

Summaries

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Summaries

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Budget Manager's Message

The number most people want to know more than any other in a budget is the total. The next thing they ask is how much that total is more than or less than the previous year. The questions are easy to ask, but the answers need some explanation to make sense.

Starting with the basic numbers:

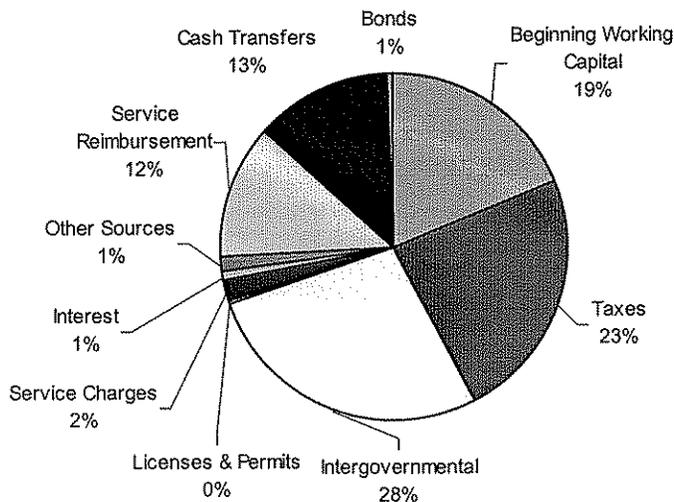
Total Budget

The total Adopted Budget, including unappropriated balances, is \$1,186,521,929, or a 7.46% increase over last year. This breaks down as:

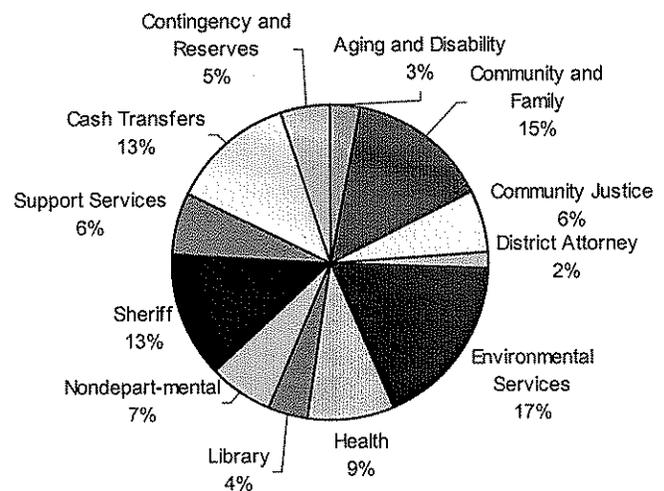
- Total direct revenues (the money actually available to the County for spending) of \$879,613,198.
- Total departmental expenditure (including \$148 million of payments from one fund to another and therefore double counted) of \$975,709,511.
- Total Contingency accounts and Reserves of \$58,226,896.

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

FY 2001 Revenues - All Funds



FY 2001 Spending - All Funds



Summaries

The direct revenues in the FY 2001 budget total \$879.6 million for all funds. This is \$103.9million more than the FY 2000 budgeted amount of \$775.7 million.

Much of the overall 13.4% increase is due to growth in dedicated state and federal funds which pass through County agencies. Intergovernmental revenue budgeted in the Federal/State Fund and Behavioral Health Managed Care Fund has grown from \$195 million to \$238.5 million – an increase of more than 22% over the FY 2000 budget.

There are two other significant fluctuations in budgeted revenue that are worth noting.

The County has three general obligation bond issues being spent down over time (1993 and 1996 Library G.O. Bonds and 1996 Justice G.O. Bond) and a revenue bond fund (partnerships with non-profit organizations for facilities construction). The amounts in these funds fluctuate from year to year. In 1996 the State provided the County with \$43 million to construct jail and alcohol and drug treatment beds to use for felons sentenced to less than a year. This SB 1145 capital is being spent over time and is declining as a revenue.

In FY 2000, the County Board approved the competitive sale of up to \$61.2 million in Full Faith and Credit Obligations (formerly known as certificates of participation COP's). This included conversion of an existing COP into a full faith and credit obligation, freeing up a \$2.8 million reserve.

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General Fund and Levy Fund Expenditures

Many of the revenues managed by the County come from other governments (about \$325.6 million), or have strict limitations as to how they can be used (bond revenues, gas tax revenues, etc.). Locally generated revenues, however, over which the Board of Commissioners has discretion, also grew for FY 2001.

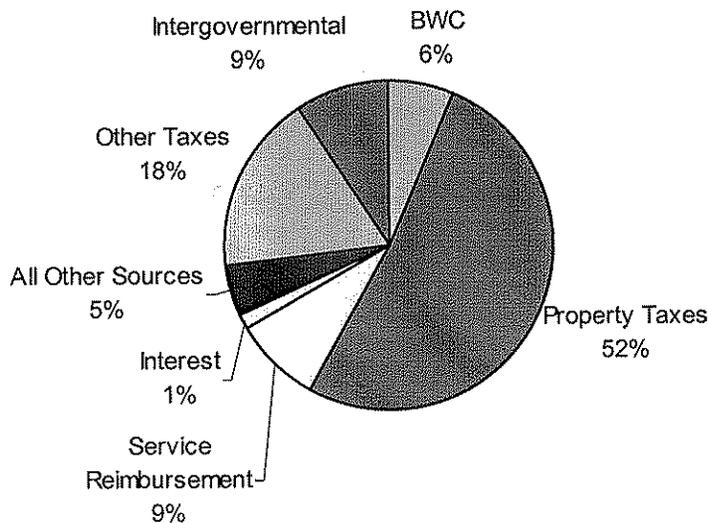
General Fund Spending and Revenues

The total Adopted Budget for the General Fund is \$319,133,815, or a 7.90% increase over last year. This breaks down as:

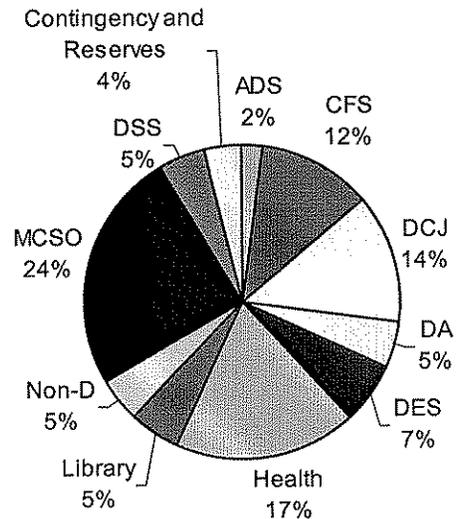
- Direct General Fund revenues of \$289,948,080.
- Service reimbursements and cash transfer revenues of \$29,185,735.
- Departmental expenditures (including cash transfers to other funds) of \$306,367,000.
- Contingency accounts and reserves of \$12,766,815.

