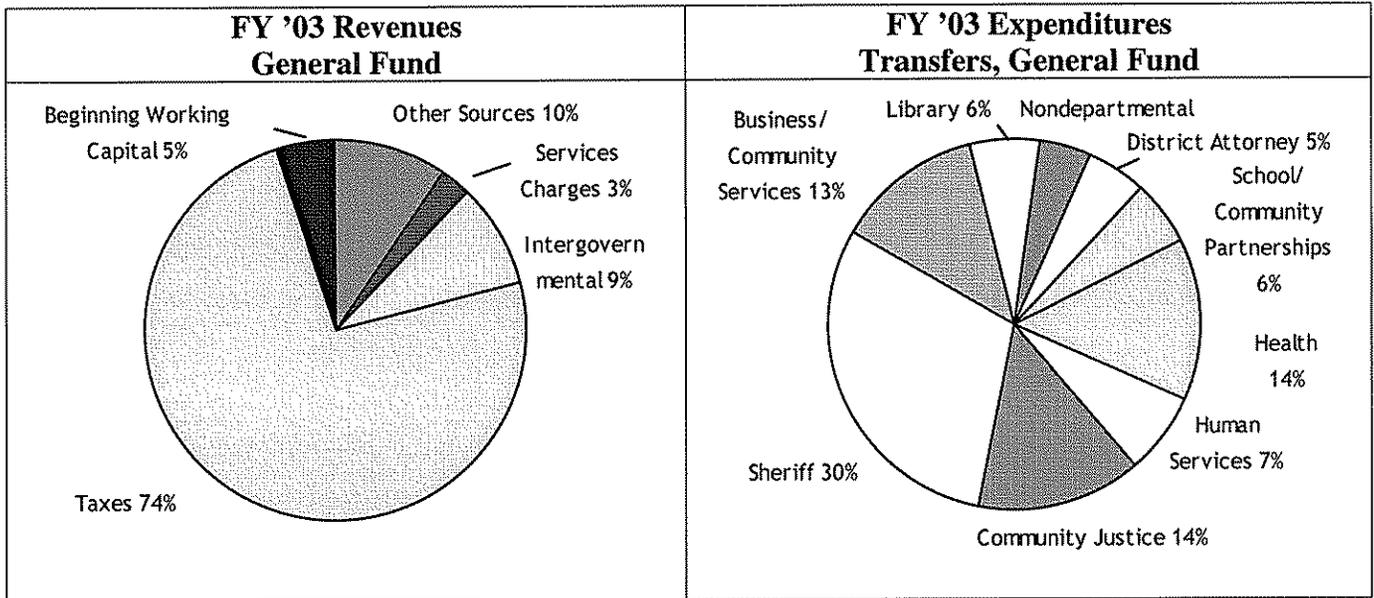
General Fund Spending and Revenues

The following is an overview of the FY '03 General Fund:

- Total direct General Fund revenues, \$288,635,709 .
- Total departmental expenditure(including cash transfers to other funds), \$ 292,445,851
- Total Contingency accounts and Reserves, \$ 11,968,466.

The following pie charts show the major revenue sources and the distribution of expenditures among departments.

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General Fund Revenues

Property Taxes

Overall, General Fund resources increased by \$ 3,379,042. The following description highlights the changes within the major resource categories.

Property Taxes are Multnomah County’s largest single source of revenue. In 1998 Measure 50 established a permanent property tax rate for each local government. Multnomah County’s permanent tax rate is \$4.3434 per \$1,000 of assessed value. As assessed value grows, the taxes collected by Multnomah County also grow. Assessed value grows in two ways:

- For most properties, it grows a constitutionally-limited 3 percent per year;
- For properties with new construction, the value of the new construction is added above the 3%.

The FY '03 Budget assumes that assessed value will grow by 4.4%. This translates into a 4.4% growth in property taxes or \$7,670,171 additional dollars to the General Fund above FY '02 estimates. This projection is below the experience of the past several years. The closure of the Fujitsu plant in Gresham and some slowing of new capital investment have depressed these figures.

Business Income Tax

The County’s second largest revenue source is the Business Income Tax (BIT), established in 1976. Since 1993, the rate has been constant (1.45% of net business income) except for a temporary increase of .50% for tax year 1998. With the slowdown in the local economy, the BIT fell below estimates during FY '01 and FY '02. The BIT estimate for FY '03 is conservative, about \$1 million lower than the estimate for this year.

The following table highlights collections for both the “regular” BIT and the temporary surcharge since the City and County codes were consolidated.

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	Regular BIT @ 1.45%	Surcharge @ .50%	Total
FY 1994	22,911,579		22,911,579
FY 1995	27,048,000		27,048,000
FY 1996	30,040,000		30,040,000
FY 1997	33,255,000		33,255,000
FY 1998	32,524,000		32,524,000
FY 1999	36,592,898	4,310,988	40,903,886
FY 2000	34,858,025	5,781,104	40,639,129
FY 2001	30,672,000	360,000	31,032,000
FY 2002	30,240,000	0	30,240,000

As the data indicates, revenue from the 1.45% BIT has declined in two of the past three years. This pattern is not unprecedented – in fact, collections over the past four years closely mirror the period from FY '81 through FY '84 – and it is a factor taken into consideration when making revenue projections. The County is working with a task force consisting of the City of Portland, the City of Gresham, the Portland and East County Chambers of Commerce, and the Association for Portland Progress to better understand the forces affecting the BIT and to assess its impact on the local economy.

Transient Lodging Tax and Motor Vehicle Rental Tax

The County imposes a Transient Lodging Tax (a tax on hotel and motel occupancy) and a Motor Vehicle Rental Tax. The Transient Lodging Tax is collected and transferred to Metro for the operating costs of the Convention Center. A portion of the Motor Vehicle Rental Tax is a General Fund resource, with the balance also used to support the Convention Center. The Motor Vehicle Rental Tax is expected to decline as traffic at the Portland International Airport continues to lag.

In 1998 Metro proposed to the voters a regional general obligation bond to expand the Convention Center. The proposal was defeated. In 1999, in collaboration with the City of Portland and Metro, the County increased the rates of both the Transient Lodging Tax and the Motor Vehicle Rental Tax and dedicated the proceeds to the expansion of the Convention Center. The proceeds from the additional taxes are used to retire debt issued by the City of Portland and to provide additional operating support to the expanded Convention Center.

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Balancing the General Fund

The following schedule provides a summary of how the FY '03 General Fund was balanced. The shortfall identified at the top is from the January forecast and includes the full funding of the General Fund reserve. After the forecast a number of changes occurred that weren't anticipated. Key among these was a \$3 million adjustment to current service level for the Sheriff's Office. In addition, Information Technology rates came in higher than forecast (\$1.4 million) and the General Fund is assuming the costs associated with the mainframe computer system during the transition to a distributed network (\$1 million). When the project is complete, this amount will be realized as savings. The Chair also directed Business & Community Services to budget for two new initiatives.

