

## Attachment C - FY 2007 Budget Notes

June 22, 2006

### Mental Health Outreach at Public Clinics

The FY 2007 Adopted Budget did not fund program offer 25065, which provided \$400,000 for an outside agency to perform outreach, referral, and case management. Having a well functioning referral process in place between County agencies is critical to an efficiently operating system.

The Board directs the Health Department and Department of County Human services to form a process improvement team to review and improve how individuals with a mental illness or addiction that present themselves at public health clinics or are otherwise identified by the Health Department are referred to services provided by DCHS or community-based agencies. Processes and items to review include: how individuals are identified and referred, how or if the referral is tracked by DCHS, whether an individual successfully engages in treatment, the number of individuals referred, and how the departments measure if the process is working. A written report, including any improvements, is to be sent to the Board by November 30.

### Alcohol & Drug Programs

The Board directs staff from all departments that submitted alcohol and drug treatment service program offers and staff from the Department of County Management to convene a working group examining treatment services. The systems report should include all alcohol and drug treatment services, capacity, and performance (outcomes), for funded county services. The work group should provide the Board this information and its recommendations on how to increase performance and efficiency of the system for FY 2008 program offers. The report should be presented within six months of budget adoption.

### Corrections Health

The Board seeks to maintain adequate employee and inmate safety while reducing the cost of providing health care to inmates in the County jails. During the first half of FY 2007, the Health Department is directed to prepare program options for lower-cost Corrections Health services for the Board's consideration. The department should analyze the costs, benefits, and risks associated with dropping NCCHC accreditation; should identify and analyze the pros and cons of lower-cost alternative service delivery models; and should identify areas in the current service delivery model where costs could be reduced.

The Board has set aside \$1 million in the General Fund contingency for the Health Department's use, if needed, to cover expenses associated with implementing a lower-cost Corrections Health service model.

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### HIV Care Services

The Board is concerned about the level of administrative and support costs allocated to the HIV Care Services Program. The Health Department is requested to prepare a board briefing for the first quarter of FY 2007 in which the HIV Care Services program is fully described, administrative and support costs are analyzed, and recommendations for changes or modifications to administrative and support cost allocation strategies are made.

### Evening Arraignment Court Study and Pilot Program

Early releases from jail (Matrix) are an unfortunate yet common management technique to eliminate overcrowding. Most releases occur Friday, Saturday, and Sunday evenings because the courts do not operate during these times. To reduce the number of matrix releases, the Board requests that CJAC lead this project in conjunction with staff from the various public safety partners and staff from the Department of County Management perform an analysis to determine the feasibility of piloting a limited weekend evening arraignment court. If a pilot program is launched, CJAC and DCM may request funding from contingency based on the feasibility study. This program, if funded, will be evaluated for its outcomes and cost-benefits.

### Court Services Analysis

The Board directs staff from the Sheriff's Office and the Department of County Management to review the current service, performance, financial agreements and requirements to provide court security services. This review should include staff from the State Courts of Multnomah County. Results of the review should be provided to the Board including recommendations on how to increase performance and efficiency of the system for FY 2008 program offers.

### Sheriff Civil Process

The joint city/county public safety collaboration identified that Sheriff law enforcement deputies spend significant amounts of time serving civil papers, a function also performed by the County's less costly civil deputies. The majority of papers served occur in incorporated cities in the county, with the possibility that law enforcement deputies are pulled away from their unincorporated patrol areas.

In anticipation of continued on-going revenue loss the Board directs staff from the Sheriff's Office and the Department of County Management to identify alternatives in civil paper service delivery. Identify the types of civil papers served, the trends in papers served, by whom these papers are served and alternative service delivery models. Results of the review should be provided to the Board including recommendations on how to increase performance and efficiency of the system for FY 2008 program offers. This information shall be reported back to the Board by December, 2006.

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### Sheriff Workcrews

The Board desires a briefing from Sheriff's Office on Work Crews. Currently there is not a clear understanding of how work crews are used, what services they provide in-house and for other agencies and how they are managed. The Board is looking for the Sheriff to present options to reduce the general fund cost of work crews. This briefing is to occur before December, 2006.