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

FY 2001 Revenues - General Fund



FY 2001 Spending - General Fund



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Discretionary Revenues

Multnomah County property taxes are levied under the constitutional provisions established by Measure 50 in June 1997. What follows is a summary of some crucial factors in the current tax system.

Assessed Value & Real Market Value

Assessed value of real property is the dollar amount on which taxes are collected – the taxable value. Real market value is what the property could be sold for. In Oregon, Measure 50 disconnected assessed value of properties from their market value. Assessed value is now the *lowest* amount of the following:

- The property's July 1, 1995 assessed value minus 10 percent plus 3 percent annually; or
- The property's July 1, 1999 assessed value plus 3 percent; or
- The property's real market value.

If a property has been improved since July 1, 1995, then the value of the improvements may increase its assessed value, if those improvements:

- Total \$10,000 or more since the last assessment date; or
- Total \$25,000 or more over the last three years.

If a property is sold, its assessed value is not changed by the sale. If a property assessed at \$100,000 for purposes of taxation is sold for \$400,000, its assessed value remains \$100,000. Next year, its assessed value can grow no more than 3 percent.

Now, this situation presents only practical difficulties for the property tax collection process. It is clear enough to implement. However, it sacrifices taxation equity to predictability. The nature of real estate sales is that properties in some areas are more desirable than properties in other areas (and, therefore, become worth different amounts over time), and that some kinds of property attract buyers more readily than other kinds of property. Real market value tends to change from year to year. Those increases or decreases no longer affect assessed value. Therefore, taxes do not follow what property is worth. However, what the system loses in equity it gains back in predictability. If a property owner does not alter his or her property, he or she will know with a great deal of certainty what the taxes on that property will be – at least regarding the taxes levied to pay for government operations.

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Permanent Tax Rate

Measure 50 authorizes governments to collect a tax rate, in perpetuity. This *permanent tax rate*, established retroactively effective July 1, 1997, combined all the authorized taxes for operations that each government had as of July 1, 1997, reduced that levying authority to provide a tax reduction to taxpayers, and converted the reduced authority into a permanent tax rate.

Multnomah County's permanent tax rate is \$4.3434. That is, the County is authorized to collect \$4.3434 for every thousand dollars of *assessed value* of every property in the county, every year. Because the permanent tax rate replaced a tax base and two serial levies as of July 1, 1997, the County segregates the revenue it produces into three "pots." The bulk of the revenue (69%) is used for general purposes as the tax base was under the previous system. The revenue from the two "fossil levies" is spent on library services (10%) and public safety (21%) as though the serial levies continued. This is not a legal requirement. It is a policy direction.

As assessed value grows, the taxes collected by Multnomah County will also grow. Assessed value will grow in two ways:

- For the overwhelming majority of properties, it will grow 3 percent per year;
- For properties that have new construction, it will grow more than 3 percent.

The FY 2001 Proposed Budget assumes an overall growth in assessed value of 5.0%. We expect additional new value worth approximately three-quarters of a billion dollars to be added to the tax roll in addition to the general 3% increase. The combination of assessed value and the permanent tax rate will produce \$171.5 million in property tax revenue for the operation of County programs.

Compression

Compression is a relatively familiar concept in Oregon, being the mechanism whereby Measure 5 (the 1990 property tax limitation measure) reduced property taxes. However, Measure 50 deals with compression differently and requires some explanation.

No property owner is subject to taxes in excess of \$10 per thousand of *real market value* for local government operations. (Measure 50 still requires the County to maintain records of real market value of property) The taxable value of property and its real market value are disconnected. Therefore, it is possible for one property to have local government taxes that work out to less than \$10 per thousand while the same taxes on the property next to it must be compressed.

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Of the County's compression loss, \$3.3 million came from the \$21 million Library levy. This is close to the compression loss experienced by City of Portland on its \$137 million permanent tax rate.

How? Two computations are required. First, the tax rates for the various overlapping governments are applied to the *assessed value* of the properties. That produces a tax amount for each property. Then that tax amount is divided by the *real market value* of each property. If the local government tax amount for a property works out to more than \$10 per thousand of *real market value*, then the taxes on that property are reduced to \$10 per thousand of real market value.

This is far from academic to Multnomah County. Compression means that revenues will be lower than the amount of taxes levied. To estimate how much lower, so that a reasonable budget can be put together, is a very complex process. Every property must be computed individually. Moreover, if taxes are compressed on a property, there is a hierarchy to property taxes that causes the reduction to decrease revenue differently for different kinds of tax levies.

Levies for debt are not compressed. Permanent tax rates are affected by compression before levies for debt but are not reduced until all local option levies are reduced to zero on a property. Local option levies are compressed to zero on a property before any other taxes are affected.

There is only one local option levy in place in Multnomah County, and it is the County Library Levy. In FY 99-00 the total reduction in local government property taxes from compression was \$9.9 million countywide. Of that total, the County lost \$5.8 million. Of the County's loss, \$3.3 million came from the \$21 million Library levy. This is about the same dollar amount of compression as Portland lost from its \$137 million permanent tax rate levy.

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 basically transferred to Metro for operational costs of the Convention Center. The Motor Vehicle Rental Tax is general revenue used in the General Fund for County services.

Metro proposed to the voters in 1998 a regional general obligation bond to expand the Convention Center. The proposal was defeated. In 1999, the City of Portland approached the County with a proposal to increase the rates of both the Transient Lodging Tax and the Motor Vehicle Rental Tax and to dedicate the proceeds to Metro for a reduced expansion of the Convention Center, PCPA renovations and Civic Stadium renovations. The Board approved the rate increase and tax collection started in April 2000. The FY 2001 budget assumes a full year of increased tax revenues, \$7.25 million.

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In light of a possible initiative that would require a public vote on all fee and tax increases that would be retroactive back two years, the County is proposing to hold all tax collections until after the November election. If the initiative passes, the County will be required to refund the tax receipts. If the initiative does not pass, the County will transfer the tax receipts to the appropriate payees in accordance with the current intergovernmental agreement.