These changes meant that balancing the General Fund would require about \$22.5 million in expenditure reductions and/or new revenue.

The next section shows the projected cost of continuing current service levels into FY '03, the 5.4% target reductions, and the reductions recommended in the Chair's Adopted Budget. These reductions total \$13.4 million and don't reflect other reductions necessary to cover personnel cost increases or other, non-General Fund revenue reductions.

The revenue section identifies new revenue. The largest revenue source results from retroactive payments to the Health Department based on the higher patient visit rate negotiated with the State over the past year.

Finally, rather than further reduce ongoing services to fund the General Fund reserves (a one-time need), the Chair decided a multi-year plan was a more reasonable course. The target was dropped from \$5.9 to \$2 million and \$1.5 million was borrowed from asset preservation to provide funding. This amount will be repaid with proceeds from properties currently on the market and expected to sell within the coming year.

Balancing the FY 2003 General Fund					<i>\$'s in millions</i>
FY 03 GF Revenue Shortfall (January)					\$ (16.7)
Changes					
	MCSO CSL Adjustments				(3.0)
	IT Rates				(1.4)
	Mainframe Excess Capacity				(1.0)
	Chair Initiatives				
	Diversity				(0.3)
	Emergency Prep				(0.1)
Balance to fund					\$ (22.5)
		GF Current Svc	Target	Reduction²	
Expenditures		Level	Reductions	Included in	
	MCSO	91.4	4.9	Budget	3.0
	DA	14.8	0.8		0.0
	DCJ	43.9	2.3		2.3
	OSCP	17.0	0.9		0.9
	DCHS	19.7	1.0		2.0
	Health	43.4	2.2		2.8
	BCS ¹	33.7	1.3		0.9
	Non-D	15.7	0.5		0.5
	Library	18.2	0.0		0.0
	County-wide	N/A	0.0		1.0
Total Cuts		297.8	13.9	13.4	\$ 13.4
<small>1 BCS' GF base is \$23 m. Additional from A&T Fund moving to Gen Fund 2 Column shows reductions against targets. All depts absorbed personnel related increases requiring adjustments beyond targets.</small>					
Revised Rev Forecast					
	Health FFP (FY 02 carryover)				3.3
	FFP (FY 03 Adjustment)				(0.6)
	Animal Control License				0.2
	Dept of Revenue Increase				0.4
	BCS indirect				<u>0.4</u>
Total Revised Revenues					3.7
					\$ 3.7
Reserves					
	Move to multi-year plan				3.9
	Asset Preservation Contribution				<u>1.5</u>
					5.4
					\$ 5.4
Remainder to Balance					\$ -

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General Fund Expenditure Summary

Overall, General Fund spending is up slightly over FY '02. As described above, the reductions necessary to balance the FY '03 Adopted Budget affected all departments except the Library. In addition to the reductions necessary to close the \$16.7 million shortfall, departments were expected to absorb significant increases in employee health benefits and the financial impacts of wage settlements in excess of 2.75%.

Changes to Programs

The following is a brief summary of changes to department General Fund programs. For more detail consult the department sections of this document.

Public Safety Group

District Attorney

FY 03 GF Exp: \$14,785,344 FY '03 All Funds Exp: \$20,210,422
FY 03 GF FTE: 160.90 FY '03 All Funds FTE: 224.07

The District Attorney's Office was exempted from taking reductions based on the 5.4% targets. However, the conclusion of federal grants supporting Community Courts, Neighborhood DA's, and Domestic Violence programs mean outside support for these innovative programs is ending. The District Attorney restructured the remaining Neighborhood District Attorneys in order to provide a presence in all the districts. The District Attorney was also able to include both Domestic Violence positions and maintain the county's three Community Courts.

Sheriff's Office

FY 03 GF Exp: \$88,337,333 FY '03 All Funds Exp: \$135,511,296
FY 03 GF FTE: 886.67 FY '03 All Funds FTE: 915.92

The Sheriff's Office represents the largest single portion of the General Fund budget. The Sheriff's target for the 5.4% reductions was \$4.9 million. After reviewing impacts to programs and jail beds, the Chair restored \$2.4 million to the Department's budget. Specific impacts resulting from these reductions are still being negotiated between the Sheriff and the Chair's Office.

Department of Community Justice

FY 03 GF Exp: \$41,648,827 FY '03 All Funds Exp: \$74,379,879
FY 03 GF FTE: 328.34 FY '03 All Funds FTE: 628.29

To meet the General Fund reduction and cover personnel cost increases, the Department of Community Justice cut approximately \$3.2 million in program and administrative costs. Treatment services were reduced approximately \$825,000—however, almost \$700,000 of this is for contracts which the Department hopes to replace with federal funding. Impacted juvenile programs include the School Attendance Initiative, support for alternative schools (\$200,000), and a day reporting center for youth in residential programs

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(\$200,000). The Department made about \$500,000 in administrative reductions and reduced support to the State-operated Juvenile Court (\$263,000).

Health & Human Services Group

Health Department

FY 03 GF Exp: \$41,445,984 **FY '03 All Funds Exp: \$107,633,388**
FY 03 GF FTE: 193.60 **FY '03 All Funds FTE: 971.92**

The Health Department met its General Fund reduction of \$2,160,000 through a combination of new revenue, reductions to Corrections Health, administrative reductions, and position savings. Some reductions, like the positions savings, are temporary cost reductions.

County Human Services

FY 03 GF Exp: \$20,862,869 **FY '03 All Funds Exp: \$188,545,830**
FY 03 GF FTE: 77.39 **FY '03 All Funds FTE: 710.34**

The Department of County Human Services' budget has been impacted by changes in State funding as well as reductions from the General Fund. The Department met its General Fund reductions largely through administrative savings resulting from the merger of Aging and Disability Services with the former Community and Family Services department. The department cut \$2 million from its General Fund programs, including over \$400,000 from planning and evaluation functions and \$215,000 in other administrative position and contract savings. Reductions with service impacts include a \$50,000 reduction in emergency housing assistance (\$150,000 was restored).

Office of School & Community Partnerships

FY 03 GF Exp: \$16,745,839 **FY '03 All Funds Exp: \$33,003,575**
FY 03 GF FTE: 0.00 **FY '03 All Funds FTE: 76.30**

The Office of School and Community Partnerships was established midway through FY '02. The Office coordinates programs operating in partnership with schools as well as other community-building efforts. To meet their share of the General Fund reductions, the Office has reduced or eliminated funding for several programs. These include eliminating General Fund resources for Welfare Reinvestment Act programs in SE Portland (\$325,000) as well as minor reductions to the Touchstone program. Funding for a long-term mentoring was reduced by 50% (\$100,000). Mitigation strategies and alternative funding sources have been put in place for some of these reductions.