### Full Cost Recovery for Incorporated Law Enforcement Services

It is part of the County's financial policy to recover all costs associated with the provision of services to outside jurisdictions. Previously an agreement to ramp-up costs to provide full cost recovery for incorporated cities where the County provides law enforcement services over five years was to be implemented. The Board directs staff from the Sheriff's Office and the Department of County Management to review the current service and financial agreements for patrol services that are provided by the MCSO to incorporated cities. These costs shall be based on the appropriate submitted program offers and include all direct service, administration, and support costs that are necessary to provide the service. In cases where the services exceed reimbursement the Board directs staff to renegotiate service contracts to recoup full costs for providing such services or adjusting the services levels to align with their costs, thus complying with county policy.

The results shall be reported back to the Board within 90 days of budget adoption with the results of the analysis, plan for implementation and description of how FY 2008 program offers will be structured.

### Sheriff Investigatory Services to Incorporated Jurisdictions

It is part of the County financial policy to recover all costs associated with the provision of services to outside jurisdictions. The Board directs staff from the Sheriff's Office and the Department of County Management to review and report the amount of investigatory services that are being provided in the incorporated jurisdictions of Multnomah County. These include the following program offers: Countywide Investigations (#60024C), Detectives (#60024F), and the Special Investigation Unit (#60024G).

\$1 million of Sheriff overtime has been placed in contingency and will be available to offset overtime and/or ramp down plan for services to incorporated areas upon a report and recommendation back to the Board. If incorporated jurisdictions wish to continue these services in the following fiscal year they may choose to contract for these services under a full cost recovery agreement. The county will cease to provide investigatory law enforcement services in incorporated cities, unless a full cost recovery contract can be negotiated. The results shall be reported back to the board within 90 days.

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**Sheriff Overtime** The Board continues to have concerns about the amount and cost of overtime in the Sheriff's budget. For FY 2007, the Board desires that the Sheriff manage and reduce his requested overtime budget by \$1 million. The Board has purchased a \$1 million MCSO OT savings package, and has placed that \$1 million in contingency. Those funds may be accessed and available conditioned upon the Sheriff's response and performance on transferring and/or fully recovering the costs of providing Sheriffs investigatory services in the unincorporated areas (Special Investigations, Countywide Investigations and Detectives). For FY 2008 the Board desires to see program offers that reflect services in the unincorporated areas, scaling if necessary to include fully cost recovered services to incorporated areas.

**SUN System of Services – Short Term Planning Process** SUN Schools are an important piece of the youth and school-related programs funded by Multnomah County, but are only one part of a sweeping set of County programs designed to support children and their families. Included in this array of programs are the County Library system; public health immunization programs; school health centers; services to homeless youth and youth involved in gangs; services for children and the arts, and much, much more. The tremendous fiscal pressure our jurisdiction is facing now and in the foreseeable future requires us to be creative in finding savings while best serving the County's citizens.

The Board directs the Office of School and Community Partnership Director to develop a short-term plan to address the administrative cuts in the SUN budget. This plan should be done in partnership with SUN stakeholders, the City of Portland and schools. It is the intention of the Board that all SUN sites remain open. However, if a consensus of the planning group develops an alternative proposal that prioritizes schools with the highest poverty levels and prioritizes coordination of County services rather than after-school activity supervision and coordination, then the Board will consider that option. The Office is also expected to propose internal administrative cuts.

The Director will report back to the Board with a proposal by July 31, 2006.

**Direct Services to School-Aged Youth** Multnomah County has strongly affirmed education as one of its priorities and remains committed to purchasing programs and services that best contribute to this priority area. In addition to the vast array of youth and educational programming provided by the County, the Board has allocated an additional \$6.4 million to schools for FY06/07 to aid them in a time of fiscal crisis, despite the fact that the County is also

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facing the sunset of the temporary income tax. In order for our children to thrive academically, the Board recognizes that as a community we must support our children by providing the quality health and human services that are so vital to their educational success. The Board also recognizes that in order to provide this opportunity it is necessary to work closely with other jurisdictions and our community partners that have an interest in ensuring that all children have access to these programs.