Immigration & Naturalization Service and U.S. Marshal Service Revenues

A significant amount of General Fund revenue is generated through the jail beds the Sheriff's Office rents to the Immigration & Naturalization Service (INS) and to the U.S. Marshal Service (USM). In FY 2000, we anticipate a revenue loss of at least \$3.2 million from these sources as a result of reduced bed rentals to the INS and lower-than-expected rentals to the USM.

The County is currently contractually obligated to provide 86 jail beds per day as needed by the US Marshal and the INS, reimbursed per bed at a rate of \$89.98 per day. The US Marshall contract (which includes the INS rental agreement) is up for re-negotiation at present, with an anticipated bed-day rate of \$103. For FY 2000, we budgeted revenues of \$7.2 million for the US Marshal and \$1.6 million for INS, for a total of \$8.8 million. This represents a total of 235 beds at \$103 per day, or 269 beds at \$89.98. Actual rentals in FY 2000 have averaged about 144 beds per day, resulting in the anticipated \$3.2 million shortfall.

The trends show that the average number of beds may continue to drop. For FY 2001, we have budgeted 125 beds at \$103 per day, or \$4.7 million.

Medicaid Reimbursement Revenues

Through a long period of negotiation with the State Office of Medical Assistance Programs (OMAP), the Health Department has reached an agreement with the State to collect an increased level of reimbursement for Oregon Safety Net Clinic visits paid for by Medicaid. This agreement will represent an additional \$1.5 to \$1.8 million in ongoing revenue to the County. But, there is about a two-year lag between when we provided services and when we will receive the increase on an ongoing basis. Reimbursement for visits in FY 2000 will be received in FY 2002. The County will be allowed to bill retroactively for these increased charges back at least through the calendar year 1998, and possibly as far back as calendar year 1996. These retroactive billings represent a significant amount of one-time-only revenue to the General Fund. The Health Department conservatively estimates that back billings for services in 1996 through 1998 could result up to \$9 million, which the County would receive over three years.

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For FY 2001, we have budgeted \$3 million retroactive Medicaid reimbursement revenue in the General Fund. This is the estimated retroactive reimbursement based on actual visits in calendar year 1998. As the agreements with the state are finalized, we will know whether we can also anticipate retroactive reimbursement for calendar years 1997 and 1996 and how much we can expect. Given the uncertain future effects of initiatives on local government finances, we feel it is prudent to first wait to see how much these retroactive one-time revenues will be and second, to hold them in contingency and not program them until the next fiscal year.

These revenues are unrestricted revenues to the General Fund, representing additional reimbursements for services that the County has already provided.

Expenditures in FY 2001

*The General Fund
was affected by
several financial
issues*

The FY 2001 budget process is affected by several limitations on the Board's discretionary spending. Some limitations impact ongoing funding and some are one-time-only (OTO):

- FY 2000 General Fund Shortfall: \$6.5 million. (OTO);
- Public Safety Levy shortfall: \$8.6 million. (Ongoing);
- Employer Costs:
 - PERS rates (\$2.4 million in General Fund);
 - Inflation-driven wage and benefits (\$2.4 million in General Fund);
 - Increases in medical and dental insurance costs; (\$1.1 million in General Fund). (Ongoing);
- Annualization of Commitments: \$3.3 million (General Fund). (Ongoing);
- Debt Service Costs: \$2 million (Ongoing).

FY 2000 General Fund Shortfall

In November 1999, the Chair discussed a FY 2000 \$5 million General Fund shortfall with the Board of County Commissioners. After evaluating FY 1999 revenue collections and departmental spending, it appeared that we would need to draw down reserves approximately \$1.5 million to meet the FY 2000 Adopted Budget (assuming all appropriated funds were completely spent). When combined with the estimated \$3.2 million shortfall in the Federal Marshal bed revenues, we were facing a current year shortfall of about \$5 million.

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To cover the \$5 million shortfall and to recover an additional \$1.5 million to provide for the level of reserve required to head into next year's budget process, departments were asked not exceed 97% of their current year General Fund allocation. At this time, we appear to be on target for spending about 97% of the total FY 2000 General Fund budget.

Public Safety Levy Shortfall

Measure 50 rolled both the library and public safety levies into the County's permanent tax base. The Board of County Commissioners has continued to allocate the tax revenues generated by the old levy rates to library and public safety operations. However, the gap between increasing costs of public safety levy-supported jail, community justice and corrections health activities and limited growth in tax revenues has been projected to be \$8.6 million in FY 2001. This means that \$8.6 million from the General Fund is needed for current levy-supported public safety activities, over and above the amount generated by the old public safety levy rate.

There are several reasons for the existing public safety funding shortfall: Measure 50 limits growth in assessed property values; since valuations haven't grown at the rates used in levy, revenues have not met projections. Budget reductions due to Measure 50 eliminated funds for new jail beds, although capacity and costs were added through double bunking. The County has added costs not originally planned for the public safety levy: double-bunking at MCDC, contracting for A&D transitional housing, forest camp and increased support costs. In addition, the amount that the State reimburses the County for Senate Bill 1145 offenders is lower than actual County costs; levy funds have been used to backfill this shortfall.

Employer Cost Increases

In the FY 2001 budget, the County addresses several areas of employer cost increases, some anticipated and some not.

Public Employee Retirement System Rates

FY 2001 is the second year that the County is absorbing the impact of the State's decision to recoup repayment of State taxes to retirees through increased employer contributions and increased benefit payouts because of investment gains. In late 1998, Multnomah County was informed that the County would need to increase its annual PERS contribution from 10.66% of payroll to 15.24 % to cover its unfunded PERS liability, a \$9 million increase above its 1998 contribution. Working with PERS, the County chose to scale its contributions up to the required level over a three-year period. The County increased its employer rate by 1.7% in FY 2000 and planned to do the same in FY 2001 and FY 2002.

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In October 1999, the Board approved issuance of \$200,000,000 in bonds to address the unfunded liability. Issuing the bonds and repaying them at current interest rates will substantially reduce the overall cost to the County over 30 years. The payments formerly budgeted to be made to PERS are now diverted into bond payments. The increase that the County planned for FY 2001 will make the payment equal to the needed bond payment and another increase in FY 2002 will not be needed. The total increase in FY 2001 in PERS is \$5.2 million. The General Fund share is about \$2.9 million.