General Government Group

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Library

FY 03 GF Exp: \$18,181,883 FY '03 All Funds Exp: \$50,296,140
FY 03 GF FTE: 0.00 FY '03 All Funds FTE: 455.92

The FY '03 Budget continues with the last year of the current levy. The budget includes no reductions in General Fund support. A replacement levy was placed before the voters in May. This was approved by those who voted, but due to low turnout, it failed. As a result, the Library has continued with or added cuts to their budget. These include continued Monday closures, a reduction of 54 positions, reduction of book budget from 15% to 12% of operating budget, and the closure of the Parkrose Cooperative Library.

Business & Community Services

FY 03 GF Exp: \$37,096,494 FY '03 All Funds Exp: \$264,382,368
FY 03 GF FTE: 328.93 FY '03 All Funds FTE: 869.90

This new department results from the FY '03 merger of the Department of Support Services and the Department of Sustainable Community Development. The department has a wide variety of revenue streams and operates out of a number of funds. As part of the General Fund reductions, BCS reduced approximately \$.9 million in expenditures and identified approximately \$600,000 in additional revenue. The changes resulting from the reorganization are described in the department's narrative section.

Non-Departmental

FY 03 GF Exp: \$13,341,278 FY '03 All Funds Exp: \$71,579,941
FY 03 GF FTE: 45.00 FY '03 All Funds FTE: 79.92

The Non-Departmental section of the budget includes support for the Chair's Office, Commissioners' offices, the County Auditor, the County Attorney, contracts with community organizations, and a number of debt service payments. Significant changes due to the General Fund shortfall affect the following areas:

- Regional Arts and Culture Council - The contribution to this group will be reduced by \$150,000 to \$175,000
- Metropolitan Human Rights Center – Funding for the MHRC has been eliminated in this budget (\$153,000).
- OSU Extension Service – Funding for the Extension has been eliminated (\$198,000)

Uncertainties

Future State funding decisions, the Oregon Supreme Court decision affecting Urban Renewal, and the proposed Library operating levy add some uncertainty to the County's financial future and need to be noted.

Urban Renewal

The Oregon Supreme Court has a major urban renewal case under consideration (*Hemstreet vs. Multnomah County*). The Oregon Tax Court ruled in favor of the plaintiff. The plaintiff (owner of the Shilo Inns chain) held that taxes generated by school levies and General Obligation bond levies within urban renewal districts are subject to the Measure 5 limit as local

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government taxes. As a result of the decision, assessors will be required to allocate to each account, within the Measure 5 limit for local government, the entire dollar amount of an urban renewal district's tax revenues, including those revenues generated by school levies and bond levies.

The Department of Revenue (DOR) is in the process of drafting a rule to implement the Court's decision. Two options are under consideration. Modeling was done using '01-'02 data to determine the effect of each option on local government and urban renewal levies. The effects on the County General Fund and Library Local Option Levy are not significantly different under either method. Had the Shilo decision been in effect in FY '02, the combined total estimated losses for the County General Fund and Library Local Option Levy would have been about \$1.4 million under one option and \$1.2 million under the other. A Motion for Reconsideration has been filed with the Supreme Court requesting that the court review the decision. It is not known when the court will address the motion.

New Library Levy

About half of the Library's budget is funded by a five-year serial levy. Much of the remaining funding comes from the County's General Fund, with a small portion provided by library-generated revenues. The current levy was approved by voters in 1997 and covers the five fiscal years from FY '99 through FY '03. Under the current levy, the Library is facing a shortfall of \$5.3 million in FY '03. The Board of County Commissioners put a levy on the May, 2002 ballot that will replace final year of the current levy and fund the Library through FY '07. This levy would have provided full funding of the following services:

- Maintenance of all current library hours;
- Restoration of Monday hours at Central Library and four other libraries;
- Continuation of library services for young and school-age children – story hours for babies and toddlers, homework help, summer reading and services for children in child care;
- Continuation of special services for adults and seniors, such as help for job-seekers and small business owners and home book delivery;
- Maintenance of the materials budget at 15% of the operating budget;
- Restoration of staff lost in this year's reductions.

However, the May levy failed due to low voter turnout. The Board of County Commissioners will seek to place a levy on the November 2002 election.

Future Fiscal Challenges

PERS

The County's PERS liability went from being \$76 million over-funded in calendar year 1999, to \$4 million under-funded in calendar year 2000. This liability is expected to grow in the coming years due to losses in the stock market. A PERS rate increase is expected in FY '03-04, but the amount and its

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impact are not known at this time. Preliminary information from PERS indicates that the rate increase may be 3.5% to 4.25%.

Bridges

Bridge maintenance is primarily funded by the state motor vehicle fuel and registration taxes. The State Legislature has not made any increase in these taxes since 1991. Stagnant state revenues and rising costs have made it increasingly difficult for Transportation to fund projects that address the modernization, maintenance, and preservation needs of the County's roads and bridges. The County has been successful in securing tens of millions of dollars in federal and state funds for capital projects on the Willamette River Bridges. These federal and state funds have increased the need for County matching funds, thus placing additional financial pressure on the program's budget. For federally funded bridge projects, the County estimates a shortfall of \$4.1 – \$4.5 million in matching funds for FY '03–05. Another major challenge over the next few years will be securing funding for replacement of the Sauvie Island Bridge

Wapato Jail Operations

The County has secured all necessary permits and has started construction of the Wapato Jail, expected to be complete in January 2004. However, there is the outstanding issue of the operating costs of the new jail. During the coming year, the Board will consider placing a public safety levy before the voters.

Federal Financial Participation

The Department of Community Justice has been leading a group of state and county employees working on a system to allow counties to take advantage of Behavioral Rehabilitation Services (BRS), a Medicaid program that pays for skill-building activities in programs for youth. The Department has submitted applications for BRS eligibility to the State, and is currently facilitating the development of an inter-governmental agreement that will make it possible to bill for these services.

Targeted Case Management is another Medicaid program that is available to pay for assessment and referral for offenders in both the adult and juvenile systems. The Department is working to develop an amendment to the state Medicaid plan that will allow counties to bill for this service as well. The Annie E. Casey Foundation has agreed to fund a consultant to assist the department in accessing the Title IV-E funding. Title IV-E is funded through the Social Security Act and pays for foster care placement and alternatives to foster care placement, as well as a wide variety of related administrative and training functions. If the department is successful in its efforts, federal funds have the potential to provide approximately \$690,000 in additional funding for treatment services. However, due to the uncertainty of the outcome, this revenue is not yet included in the FY '03 budget.

New Initiatives

While resources are very tight this year, the Chair has committed to improving the County's efforts in two specific areas: Emergency Preparedness and Diversity. The following is a brief description of these initiatives.

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Diversity

The FY '03 Adopted Budget includes approximately \$340,000 to implement recruitment and outreach strategies to improve the diversity of the County workforce and the mix of vendors who work with the County. The effort will improve monitoring and reporting of progress, better coordinate investments to achieve cultural competency, and add specific funding to provide technical assistance, certification, and regional support to the M/W/ESB program.