Therefore, our next step is to include participation of all key investors. By September 1, 2006, the Board will appoint a Task Force staffed by the Commission on Children, Families and Community (CCFC) to address direct service provision to our school-aged youth. The Task Force will report back to the Board by February 1, 2007 providing recommendations on the following.

1. The SUN Service System provides valuable services to our school-aged youth and their families. The total cost of the program for Multnomah County is over \$20 million. This system currently includes:

- SUN Community Schools (Program Offers 21021A/21021B)
- Energy Services (Program Offer 21006)
- Touchstone Current Service Level (Program Offer 21032A)
- Social & Support Services for Educational Success (Program Offer 21033)
- Child Development Services (Program Offer 21034)
- Alcohol, Tobacco and Other Drug Services (Program Offer 21035)
- Gender Specific Services for Girls (Program Offer 21036)
- Services for Sexual Minority Youth (Program Offer 21037)

The Task Force should report to the Board regarding how these SUN programs integrate and deliver County Services. The Task Force should recommend strategies for delivering SUN services taking into account alternative funding sources and whether the County is the most appropriate entity to provide these services or whether they should be administered by jurisdictions such as the Multnomah County School Districts. The Task Force should recommend strategies to redesign the distribution of County funds to provide services to all Multnomah County children with a priority on the most vulnerable.

2. The County directs the Task Force to partner with the CCFC to address issues of access to and information about vital County services, in addition to SUN programs, for all children and families in Multnomah County. The Task Force should produce a list of County-funded programs including services for preschool, school-age, and at-

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risk youth and recommend ways to increase access and information about these services. The Task Force should recommend ways in which jurisdictions and service providers can collaborate and coordinate with the CCFC to advance the goals of all our children growing up to become productive, successful adults. The plan should provide clear roles for all participants in the collaborative planning process.

## Shared Funding Initiative Proposals

The County delivers services that provide benefits to other local government jurisdictions where costs or portions of costs are not recovered. As resources continue to shrink, the County needs to seek reimbursement from other government jurisdictions if these services are to continue. The Board Directs the Department of County Management, Health Department, Sheriff and County Human Services to begin cost recovery negotiation for the following services:

<b>Program #</b>	<b>Name</b>
25091	A&D Sobering
40018	Vector Control
40057A-40066F	Health Clinic Restructuring Initiatives
60022F	MCSO MCIJ Offer F
ALT	DSS-J Shared Support
50071	3 City Funded A&D Treatment Beds

## Legislative Agenda

Public Affairs Office and concerned departments will craft a legislative agenda and language for the Board's consideration prior to the upcoming legislative session in Salem on the following items:

### **Salary Increase Requires New Funding Formula**

50030B - Adult Felony Supervision-Restore Current Staffing Level

### **Sunset TSCC in Multnomah County**

10008 - Tax Supervising Conservation Commission

### **State Funding for Seniors**

25021A - ADS Community Safety Net

25023B - Long Term Care Scaled Offer B

25023C - Long Term Care Scaled Offer C

### **State Funding for OHP/Mental Health**

25024B - ADS Protective Services – Add MH Capacity

25058B - Involuntary Commitment Investigators – Backfill

25059B - Involuntary Commitment Monitors – Backfill

25063 - Mental Health Treatment & Medication for Uninsured

25078B - Culturally Competent Mental Health Services

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## State Funding for Court Services

60018A – MCSO Court Services: Courthouse

60018B – MCSO Court Services: Justice Center

## Increasing Fee Revenue

- Civil Process Fees
- Court Filing Fees
- Concealed Handgun Fees

## County Management Savings

The Board directs the Human Resources Director, in conjunction with the Director of the Department of County Management, to implement a savings of \$350,000. The Director of Human Resources is to return to the Board with a plan as to how best implement this savings with a focus on the streamlining of existing programs to create greater efficiencies and cost savings. While the Board would like to see a focus on finding a savings within Human Resources, it recognizes that the division may not be able to absorb the entire \$350,000. The Board is open to a plan that includes department-wide savings if necessary.