Increased Medical And Dental Health Insurance Costs

As are all major employers in the region, the County is facing significant increases in medical and dental health insurance costs. These increases affect all the insurance plans offered to County employees. The increases range from 17% to 30% depending on the plan. Countywide, the increase totals \$3.4 million, of which \$2.3 million is the County's share. Employees are picking up \$1.1 million. The impact to the General Fund is \$1.1 million.

Inflation-Driven Wage And Benefit Costs

In developing the December forecast for FY 2001, the Budget Office assumed a CPI increase of 2.5% based on the Bureau of Labor Statistics' data. However, the "Second Half" CPI for 1999 that was released in February, indicated a growth rate of 3.73% for the Portland-Salem market area. This is roughly 1.25% more than the original assumption that was used at the start of the budget process in December. The increase appears mainly to be tied to housing and transportation costs.

The CPI growth rate has significant budgetary implications because the Local 88 contract provides for a wage increase based on the local CPI. Specifically, the wage increase is calculated on the increase in the "Second Half" index for the Portland-Salem market area. There is also a total compensation adjustment of +/- .75% related to the change in medical/dental plan costs. Because of the significant increases in the County's medical/dental insurance plans, Local 88 members will received a 2.98% wage increase (3.73% minus 0.75%) in FY 2001 and 0.75% of the increase will go to pay for medical/dental plan costs.

The countywide impact of this unanticipated CPI increase on wages alone (not including CPI related increases to Materials & Supplies) is approximately \$2.4 million. The General Fund share is about \$1.08 million.

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Annualization of Commitments

Approximately \$3.3 million of the funds available in FY 2001 were used to annualize the full cost of ongoing programs that the Board had previously approved for partial year or one-time-only funding in FY2000 or to backfill expiring grants:

Annualized and Maintained in Budget

- Combined RFP/DCFS
- Domestic Violence Programs, including African American services/DCFS
- Early Childhood Mental Health/DCFS
- Homeless Families housing vouchers/DCFS
- Housing Ombudsman/Non-D
- Housing Stabilization/DCFS
- Justice Decision Support System/DSS
- La Clinica/HD
- Latino Student Retention Project/DCFS
- Learning Links/DCFS
- Mead Building Mitigation/DCJ
- Professional Services in Class/Comp/DSS
- Resolutions Northwest/DCJ
- Rockwood Clinic/HD
- Safety Net Clinics/HD
- SAI Expansion (Westside and Evaluations)/DCJ

Details of these annualizations are provided in the departments' budget sections.

Backfilling Federal and State Grant Funding with General Fund

The Board's policy on Federal/State Grant and Foundation Revenues recognizes that "decline or withdrawal of grant/foundation revenue source" may create a budgetary problem for the County. Therefore, a decision was made to continue the following programs:

Backfill Grant Funds

- OTO grants and funds for SUN schools/DCFS
- Byrne Grant/DCFS
- SAI for Hispanic Retention/DCJ

Additional Debt Service

In April 2000, the County sold \$61.2 million of Full Faith and Credit Obligations (formerly known as certificates of participation COP's) to finance a number of capital projects. This included conversion of an existing COP into a full faith and credit obligation, freeing up a \$2.8 million reserve. Moody's upgraded the County's financial rating as a result of the County's good management practices, strong financial position, a diverse regional economy, our continued progress to setting aside general fund reserves and pledging our full faith and credit.

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This ratings upgrade saved the County about \$1.6 million over the life of the bonds. Timing that coincided with a drop in interest rates resulted in the County getting an interest rate that was 0.75% lower than anticipated, saving the General Fund about \$520,000 in annual debt service costs.

The annual debt service costs for the following projects have been included in the FY 2001 budget.

- Assessment and Taxation equipment;
- Library truck;
- Data Processing Equipment;
- SAP/Merlin System;
- Deferred Maintenance (various buildings);
- Multnomah Building Energy;
- Road Fund/257th and Orient Drive;
- Library Buildings;
- Multnomah Building office space and deferred maintenance;
- Mead Building Renovation;
- East County Facilities (Health and Aging and Disabilities);
- East County Facilities (Sheriff);
- Sheriff's Records Office;
- Adult Community Justice Peninsula Office;
- McCoy Building first floor retail renovation;
- Blanchard Building warehouse space.

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Summary of Budget Decisions: New Programs, Restorations & Cuts

The Adopted Budget includes a few new programs, several program expansions, a number of program restorations and program carryovers to maintain current service levels. Despite these actions, some program cuts were necessary. The following is a list of significant budget decisions:

New

Oregon Food Bank/Non-D (\$50,000/year for 10 years)	\$500,000
Criminal Justice Resource Mgt Analysis	\$112,000
Early Childhood programs*	\$400,000
Hepatitis C prevention/HD*	\$250,000
Contract for Federal Legislative Liaison/PAO*	\$50,000
Living Wage Review Board*	\$60,000

Expanded

Mental Health services and redesign team	\$800,000
Hooper/A&D Housing/DCFS	\$100,000
SUN – Core funding / DCFS	\$100,000
Northwest Library (tenant improvements and half year operating)	\$893,000
Aging Services Senior Center in East County*	\$15,625

*(An * indicates budget amendments made by the Board during the budget review and adoption process.)*

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Restored Cuts or Increases to Maintain Current Service Levels

Partial equalization funding for East & Mid-County Family Centers *	\$45,601
Health MIS & Merlin/HD (One Time Only)	\$491,000
Binnsmead School-Based Health Center/HD	\$242,927
Tualatin Valley Mental Health/Prostitution Alternatives/DCJ	\$200,000
80 Jail Beds previously funded with US Marshal revenues	\$ 3,007,600
Offender Employment Services/DCJ*	\$100,000
Gresham Barlow School Mental Health/DCFS*	\$34,000
Developmental Disabled Family Support/DCFS*	\$40,000
Board offices budget equalization (One Time Only)*	\$5,221
Gresham Temporary Holding Facility	\$179,000
Felony unit staff reductions/DA	\$104,000
Housing services for offenders/DCJ	\$100,000
Coalition of Community Health Clinics/HD (OTO)	\$90,000
Parkrose Neighborhood Health Access Center/HD	\$87,000
School Resource Officers/MCSO (OTO)	\$83,000
Immigrant/Russian Services (ROSS)/DCFS	\$67,000
PEIP mental health consultant/DCFS	\$60,000
Juvenile Counselors/DCJ	\$50,000
PAL Ass't Director/MCSO	\$46,000
Children's Receiving Center Staff support/DCFS	<u>\$29,000</u>
	\$7,521,527