Emergency Preparedness

As a result of the recent national tragedies, the County has determined that it must be better prepared for emergencies and crisis situations. The Chair has sponsored a new Emergency Preparedness initiative and set out three goals:

1. Enhance the County's level of emergency awareness and preparedness.
2. Improve our ability to respond rapidly and effectively to any emergency or disaster.
3. Protect our employees, our facilities, and the community if in danger of natural disaster, hazardous conditions, threatening actions, or a health incident.

A leadership team was formed to assess the county's emergency preparedness capacity and to make recommendations to the Chair for immediate and long-term critical actions. Included in the FY '03 Adopted Budget is funding to address: Establishment of an Emergency Operations Center at the Yeon Complex; provision of Incident Command System training; business continuation planning, an enhanced building security and access program, and building-specific emergency safety plans and security enhancements; and restoration of training to current service levels.

Other Issues

Asset Preservation

Beginning in FY '99, an *Asset Preservation Fee* was assessed to all County tenants based on space occupied. The fee is intended to pay for the replacement of major building systems as they reach the end of their useful life, and is the major ongoing source of revenue for the capital program. In FY '03, this fee (\$1.65 per sq. ft) is budgeted to collect approximately \$3.5 million from tenants of County buildings. Revenues are applied countywide to address the highest need at the time of approval.

Many needed capital projects remain unfunded. Facilities and Property Management has identified a current deferred maintenance liability of approximately \$107 million (which over the next fifteen years will grow to an estimated \$227 million) for County buildings now in operation. The current Asset Preservation Fee is not recovering sufficient funds to meet the facilities maintenance needs of the County. In addition, new sources of revenue will be needed to replace or repair important County buildings, such as the County Courthouse. Aggressively managing County building vacancies and the timely disposition or redevelopment of surplus properties will only marginally contribute to lowering this long term liability.

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Facilities and Property Management is currently developing an alternative to the current collection and allocation process which will address not only departmental concerns, but some of the issues surrounding long term funding.

Establish New Fund—General Fund Reserve

The level of General Fund reserves is considered a fundamental measure of financial health and is closely monitored by the credit rating agencies (in our case, Moody's Investors Services). The status of the General Fund's reserve account became critical at the end of FY '01, when it was clear that the Business Income Tax (BIT) was substantially below projections. Budgeted reserves dropped from approximately \$10.1 million in FY '01 to \$4.5 million in the FY '02 Adopted Budget. The Budget Rebalance process completed last fall brought the County's budget in line with projected revenues and is expected to add \$4.1 million back to the reserves. Currently, we are projecting that the General Fund FY '02 ending fund balance will total \$8.6 million.

In October 2001 the Board adopted a policy setting a reserve target of 10% of General Fund current revenue. Five percent will be held in the General Fund's reserve account while the second 5% will be held in a separate General Reserve Fund. The amount for the General Reserve Fund is being provided by a one-time contribution available as a result of changes in governmental accounting standards. The County had established a reserve for vacation liability that the Governmental Accounting Standards Board has decided governments no longer need to set aside for governmental fund-types.

Based on current revenue estimates in the FY '03 budget proposal, the 5% target for the General Fund reserve account would require approximately \$14.6 million. This is about \$6 million above the level expected at the end of FY '02. The FY '03 Adopted Budget adds \$2 million to reserves. The remaining \$4 million will be achieved over the next three fiscal years.

Allocation of Administration

The presentation of administrative budgets is changed with the FY '03 Adopted Budget. In previous years these were shown as division/program expenditures. In this budget administrative costs have been allocated to programs so programs more accurately reflect the full cost.

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Board Budget Notes

During the budget deliberations, the Board of County Commissioners identified the following issues and concerns to be addressed throughout the upcoming fiscal year. Additionally, the Board identified items it will consider for General Fund Contingency requests.

Transition Funds for Elected Officials

It is possible that one or more of the members of the Board of County Commissioners may leave office mid-year in 2003. Should a new commissioner be elected, the Budget Office may approach the Board for a one-time contingency request for \$20,000 to cover start-up costs for the incoming commissioner's office.

Mobile Health Unit Program

The Health Department will research and develop a proposal for a Multnomah County mobile health unit program for consideration by the Board of County Commissioners by October 2002. A mobile unit program could increase service access and equity by extending current services beyond the Health Department's existing primary care, dental, school-based, and neighborhood health access sites.

The Health Department will work with the District 4 Commissioner and staff to ask clients and communities for their input on what services are most needed and can be provided by a mobile health unit. Successful mobile health unit programs in other parts of the country provide a wide range of services including health promotion and education, health information and referrals and primary health and dental treatment. The Health Department will develop a proposed service model, including staffing and operational costs. The Health Department will also work with the Department of Community and Business Services on cost estimates for acquisition/lease options and ongoing van operating costs.

Animal Control Mitigation Plan

In FY 03, the combination of General Fund constraint and a five-year trend of declining pet license revenues have created a critical funding challenge for maintaining the current service level in Animal Control. The Approved Budget funds expanded animal shelter hours to 7-days-a-week. Field Services were reduced to shift resources to enhance shelter hours. The Approved Budget includes funding a marketing campaign to increase revenues by \$200,000.

In order to retain core field services, the Department of Business and Community Services will implement an aggressive mitigation plan to increase pet license revenues. The plan includes increasing license fees, reallocating department resources and employing a marketing campaign to achieve higher license compliance. Key action items in the plan are:

- Increase license fees and pet adoption revenues.
- Conduct a comprehensive license marketing campaign beginning

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July 2002.

- Present a quarterly financial progress report to the Board during FY03.
- Implement actions to increase license renewal compliance effective July 2002.
- Increase the incentives for businesses/organizations that sell licenses for Animal Control.
- Reallocate department resources to fund additional FTE in Animal Control.
- Amend the County Code pertaining to the rabies vaccination requirement for pet licensing by July 2002.
- Make technical changes to the personnel budget to reflect staffing level revisions required to implement enhanced shelter services

All increased revenues will be dedicated to restoring Animal Control staff and services. This Program amendment restores 5.00 FTEs to the FY 03 budget. However, the mitigation plan does not fully restore Animal Control staffing nor services. Total Animal Control staffing levels have been reduced in FY 03.

Re-Opening MCCF

The Multnomah County Correctional Facility (MCCF) in Troutdale was closed in October 2001 as part of the General Fund reductions necessary to rebalance the FY02 Budget. Since the closure, the Sheriff's Office has been faced with a shortage of jail beds, forcing early release of prisoners under the matrix system. The Department of Community Justice is actively pursuing actions to reduce the cost of the Interchange Program. Additional savings may be available from facility rates for correctional buildings as well as projects scheduled for the Multnomah County Detention Center (MCDC). When the total of these savings is known, it is the Board's intent that the funds be dedicated to support the reopening of the MCCF.