## Programs Funded with One-Time-Only (OTO) Funding, Phase Out/Reformed

There are a number of programs that the Board has approved to be funded with one-time-only funding (OTO) for FY 2007. The County's financial policies state:

“When the County budgets unrestricted one-time-only resources, the Board will consider setting these funds aside for reserves or allocating them to projects or programs that will not require future financial commitments. The Board will consider the following when allocating these one-time-only resources:

1. The level of reserves set aside as established by Board policy.
2. The County's capital needs set out in the five-year Capital Improvement Plan or Information Systems Development Plan.
3. One-time only spending proposals for projects or pilot programs, particularly investments that may result in innovative ideas or technology or long-term efficiencies or savings that do not require ongoing support.
4. Bridge or gap financing for existing programs for a finite period of time.”

\$48 million of one-time-only resources placed the Board in the difficult position of balancing the need to continue critical services to our residents for one more year or strictly comply with the financial policies. The adopted budget strikes that balance by allowing one year

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of bridge funding to ramp down programs, find alternative revenue sources or redesign process to mitigate the anticipated loss of services in FY 2008. The following programs are designated to sunset in FY 2007:

## Program # Program Name

10012 Cultural Diversity Conference  
10022 Elders in Action  
10024 Regional Arts & Culture Council  
10027 Business Income Tax Pass-Through  
21033 Social and Support Svcs for Educational Success  
21035 Alcohol, Tobacco, and Other Drug Services  
21036 Gender Specific Svcs for Girls  
21039 Bienestar Ortiz Site  
25081B A&D Community Based Services - Backfill  
25087 A&D Residential Treatment - Women Designated  
25094 A&D Youth Residential Treatment  
40017 Students Today Aren't Ready for Sex (STARS)  
40040 Children's Assessment Center  
50031 Adult Field Services - Misdemeanor Supervision  
50037 Londer Learning Center  
60003B MCSO 911 System Access  
60016C MCSO Booking: Gresham Temp Holding  
60024A Civil Process  
60025 MCSO Corrections Work Crews  
60038 MCSO Wapato Jail: Mothball Costs for Facility  
25072A Bienestar Mental Health Services  
60024C MCSO LE: Countywide Investigations  
80004A Juvenile Justice Outreach - Current Service Level  
80005A Books 2 U-Current Service Level  
95002 Corrections Health

The Board would like a budget briefing by October, 2006 regarding the status and planned sunset of these programs.

## Performance Contracting

The County wants to continue evaluating the effectiveness of programs and contractors. The Board is asking the Department of County Management to lead the effort to ensure that performance outcomes and measures are included in County contracts. Departments shall cooperate with the Department of County Management in developing performance outcomes and measures. These measures will indicate the progress being made on the marquee indicators in each of the six priority areas, will be used in evaluating programs and contractors, and will provide performance measure data for program offers. The Director of County Management will recommend the order of contract category review (i.e. human service, mental health, etc.), paying specific attention to a contractor's performance in adequately serving all demographic groups.

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### Cultural Competency

The Board of County Commissioners seeks to strengthen the County's commitment to culturally competent service delivery. Culturally competent services should be integral elements in the framework of service delivery to ethnic, cultural and underrepresented communities countywide by contractors and employees alike. The Board seeks to ensure performance based contracting processes and procedures regarding those resources and services.

Staff shall review how the resources are being allocated in terms of the clientele we serve and how services might best be delivered: directly by the County; by community based providers; by a larger not-for-profit organization; or by a combination of all three. The Board is concerned with the County's changing demographics and wants to ensure that all people are equitably served by available County services.

The Department of County Management is asked to lead this process, shall work with all county departments, and report back to the Board about current status and proposed policy direction for planned improvements no later than January 31, 2007.

### Bus Pass Program

The bus pass program was implemented as a step toward helping the County meet its DEQ mandate to reduce commuting trips by employees. The program is now required by all county labor contracts and is provided as a 100% subsidy by the County to all regular employees. Good data does not exist on either the actual use of these passes by employees or whether the County has chosen the most cost effective alternative to decrease commuting trips.