For details on these restored cuts, see the departments' budget sections. The Chair also achieved adding, expanding or restoring cuts using non-General Fund resources, one-time only or ongoing. The following are examples:

New/Expanded/Restored Using Other Funds

Merlin Support Team/DSS <i>(Use DP Fund balance for one year; to be annualized at a lower amount)</i>	\$673,000
STACS Response/Re-entry Program/DCJ <i>(Use carryover state grant-in-aid)</i>	\$310,000
Data Warehousing/DSS <i>(Use DP Fund balance for one year; annualized at \$115,000)</i>	\$250,000
Virtual Private Network/DSS <i>(Telephone fund balance for one year; annualized at \$80,000)</i>	\$142,000
Green Power Costs/DSS	\$20,000

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(recovered through Facilities rates)

Employee Benefits for Contraceptives and Durable Medical Coverage* <i>(Risk Fund)</i>	\$132,000
County Attorney Pay Study Implementation* <i>(Risk Fund)</i>	\$32,820

Contingency Setasides

The Adopted Budget reserves resources in the General Fund Contingency to deal with issues where the cost or cost sharing with other jurisdictions is uncertain at this time or where program planning is not complete. The Board also indicated items for which it would consider contingency request. Together, these include:

- Backfill City funding for STOP/DCJ;
- Early Childhood System funding;
- Mental Health System;
- Children's Receiving Center/Operating Costs;
- Court Day Care;
- Domestic Violence;
- Staffing for Board approved Task Forces;
- Friends of Public Health;
- Homeless Families Plan Implementation;
- Transition Services/DCJ
- Family Support for DD Clients

FY 2001 General Fund Budget Cuts

In light of the significant financial issues that the County had to address through this budget process, a number of budget cuts were required. The following is a summary of significant cuts. Not all budget reductions are listed; budget detail is available within each department's section.

Summary of FY2001 General Fund Budget Cuts (Above \$50,000)

Emergency Hospital Holds/CFS	\$544,900
Cut half of IJIP/MCSO	\$409,812
Cut 5 Corrections Dep. Vacancies/MCSO	\$319,721
Decrease on-call budget across Primary Care sites/HD	\$319,197
Roosevelt Neighborhood Health Clinic/HD	\$232,266
Cut Sworn Personnel from Recruiting/MCSO	\$217,888
Juvenile counseling field staffing/DCJ	\$202,000
Cut two Deputy DA/felony trial unit./DA	\$182,739
Eliminate community detention monitoring unit/DCJ	\$144,000
Chief Deputy/MCSO	\$129,705
Decrease in supply budget across Primary Care sites/HD	\$124,000
Cut Premium from HR Admin/MCSO	\$120,884

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Juvenile client services funds reduced/DCJ	\$100,000
SAI client services funds reduced/DCJ	\$100,000
Drug Investigation Flash Money/MCSO	\$100,000
Cut Supply Funds/MCSO	\$100,000
YGAT/MCSO	\$98,564
IS maintenance , equipment and replacement /DCJ	\$82,000
Op & Support Services Program Mgr/CFS	\$80,000
Dual Diagnosis/Minority Treatment System/CFS	\$69,442
Information Services – Supervisor/CFS	\$68,000
Maintenance Contracts/MCSO	\$66,932
Self-Enhancement, Inc. Neighborhood Health Clinic/HD	\$64,144
Employee Specialist 2/MCSO	\$61,725
QA/Utilization Review Mental Health Consultant/CFS	\$60,651
Relapse Prevention Services/DCJ	\$60,000
Video Conference Expansion/MCSO	\$60,000
Warrant Detail/MCSO	\$59,182
Admin Analyst Fiscal/MCSO	\$54,073
Gender Specific Programs – PDS Technical support/CFS	\$54,022
Early Childhood Programs/Community Initiatives/DCFS	\$53,665
Case Manager for specialized DD services/DCFS	\$50,371
Furniture for Records Office/MCSO	\$50,000
Friends of Public Health*	<u>\$50,000</u>
	\$4,489,883

The Budget Manager’s Message has tried to capture the most significant budget decisions – adds, expansions, restorations and cuts (\$50,000 and over). But this certainly is not everything. If you are interested in finding out about a specific budget item that you don’t see here, please check the department budget sections which provide much greater detail. Or call the Multnomah County Budget Office at (503) 988-3883.

Acknowledgements

Developing a budget at the County is a team effort artfully lead by the Chair’s Office and accomplished by the energy, technical knowledge and hard work of the Budget Office, Finance Director and departmental budget staff.

Reader’s Guide

The Summaries section of the Budget offers assistance in using the document. Its goal is to make the document more understandable and to increase its effectiveness as a communication device between Multnomah County and its citizens. It contains general information to help interested readers find what they want in this sizable book.

Summaries

Guide to the Document

The information in the Summaries section is organized as follows:

- The sections of the document and what is in them,
- How the departmental appropriation sections are organized,
- Where to find other budgetary information.

Summary Financial Information

- Organization chart for Multnomah County
- Summary of resources by type and by fund
- Summary of requirements by type and by fund
- Summary of expenditures and personnel by department

Sections of the Budget Document

The following is a summary of the tabbed sections of the budget document:

Appropriations

The appropriations sections of the budget contain the operational and program goals for the County's array of service delivery programs. There are separate tabs for the following organizational and accounting groups:

- **Aging and Disability Services** -- services to the elderly: community access, long term care, adult care home regulation, and public guardian – disability services: community-based and nursing home care, abuse and neglect prevention, eligibility determination, and employment.
- **Community and Family Services** -- mental health, alcohol and drug, community action, community development, and developmental disabilities related programs.
- **Community Justice** -- supervision of adult offenders outside of prison, evaluation supporting sentencing decisions and substance abuse and mental health treatments, sanctions that provide structured alternatives to prison, court process support and other court services for juveniles, probation counseling, detention (including the intake system), residential programs, and alternatives to detention for youth in Multnomah County.
- **District Attorney** -- criminal prosecution, civil forfeitures of property involved in drug related crimes, family justice services (child support enforcement, victims' assistance, child and domestic abuse teams).
- **Environmental Services** -- land use planning, animal control, real property assessment and tax collection, elections, and a number of internal support functions for the County (facilities, fleet, records,

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telephone, interoffice distribution, and data processing).