OCSP – Mitigation of Impacts to SE Portland Community Projects

The Office of School and Community Partnerships is working to mitigate the reductions due to FY03 County General Fund constraints, to services provided by Kelly Community House. The Office has been working with the Community and Family Service Center, Family Works' contractor Lutheran Community Services (LCS), to design a re-alignment of a portion of their services in order to free up resources to assist in sustaining several components of the priority services identified by Kelly Community House. This will be accomplished by moving CFSC system resources to help LCS in addressing these priority services which include, in priority order: School-Community Center, Cooperative Preschool, Family Literacy and Early Childhood Playgroup, and Counseling.

As we worked toward a funding solution, we were able to identify a potential \$60,000, in the OSCP budget that can be redirected and committed to Kelly

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Community House to augment the efforts mentioned above. In our efforts to assess what overlap exists, we are concentrating on the core services of our Community and Family Services Center System: Information and Referral, Case Management, Skill Building, Parent Education/Child Development, and Self Sufficiency. We are also assessing what additional links may exist in the current SUN Initiative and Caring Community Systems

Flash Money

The County understands that, on occasion, the use of large sums of money known as “flash money” is a necessary element to the successful investigation of drug, property, and other types of crimes by the Sheriff’s Office. In order to further an investigation, the use of flash money is an important tool to the infiltration of the criminal enterprise and in gaining the acceptance and confidence of an alleged criminal. The County also understands that there is a risk of loss when flash money is used during these types of investigations. The County acknowledges the sum of \$100,000 as an acceptable risk when using flash money in a criminal investigation.

Children’s Receiving Center

The Board Directs that the residential component of the Children’s Receiving Center is opened and provides services to at least 8 children per night beginning October 1, 2002. The Board directs the Department of County Human Services to report back at the latest by September 5, 2002 with a briefing that includes options for operational funding to utilize the Children’s Receiving Center by October 1, 2002.

Alcohol & Drug Program Sustainability

In light of the FY03 budget reductions and the redesign of Mental Health services, the Board would like to confirm the ability of the County to sustain the existing continuum of services for Alcohol and Drug Treatment.

1. Three of the five positions which currently support, develop and plan the continuum of care are being eliminated from the Office of Addiction Services (OAS). The Board wishes to ensure that the capacity and/or knowledge base on issues surrounding A&D will be available to successfully coordinate and integrate the Mental Health and A&D programs.
2. When the In-Jail Intervention Program (IJIP) was redesigned in FY01 County, the A&D assessment role was reassigned to Correction Counselors. The Chair’s Budget Amendment proposes to cut 5 of the 41 counselor positions. The Board wishes to be informed about potential impacts to treatment readiness efforts within the corrections facilities due to the loss of these positions.
3. The Board would like to be kept informed about the continued availability of funds for A&D treatment services. The DCHS budget for A&D services relied on \$282,322 of one-time funding to backfill the cuts from State Outpatient and County General Fund. If State budget reductions include

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additional cuts or the County faces continued financial shortfalls these treatment services may be in jeopardy.

The Board requests quarterly updates from DCHS program staff on the status of A&D treatment services and the ongoing impact of budget reductions and staff changes.

Early Childhood Mental Health Services

The Board acknowledges the dynamic environment currently surrounding mental health issues and understands that the reductions currently proposed for early childhood mental health services in the FY 2003 budget may be averted. The Mental Health Director is directed to find funds to restore funding for:

1. Mental health consultants for child care providers and Head Start.
2. Assistance for under and uninsured young children and their families and
3. Mental health consultants for children in state custody, including family assessments for the courts to improve out-of-home placement outcomes.

Bienestar

Bienestar was created to be an inter-departmental, multi-disciplinary approach to provide coordinated services to Latino families. It requires ongoing infrastructure support, collaboration and coordination from the partnering agencies. Salir Adelante emphasized that successful services to Latino families must be managed in a comprehensive system of coordinated services. The BCC approved Bienestar as a model to coordinate services at Clara Vista and use it as a model throughout Multnomah County. Any changes to that model of coordinated care will require Board discussion.

Repayment of Asset Preservation Funds

In order to increase General Fund reserves in the FY03 Budget to the level existing prior to the end of FY01, over \$1 million was borrowed from the Asset Preservation Fund. It is the Board's intent that this amount be returned to the Asset Preservation Fund from the proceeds of surplus property prior to carrying out direction contained in Resolution 02-032 directing the Facilities and Property Management Division to Dispose of Certain County-Owned Properties.

The Budget Process

Local Budget Law

Budgeting in Oregon is governed by Local Budget Law, Chapter 294 of the Oregon Revised Statutes. The law has two major objectives:

- Provide standard procedures for preparing, presenting, and administering local budgets;
- Ensure citizen involvement in the preparation of the budget.

Budgeting in Oregon is a collaborative effort between citizens, who receive services funded by the budget, and elected or appointed officials responsible

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for the provision of services. Citizens involved in the budget process work to ensure that the services they require and want are adequately funded. County officials are responsible for ensuring that the annual budget reflects the public interest, balances competing needs and interests, is sustainable over the long term, and meets the technical requirements of the law.

At an advertised public meeting, the budget, prepared by the Chair of the Board, is approved by the Board of County Commissioners by appropriation categories—i.e., personal services, materials and services, and capital outlay—and by department for each fund. The Budget is then sent on to the Tax Supervising and Conservation Commission (TSCC).

The TSCC, a five-member citizen board appointed by the Governor, reviews budgets of all governmental jurisdictions in Multnomah County. The Commission, together with the State Department of Revenue, is responsible for ensuring that budgets comply with local budget law.

The budget must be approved by the Board no later than May 15, and is then submitted to the TSCC. The TSCC holds a public hearing and then returns the budget to the County no later than June 25. Accompanying the budget is a letter of certification with instructions for corrections, recommendations, and objections. The Board is required to respond to the TSCC recommendations and objections. Another public meeting is held at which the Board adopts the final budget, makes appropriations, and declares tax levies.

Basis of Budgeting

The County's budget is prepared in a manner consistent with its financial structure and as required by Oregon Revised Statutes. All funds are included within the budget along with the organizations and programs which they support. However, unlike the financial basis of reporting, the County's budget is prepared on a modified accrual basis. This means that the budget anticipates revenues based on when they will actually be received and upon expenditures when they will likely occur.

One exception to this general rule is for the acknowledgement of revenues. Property tax and BIT revenues are acknowledged in the budget for 90 days after the close of the fiscal year. Items which are not fully expended at year end must be re-budgeted in the following fiscal year.