The Board directs the Director of the Department of County Management to conduct a survey of County employees holding these bus passes. The survey should identify how many employees use the passes for commuting and business, and try to identify how often they are used for these purposes.

The department will report back to the Board on actual utilization of bus passes, cost per trip for the passes, and make recommendations as to how the County might want to restructure the bus pass program in the future. Any changes in the bus pass program would have to be negotiated with each labor union.

### Public Affairs Office (PAO)

The Board directs the Public Affairs Office (PAO) to contract for state lobbying services for the next legislative session with funds from the existing vacant position. The PAO is directed to return to the Board with a plan for implementation within 30 days.

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**Pet License Fees** Oregon state law requires all dogs over six months of age to be inoculated for rabies (ORS 433). Cats are not required by state law to be vaccinated for rabies. However, it is required in Multnomah County, by County ordinance.

Under state law, a current rabies inoculation is required for a dog to be licensed. This also applies to cat licensing in Multnomah County. Counties are required by state law to maintain rabies inoculation certificates and issue licenses. A valid license serves as proof that the dog's/cat's inoculation is current. Only a licensed veterinarian can administer a rabies inoculation. There is no requirement in the state law for veterinarians to provide counties with rabies inoculation certificates. There is no requirement in the state law for veterinarians to issue licenses. The state Department of Human Services has responsibility to administer ORS 433.

In Multnomah County, approximately fifty (50) veterinary clinics voluntarily sell licenses for Multnomah County. Last year, nearly one-third of all dog and cat licenses sold in Multnomah County were sold by one of these authorized license vendors. Not all veterinarians sell licenses. We estimate that only 30% – 35% of the dogs of licensable age are currently licensed, based on estimating formulas published in a recent American Veterinary Medical Association study. The percentage of cats licensed is approximately 10 – 15%.

Increased license compliance means more dogs/cats are properly vaccinated, and also serves as a funding stream to counties to help offset the cost of providing animal services.

In the 2005 legislative session, SB 556 was introduced which would have required veterinarians to provide a copy of rabies certificates to counties. The bill was opposed by the Oregon Veterinary Medical Association—it did not pass. The veterinary community is an important partner in assisting us in public education and promotion of responsible pet ownership.

The Board directs the Animal Control director to bring back a proposal for the Board to consider requiring that veterinarians license animals. The goal is to reduce general fund support for animal services and move towards a more fee supported program.

**First Quarter  
Financial  
Forecast**

After the first quarter financial forecast report, if on-going revenues are available, the Board would like to consider funding for Corrections Health and SUN Schools with these revenues in lieu of one-time-only revenues.

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### Strategic Investment Program (SIP)

The Strategic Investment Program (SIP) provides tax abatements for companies that negotiate and meet certain performance requirements related to job creation and workforce training. Community Service Fee payments are made in lieu of property taxes from companies that have entered into SIP agreements.

The Community Service Fee revenue can be available for general purposes except where contracts specify a dedicated use. The Board has amended the budget at times over the past few years to transfer SIP funds to the General Fund. In FY 2007 and subsequent years the Board intends to transfer all undedicated SIP Fund revenue to the General Fund to be used as a resource in establishing fiscal parameters.

### General Fund Revenues

There are many revenue sources that make up the General Fund. The largest sources include Property Tax, Business Income Tax (BIT), Motor Vehicle Rental Tax, and state revenue sharing. These sources make up approximately 90% of total General Fund revenues.

The remaining 10% of General Fund revenue is budgeted by departments in the form of fees, charges, intergovernmental contracts, and a variety of miscellaneous sources. In most cases this revenue serves to partially offset the cost of programs budgeted in the General Fund. The revenues themselves are not dedicated, in the way that grants are, but if the County were not to perform the services that generate this revenue the overall General Fund would be reduced.

The Board is interested in segregating the other sources of funds that comprise the General Fund in order to make more informed choices when considering program offers. Therefore, the Budget Office is directed to prepare options for identifying and displaying the "Other Funds" General Fund revenue and present those to the Design Team for consideration in the FY 2008 budget process.