- **Health** -- regulatory health, primary care, specialty care, dental services, HIV and sexually transmitted disease.
- **Library** -- operation of the region's major research library, a net of branch libraries in Multnomah County, and targeted services to specific populations.
- **Nondepartmental** -- Chair Beverly Stein, Commissioners Diane Linn, Serena Cruz, Lisa Naito, and Sharron Kelley, County Auditor Suzanne Flynn, County Counsel, Public Affairs Office, Strategic Investment Program, independent boards and commissions required by statute or the County Charter: the Citizen Involvement Committee, the Tax Supervising and Conservation Commission, and the Multnomah Commission on Children and Families, and the Local Public Safety Coordinating Council, organizations and accounting entities to which the County provides support -- non-County agencies (such as school districts, the Regional Arts and Culture Commission, the Portland/Multnomah Commission on Aging, and the Metropolitan Human Rights Commission), and accounting transactions such as the various short and long-term financing arrangements of the County and the trust funds maintained by the County.
- **Sheriff** -- corrections, law enforcement, and the functions that support the rest of the justice system in Multnomah County.
- **Support Services** -- accounting, payroll, accounts payable and receivable, purchasing and general ledger functions, budgeting, evaluation, services to employees and to applicants, affirmative action, labor relations, risk management, and oversight and management to all emergency situations in Multnomah County.

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Budget Message

The Budget Message contains Chair Stein's message to the Board of County Commissioners at the time she proposed the budget. It also contains Budget Notes by the Board of County Commissioners, documenting policy directions and actions for departments to pursue during the coming year.

Benchmarks

The Benchmarks section explains the policy directions behind major decisions in this budget and provides analysis and evaluation data supporting the decisions.

Five-Year Financial Forecast

The Five Year Financial Forecast is an overview of the status of the General Fund for the next five years.

Summaries

The Summaries section is an informational overview of the document.

Capital Budget

This section is a summary of capital projects included in the departmental appropriations.

Policies

The section behind the Policies tab is a summary of the financial policies of the County. It explains the background for the policies and a statement of the policy directions approved by the Board of County Commissioners.

Appendix

The Appendix to the budget document contains additional supplementary information:

- Demographic and economic information relevant to Multnomah County
- Multnomah County Government
- Tax Information
- Budgeting Process
- Glossary of Acronyms
- Glossary of Terms
- Management Phone List
- Summaries of interfund transactions

Appropriations Sections of the Document

The appropriations sections of the document have in them the following kinds of information:

- **Table of Contents:** a listing of the components of each tabbed section

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- **Vision:** a brief explanation of the long term direction (over the next twenty years) in which the operations in the section are headed
- **Strategic Planning:** in those departments that have completed it, strategic planning components – situation analysis, strategic direction
- **Department Services:** an explanation of the organizations in the section and what they do
- **Issues:** the major budgetary and policy issues presented to the Board during the budget process with a summary of the action recommended by the Chair in response to these issues
- **Performance Trends:** graphic explanations of the most important outcomes on which the operations in the section focus their efforts. The data covers 1995-96, 1996-97, 1998-99 and 1999-00 wherever possible.
- **Budget Trends / Costs by Division / Staffing by Division:** tables showing how the operations in the sections spend the County's resources by major category (Personal Services, Contractual Services, Materials and Supplies, and Capital Outlay), and how that spending is allocated among the individual organizations detailed in the section both as regards costs and the number of staff
- **Organization Chart:** The organization chart for the department.

Division Overviews

Each such subdivision of the appropriations section contains:

- **Description:** of the divisional operation (its purpose, responsibilities, and the functions it carries out to meet those responsibilities), a brief statement of the nature and size of the problem faced by the operation
- **Action Plans:** for what the division expects to accomplish during the coming fiscal year.
- **Budget Trends:** a table showing how the operations in the division spend the County's resources by major category (Personal Services, Contractual Services, Materials and Supplies, and Capital Outlay).
- **Program Narrative:** descriptions of each program operated by the division (its purpose, responsibilities, and the functions it carries

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out to meet those responsibilities) with 1998-99 and 1999-00 funding and staffing summaries.

- **Significant Changes:** a table of changes that took place between the 1998-99 Adopted Budget and the 1999-00 Budget, detailing changes in staffing and costs by program.
- **Key Results:** significant measurements of the division's efficiency or its effectiveness in addressing the problem it attempts to improve, broken out by program.

Where to Find Other Budgetary Information

The Multnomah County Budget is supported by other printed documents amplifying the information in this book.

Multnomah County Detail Budget – 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 and summaries of revenues and expenditures in each fund maintained in the accounting system.

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 metropolitan Portland region.