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Modifying the Budget During the Fiscal Year

The Adopted Budget is the County's financial and operational plan for the fiscal year. However, during the year, events occur which require the plan to be changed. State law gives the Board of County Commissioners wide latitude to change the budget during the year. County departments request changes, the Board reviews them, and the passes a resolution signifying their approval. During the year, the Board has the authority to:

- alter appropriations to reflect changed priorities during the year,
- incorporate new grant revenue into the expenditure plan,
- change approved staffing levels, and
- transfer appropriations from contingency accounts.

Supplemental Budgets

The appropriation of new, unanticipated revenue requires that the Board adopt a supplemental budget through a resolution. If the adjustment is greater than 10% of the affected fund, the supplemental budget process must include a review by the TSCC prior to adoption.

Basis of Accounting

Governmental accounting, governed by State statute and Generally Accepted Accounting Principles (GAAP), differs substantially from private sector accounting. Private sector financial reports measure economic profits, whereas governmental accounting focuses on disclosing how public money is spent.

Citizen Involvement Process

The Citizen Budget Advisory Committees are made up of citizens appointed by the Citizen Involvement Commission. The committees monitor Department budgets and operations and identify issues for the Commissioners' consideration. All county departments have a CBAC. Each of the Committees is provided with time during the Budget Hearings to present their reports. The CBACs are active partners with the County Commissioners, departments, and the public during the budget cycle.

CBACS

Public Testimony

During the Approved stage of the budget development process, citizens and employees are encouraged to enter their questions, thoughts, or suggestions about the budget. This input is compiled and communicated to the elected officials. The input is also reviewed by the Budget and Service Improvement Divisions with feedback to participants provided as appropriate.

In addition to participating in the budget advisory committees and other forums described above, citizens have several opportunities to personally testify on the Approved Budgets. Specifically, citizens have an opportunity to testify at:

Public Hearings

- Tax Supervising and Conservation Commission Hearing – TSCC holds a public hearing on the Approved Budget, and public testimony is taken.
- Annual Budget Hearings— for FY '03, the Board, sitting as the Budget Committee, will hold several public hearings after the approval, but before the adoption of the budget. The public may testify on any topic.
- Adopted Budget Hearing—testimony is taken at the Board session for final adoption of the budget. This typically occurs mid to late June.
- Annual Budget Hearings – The County is holding 3 evening sessions from

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6:00 to 8:00 pm on the following dates and locations:

1. May 14, 2002 Public Budget Hearing – Portland Community College, Cascade Campus Cafeteria, 705 N Killingsworth, Portland
2. May 28, 2002 Public Hearing – Multnomah County East Building, 600 NE 8th Street, Sharron Kelley Conference Room, Gresham
3. June 11, 2002 Public Hearing – Multnomah Building, Commissioners Boardroom 100, 501 SE Hawthorne Boulevard, Portland

Citizens may also contact the Chair's or Commissioner's offices directly to provide input to the budget.

Budget Website

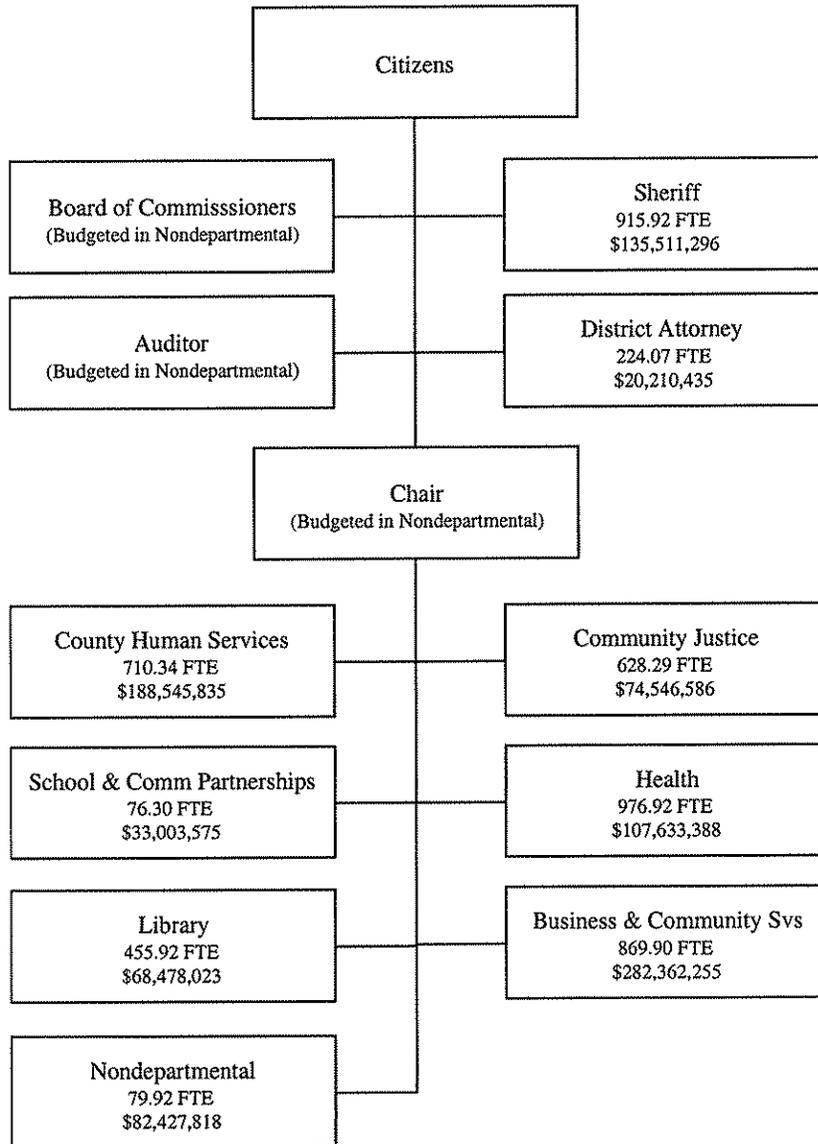
Multnomah County offers its citizens and employees the opportunity to participate in the budget process through the County's internet site. From the County's home page, <http://www.co.multnomah.or.us/>, citizens and employees may access a budget site that contains a summary of the FY '03 Adopted Budget and links to frequently asked questions (FAQs); budget summaries; a timeline of events; live and archived video streaming of budget work sessions; and other information, input opportunities and employee resources.

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County Organization Chart

Multnomah County delivers its services through six divisions and 14 programs. Below is an organization chart:

Multnomah County Organization



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Guide to the Overview Summaries

The Budget Document presents budget decisions, financial impacts, and information from numerous perspectives and different levels of details. The greatest level of detail is found in the individual departmental sections of this document. This section presents the following:

- Summary of Total Resources
- Summary of Departmental Expenditures
- Fund Level Transactions
- Summary of Departmental Requirements

SUMMARY OF RESOURCES 2002-03

Fund		Beginning Working Capital	Taxes	Intergov't	Licenses & Permits	Service Charges	Interest	Other Sources	Direct Resources
General Fund	1000	15,480,679	224,744,121	26,702,881	7,873,661	8,127,320	4,658,193	1,048,854	288,635,709
Strategic Investment Program Fund	1500	1,748,859				1,147,500			2,896,359
Road Fund	1501	5,003,435	7,975,713	26,714,139	45,000	506,500	375,000		40,619,787
Emergency Communications Fund	1502			185,354			6,487		191,841
Bicycle Path Construction Fund	1503	120,624					2,500		123,124
Recreation Fund	1504		110,000						110,000
Federal/State Program Fund	1505	1,451,762		242,556,901	1,841,380	2,723,644	13,000	3,772,757	252,359,444
County School Fund	1506	65,000	230,000				3,500		298,500
Tax Title Land Sales Fund	1507	300,000	319,901				31,100		651,001
Animal Control Fund	1508				1,012,000	285,500		35,000	1,332,500
Willamette River Bridge Fund	1509	2,998,465		705,000		10,000			3,713,465
Library Serial Levy Fund	1510	800,000	20,727,770	709,677	154,400	328,110	300,000	2,239,250	25,259,207
Special Excise Taxes Fund	1511	2,000,000	16,165,000				15,000		18,180,000
Pub Land Corner Preservation Fund	1512	352,174				400,000			752,174
Inmate Welfare Fund	1513	30,000				1,241,486	500		1,271,986
Justice Services Special Ops Fund	1516	533,641		757,240	1,535,223	24,400	4,818	121,860	2,977,182
General Reserve Fund	1517	9,125,000					345,000		9,470,000
Revenue Bond Sinking Fund	2001	295,000				639,961	35,000		969,961
Capital Debt Retirement Fund	2002	1,850,000					49,320		1,899,320
General Obligation Bond Sinking Fund	2003	8,329,015	9,511,576				280,000		18,120,591
PERS Bond Sinking Fund	2004	1,700,000					300,000		2,000,000
Justice Bond Project Fund	2500	41,161,000		180,000			600,000		41,941,000
Revenue Bond Project Fund	2501	2,000,000							2,000,000
SB 1145 Funds	2502			11,720,000					11,720,000
Building Projects Fund	2504	7,314,000					140,000		7,454,000
Deferred Maintenance Project Fund	2505	5,602,000							5,602,000
Library Construction Fund (1996)	2506	6,770,000							6,770,000
Capital Improvement Fund	2507	6,170,000		2,161,000			280,000		8,611,000
Capital Acquisition Fund	2508	1,991,843				30,735	95,000		2,117,578
Asset Preservation Fund	2509	6,194,000					150,000		6,344,000
Behavioral Health Managed Care Fund	3002	2,552,187		34,979,219			200,250		37,731,656
Risk Management Fund	3500	7,177,648				2,521,500	500,000	95,000	10,294,148
Fleet Management Fund	3501	4,949,034		794,555		105,706	175,000	11,700	6,035,995
Telephone Fund	3502	992,074				616,932	35,000		1,644,006
Data Processing Fund	3503	1,446,577				357,976	50,000		1,854,553
Mail Distribution Fund	3504	82,988		50,762			1,500		135,250
Facilities Management Fund	3505	250,000		536,052		3,935,064			4,721,116
Total All Funds		146,837,005	279,784,081	348,752,780	12,461,664	23,002,334	8,646,168	7,324,420	826,808,452

SUMMARY OF RESOURCES 2002-03

Fund		Direct Resources	Internal Service Charges	Cash Transfers	Bonds / Certificates	Total Resources
General Fund	1000	288,635,709	14,446,108	1,332,500		304,414,317
Strategic Investment Program Fund	1500	2,896,359				2,896,359
Road Fund	1501	40,619,787	92,000	300,000		41,011,787
Emergency Communications Fund	1502	191,841				191,841
Bicycle Path Construction Fund	1503	123,124		52,000		175,124
Recreation Fund	1504	110,000		10,300		120,300
Federal/State Program Fund	1505	252,359,444	291,642	606,642		253,257,728
County School Fund	1506	298,500				298,500
Tax Title Land Sales Fund	1507	651,001				651,001
Animal Control Fund	1508	1,332,500				1,332,500
Willamette River Bridge Fund	1509	3,713,465		3,716,004		7,429,469
Library Serial Levy Fund	1510	25,259,207	85,050	18,181,883		43,526,140
Special Excise Taxes Fund	1511	18,180,000				18,180,000
Pub Land Corner Preservation Fund	1512	752,174				752,174
Inmate Welfare Fund	1513	1,271,986				1,271,986
Justice Services Special Ops Fund	1516	2,977,182	340,362			3,317,544
General Reserve Fund	1517	9,470,000				9,470,000
Revenue Bond Sinking Fund	2001	969,961		1,564,450		2,534,411
Capital Debt Retirement Fund	2002	1,899,320	13,833,428	1,445,000		17,177,748
General Obligation Bond Sinking Fund	2003	18,120,591				18,120,591
PERS Bond Sinking Fund	2004	2,000,000	9,660,066			11,660,066
Justice Bond Project Fund	2500	41,941,000				41,941,000
Revenue Bond Project Fund	2501	2,000,000				2,000,000
SB 1145 Funds	2502	11,720,000				11,720,000
Building Projects Fund	2504	7,454,000			4,775,000	12,229,000
Deferred Maintenance Project Fund	2505	5,602,000				5,602,000
Library Construction Fund (1996)	2506	6,770,000				6,770,000
Capital Improvement Fund	2507	8,611,000		8,075,180		16,686,180
Capital Acquisition Fund	2508	2,117,578	3,352,947			5,470,525
Asset Preservation Fund	2509	6,344,000		1,386,155		7,730,155
Behavioral Health Managed Care Fund	3002	37,731,656				37,731,656
Risk Management Fund	3500	10,294,148	49,293,856			59,588,004
Fleet Management Fund	3501	6,035,995	4,558,360			10,594,355
Telephone Fund	3502	1,644,006	3,862,209			5,506,215
Data Processing Fund	3503	1,854,553	23,899,600	965,000		26,719,153
Mail Distribution Fund	3504	135,250	1,453,600			1,588,850
Facilities Management Fund	3505	4,721,116	37,644,627	259,460		42,625,203
Total All Funds		826,808,452	162,813,856	37,894,574	4,775,000	1,032,291,882