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

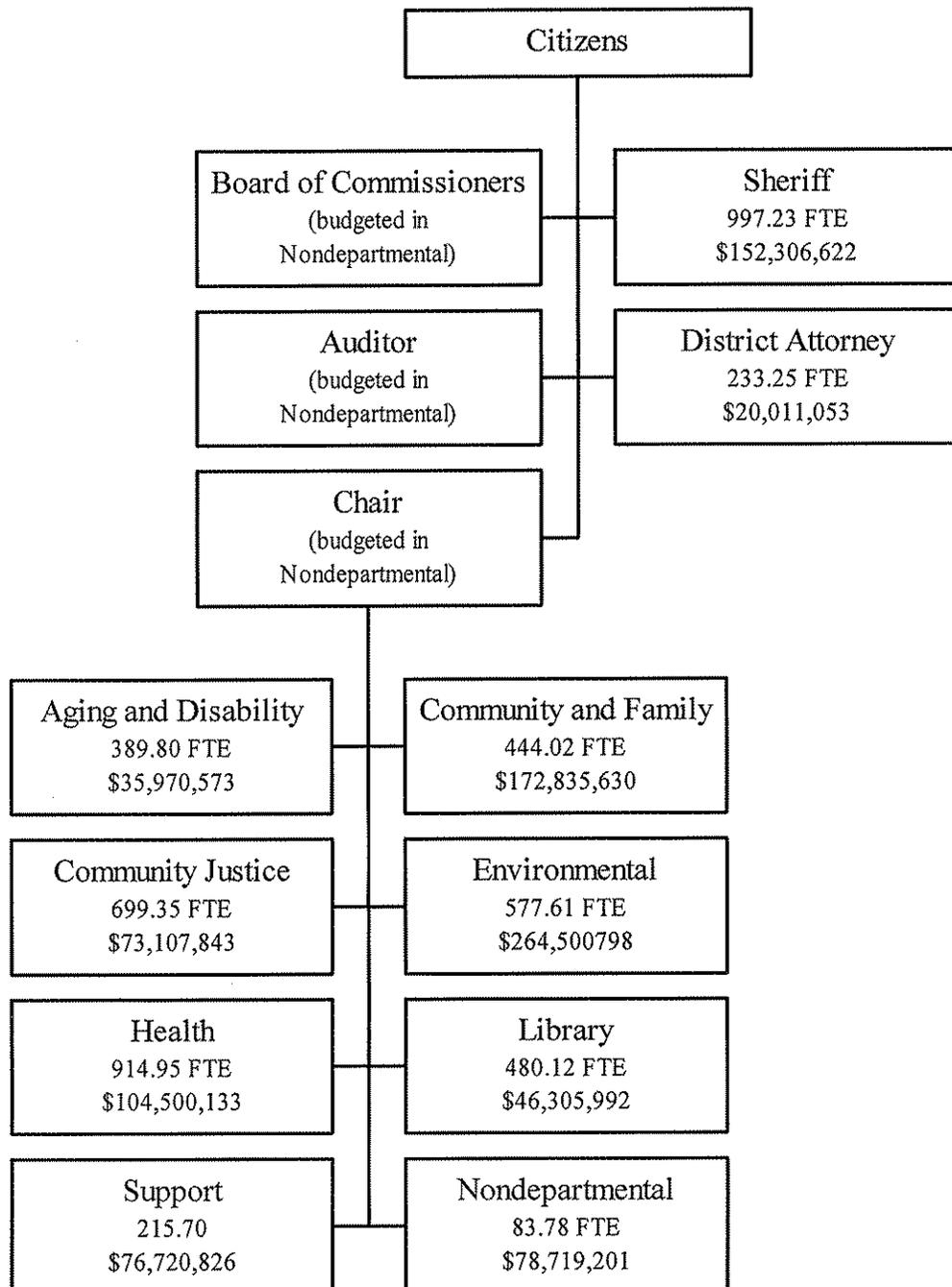
The Progress Board Benchmarks Web Site – contains data and graphic information about benchmarks obtained through surveys and other analysis (<http://www.multnomah.lib.or.us/auf/benchmarks>).

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County Organization Chart

Multnomah County delivers its services through ten departments.
Below is an organization chart of the County

Multnomah County



SUMMARY OF RESOURCES 2000-01

Fund		Beginning Working Capital	Taxes	Intergovernmental	Licenses & Permits	Service Charges	Interest	Other Sources	Direct Resources	Service Reimbursement	Cash Transfers	Bonds / Certificates	Total Resources
General Fund	100	20,390,573	220,923,277	29,574,193	1,982,200	7,461,516	4,612,500	5,003,821	289,948,080	27,951,027	1,234,708		319,133,815
Strategic Investment Program Ft	140	1,064,561				1,493,129			2,557,690				2,557,690
Road Fund	150	3,540,193	8,044,195	26,829,767	74,000	1,176,500	240,303	150,159	40,055,117	859,385			40,914,502
Emergency Communications Fur	151			162,370			5,820		168,190				168,190
Bicycle Path Construction Fund	154	124,804		30,200		62,500	5,000		222,504		51,115		273,619
Recreation Fund	155	50,000	150,000						200,000		10,300		210,300
Federal/State Program Fund	156	133,256		215,193,710		5,487,743	12,000	1,310,937	222,137,646	1,212,551	74,311,433		297,661,630
County School Fund	157						6,000		6,000		1,544,000		1,550,000
Tax Title Land Sales Fund	158		560,000				140,000		700,000				700,000
Animal Control Fund	159				832,900	261,600		51,360	1,145,860				1,145,860
Willamette River Bridge Fund	161	2,071,815		521,500		10,000			2,603,315	70,000	3,596,950		6,270,265
Library Serial Levy Fund	162	4,650,938	19,243,618	420,754		222,425	200,000	2,279,370	27,017,105	135,805	16,257,327		43,410,237
Special Excise Taxes Fund	166	2,000,000	13,691,000				30,000		15,721,000				15,721,000
Pub Land Corner Preservation F	167	948,403				479,088			1,427,491				1,427,491
Inmate Welfare Fund	168	124,641				101,450	6,726	1,418,715	1,651,532				1,651,532
Jail Levy Fund	169	9,177,671		10,432,622		17,914	575,000		20,203,207	76,852	29,384,596		49,664,655
Assessment & Taxation Fund	175	168,310		4,196,250		279,811		12,000	4,656,371	4,000	6,800,240		11,460,611
Justice Services Special Ops Fu	180	616,421		505,269	176,050	1,718,831	12,471	958,929	3,987,971		317,713		4,305,684
Revenue Bond Sinking Fund	224	443,000				545,895	40,000		1,028,895			350,000	1,378,895
Capital Lease Retirement Fund	225	7,030,425					57,320		7,087,745	14,234,144			21,321,889
General Obligation Bond Sinking	226	11,742,553	13,960,572				720,000		26,423,125				26,423,125
PERS Bond Sinking Fund	229	1,400,000					100,000		1,500,000	9,480,472			10,980,472
Justice Bond Project Fund	230	60,516,944					2,700,000		63,216,944				63,216,944
Revenue Bond Project Fund	231							3,335,000	3,335,000			5,000,000	8,335,000
SB 1145 Funds	232	500,000		10,845,000					11,345,000				11,345,000
Equipment Lease/Purchase	234	1,500,000							1,500,000				1,500,000
Lease/Purchase Project Fund	235	39,052,100					600,000		39,652,100		2,875,000		42,527,100
Library Construction Fund (1996	237	20,906,925					600,000		21,506,925				21,506,925
Capital Improvement Fund	240	14,136,680		267,000		162,215	72,000		14,637,895		502,000	650,000	15,789,895
Capital Acquisition Fund	245	1,899,694					18,000		1,917,694	3,380,726			5,298,420
Asset Preservation Fund	251						150,000		150,000				3,988,380
Deferred Maintenance Project Ft	252	150,000					300,000		450,000		7,995,000		8,445,000
Behavioral Health Managed Carr	395	1,954,666		23,272,000			274,028		25,500,694		551,340		26,052,034
Risk Management Fund	400	10,007,843				169,000	765,000	60,000	11,001,843	36,517,889	205,262		47,724,994
Fleet Management Fund	401	3,730,379		1,018,909		80,044	110,000	61,700	5,001,032	4,495,648			9,496,680
Telephone Fund	402	1,927,536				457,090	32,748		2,417,374	3,933,461			6,350,835
Data Processing Fund	403	1,908,570				213,517	50,000		2,172,087	9,106,042	209,054		11,487,183
Mail Distribution Fund	404	120,719		28,906					149,625	1,422,582		25,000	1,597,207
Facilities Management Fund	410	266,375		2,273,922		2,669,844			5,210,141	35,417,625	2,901,104		43,528,870
Total All Funds		224,255,995	276,572,662	325,572,372	3,065,150	23,070,112	12,434,916	14,641,991	879,613,198	148,298,209	152,585,522	6,025,000	1,186,521,929