SUMMARY OF DEPARTMENTAL EXPENDITURES 2002-03

Fund		Nondep't	District Attorney	OSCP	County Human Services	Health	Community Justice	Sheriff	Business & Community	Library	Overall	Total Department Expenditure
General Fund	1000	13,276,828	14,785,344	16,745,839	20,862,869	41,445,984	41,482,131	88,337,333	35,861,734			272,798,062
Strategic Investment Program Fund	1500			568,389					2,327,970			2,896,359
Road Fund	1501								36,884,254			36,884,254
Emergency Communications Fund	1502							191,841				191,841
Bicycle Path Construction Fund	1503								175,124			175,124
Recreation Fund	1504								120,300			120,300
Federal/State Program Fund	1505	1,887,546	4,971,534	15,689,347	131,935,491	66,187,404	31,957,179	80,706	548,521			253,257,728
County School Fund	1506	298,500										298,500
Tax Title Land Sales Fund	1507								651,001			651,001
Willamette River Bridge Fund	1509								7,349,915			7,349,915
Library Serial Levy Fund	1510									43,526,140		43,526,140
Special Excise Taxes Fund	1511	18,180,000										18,180,000
Pub Land Corner Preservation Fund	1512								709,782			709,782
Inmate Welfare Fund	1513						33,613	1,238,373				1,271,986
Justice Services Special Ops Fund	1516		453,545				906,956	1,957,043				3,317,544
Revenue Bond Sinking Fund	2001	828,444										828,444
Capital Debt Retirement Fund	2002	15,326,364										15,326,364
General Obligation Bond Sinking Fund	2003	9,188,551										9,188,551
PERS Bond Sinking Fund	2004	9,533,732										9,533,732
Justice Bond Project Fund	2500							31,986,000	9,831,000		124,000	41,941,000
Revenue Bond Project Fund	2501								500,000			500,000
SB 1145 Funds	2502							11,720,000				11,720,000
Building Projects Fund	2504								11,660,000		569,000	12,229,000
Library Construction Fund (1996)	2506									6,770,000		6,770,000
Capital Improvement Fund	2507								16,686,180			16,686,180
Capital Acquisition Fund	2508	700,735							4,769,790			5,470,525
Asset Preservation Fund	2509								4,467,155			4,467,155
Behavioral Health Managed Care Fund	3002				35,747,469							35,747,469
Risk Management Fund	3500	2,359,241							50,228,763			52,588,004
Fleet Management Fund	3501								8,364,860			8,364,860
Telephone Fund	3502								5,506,215			5,506,215
Data Processing Fund	3503								26,719,153			26,719,153
Mail Distribution Fund	3504								1,525,071			1,525,071
Facilities Management Fund	3505								38,433,868			38,433,868
Total All Funds		71,579,941	20,210,423	33,003,575	188,545,829	107,633,388	74,379,879	135,511,296	263,320,656	50,296,140	693,000	945,174,127

FUND LEVEL TRANSACTIONS 2002-03

Fund		Total Department Expenditure	Cash Transfers	Contingency	Unappropriated Balance	Total Requirements
General Fund	1000	272,798,062	19,647,789	1,828,466	10,140,000	304,414,317
Strategic Investment Program Fund	1500	2,896,359				2,896,359
Road Fund	1501	36,884,254	3,768,004	359,529		41,011,787
Emergency Communications Fund	1502	191,841				191,841
Bicycle Path Construction Fund	1503	175,124				175,124
Recreation Fund	1504	120,300				120,300
Federal/State Program Fund	1505	253,257,728				253,257,728
County School Fund	1506	298,500				298,500
Tax Title Land Sales Fund	1507	651,001				651,001
Animal Control Fund	1508		1,332,500			1,332,500
Willamette River Bridge Fund	1509	7,349,915		79,554		7,429,469
Library Serial Levy Fund	1510	43,526,140				43,526,140
Special Excise Taxes Fund	1511	18,180,000				18,180,000
Pub Land Corner Preservation Fund	1512	709,782		42,392		752,174
Inmate Welfare Fund	1513	1,271,986				1,271,986
Justice Services Special Ops Fund	1516	3,317,544				3,317,544
General Reserve Fund	1517				9,470,000	9,470,000
Revenue Bond Sinking Fund	2001	828,444			1,705,967	2,534,411
Capital Debt Retirement Fund	2002	15,326,364			1,851,384	17,177,748
General Obligation Bond Sinking Fund	2003	9,188,551			8,932,040	18,120,591
PERS Bond Sinking Fund	2004	9,533,732			2,126,334	11,660,066
Justice Bond Project Fund	2500	41,941,000				41,941,000
Revenue Bond Project Fund	2501	500,000	1,500,000			2,000,000
SB 1145 Funds	2502	11,720,000				11,720,000
Building Projects Fund	2504	12,229,000				12,229,000
Deferred Maintenance Project Fund	2505		5,602,000			5,602,000
Library Construction Fund (1996)	2506	6,770,000				6,770,000
Capital Improvement Fund	2507	16,686,180				16,686,180
Capital Acquisition Fund	2508	5,470,525				5,470,525
Asset Preservation Fund	2509	4,467,155	1,445,000		1,818,000	7,730,155
Behavioral Health Managed Care Fund	3002	35,747,469	439,946	1,544,241		37,731,656
Risk Management Fund	3500	52,588,004		7,000,000		59,588,004
Fleet Management Fund	3501	8,364,860	300,000	1,929,495		10,594,355
Telephone Fund	3502	5,506,215				5,506,215
Data Processing Fund	3503	26,719,153				26,719,153
Mail Distribution Fund	3504	1,525,071		63,779		1,588,850
Facilities Management Fund	3505	38,433,868	3,859,335	332,000		42,625,203
Total All Funds		945,174,127	37,894,574	13,179,456	36,043,725	1,032,291,882

SUMMARY OF DEPARTMENTAL REQUIREMENTS 2002-03

Department	Personal Services	Contractual Services	Materials & Services	Principal & Interest	Capital Outlay	Total Direct Expenditure	Service Reimbursements	Total Spending	FTE
Nondepartmental	5,498,363	23,207,681	558,671	35,363,929	600,735	65,229,378	6,350,563	71,579,941	79.92
District Attorney	12,951,428	1,616,467	554,101	0	9,550	15,131,546	5,078,876	20,210,422	224.07
School & Community Partnerships	4,342,330	25,537,807	354,869	0	0	30,235,006	2,768,569	33,003,575	76.30
County Human Services	35,689,436	130,228,492	1,850,936	0	0	167,768,864	20,776,966	188,545,830	710.34
Health	58,033,357	13,107,413	11,836,946	0	93,467	83,071,183	24,562,205	107,633,388	973.12
Community Justice	34,969,243	16,623,752	2,660,609	0	0	54,253,605	20,126,275	74,379,879	628.29
Sheriff	60,196,697	3,787,860	6,088,318	0	41,588,869	111,661,744	23,849,552	135,511,296	915.92
Business & Community Services	51,462,294	39,106,363	81,278,969	1,107,252	48,556,686	221,511,564	41,809,092	263,320,656	869.90
Library	21,279,021	1,817,905	8,610,137	0	5,820,120	37,527,183	12,768,957	50,296,140	455.92
Overall County	187,000	506,000	0	0	0	693,000	0	693,000	0.00
TOTAL	284,609,169	255,539,740	113,793,557	36,471,181	96,669,427	787,083,073	158,091,054	945,174,127	4,933.78