SUMMARY OF DEPARTMENTAL EXPENDITURE 2000-01

Fund		Aging and Disability	Community and Family	Community Justice	District Attorney	Environmental Services	Health	Library	Nondepartmental	Sheriff	Support Services	Total Departmental Expenditure
General Fund	100	2,301,827		41,122,110	14,344,696	10,718,253	25,201,665		12,543,756	52,844,836	14,352,488	173,429,631
Strategic Investment Program Fund	140								2,557,690			2,557,690
Road Fund	150					37,266,437						37,266,437
Emergency Communications Fund	151									168,190		168,190
Bicycle Path Construction Fund	154					273,619						273,619
Recreation Fund	155					210,300						210,300
Federal/State Program Fund	156	33,668,746	148,738,262	31,155,604	4,694,936	167,265	74,885,109		3,339,372	27,509	984,827	297,661,630
County School Fund	157								1,550,000			1,550,000
Tax Title Land Sales Fund	158					700,000						700,000
Willamette River Bridge Fund	161					6,270,265						6,270,265
Library Serial Levy Fund	162							43,410,237				43,410,237
Special Excise Taxes Fund	166								15,721,000			15,721,000
Pub Land Corner Preservation Fund	167					677,765						677,765
Inmate Welfare Fund	168			70,414						1,581,118		1,651,532
Jail Levy Fund	169						4,413,359			40,754,269		45,167,628
Assessment & Taxation Fund	175					11,460,611						11,460,611
Justice Services Special Ops Fund	180			759,715	971,421					2,574,548		4,305,684
Revenue Bond Sinking Fund	224								545,895			545,895
Capital Lease Retirement Fund	225								16,070,012			16,070,012
General Obligation Bond Sinking Fund	226								14,296,872			14,296,872
PERS Bond Sinking Fund	229								8,423,128			8,423,128
Justice Bond Project Fund	230					16,213,782				43,511,152	815,000	60,539,934
Revenue Bond Project Fund	231					8,335,000						8,335,000
SB 1145 Funds	232					500,000				10,845,000		11,345,000
Equipment Lease/Purchase	234								1,500,000			1,500,000
Lease/Purchase Project Fund	235					37,112,000					2,540,100	39,652,100
Library Construction Fund	237					17,800,000		3,106,925				20,906,925
Capital Improvement Fund	240					6,484,567						6,484,567
Capital Acquisition Fund	245								87,513		5,183,826	5,271,339
Asset Preservation Fund	251					3,584,100						3,584,100
Deferred Maintenance Project Fund	252					7,907,305						7,907,305
Behavioral Health Managed Care Fund	395		24,097,368									24,097,368
Risk Management Fund	400								2,083,963		36,015,485	38,099,448
Fleet Management Fund	401					7,631,357						7,631,357
Telephone Fund	402										5,421,976	5,421,976
Data Processing Fund	403										11,407,124	11,407,124
Mail Distribution Fund	404					1,513,752						1,513,752
Facilities Management Fund	410					40,194,090						40,194,090
Total All Funds		35,970,573	172,835,630	73,107,843	20,011,053	215,020,468	104,500,133	46,517,162	78,719,201	152,306,622	76,720,826	975,709,511

SUMMARY OF DEPARTMENTAL REQUIREMENTS 2000-01

Department	Personal Services	Contractual Services	Materials & Services	Principal & Interest	Capital Outlay	Total Direct Expenditure	Service Reimbursements	Total Spending	FTE
Aging and Disability	17,499,670	7,538,043	1,543,741		10,000	26,591,454	9,379,119	35,970,573	389.80
Community and Family	22,005,011	137,623,290	1,315,966		15,000	160,959,267	11,876,363	172,835,630	444.02
Community Justice	34,868,627	17,467,703	3,744,801			56,081,131	17,026,712	73,107,843	699.35
District Attorney	13,041,627	1,703,042	476,892		67,600	15,289,161	4,721,892	20,011,053	233.25
Environmental	29,752,337	33,351,362	21,759,348		101,919,949	186,782,996	28,237,472	215,020,468	576.61
Health	50,215,125	20,938,562	8,478,397		277,354	79,909,438	24,590,695	104,500,133	914.95
Library	20,220,463	1,339,720	13,997,828		1,220,449	36,778,460	9,738,702	46,517,162	481.52
Nondepartmental	5,483,945	26,297,313	692,978	39,785,407	1,100,613	73,360,256	5,358,945	78,719,201	83.78
Sheriff	59,681,299	3,398,741	7,037,564		53,928,986	124,046,590	28,260,032	152,306,622	997.23
Support Services	12,633,913	5,397,303	44,046,755	1,279,730	4,254,847	67,612,548	9,108,278	76,720,826	215.70
TOTAL	265,402,017	255,055,079	103,094,270	41,065,137	162,794,798	827,411,301	148,298,210	975,709,511	5,036.21

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FUND LEVEL TRANSACTIONS 2000-01

Fund		Total Department Expenditure	Cash Transfers	Contingency	Unappropriated Balance	Total Requirements
General Fund	100	173,429,631	132,937,369	2,126,815	10,640,000	319,133,815
Strategic Investment Program Fund	140	2,557,690				2,557,690
Road Fund	150	37,266,437	3,648,065			40,914,502
Emergency Communications Fund	151	168,190				168,190
Bicycle Path Construction Fund	154	273,619				273,619
Recreation Fund	155	210,300				210,300
Federal/State Program Fund	156	297,661,630				297,661,630
County School Fund	157	1,550,000				1,550,000
Tax Title Land Sales Fund	158	700,000				700,000
Animal Control Fund	159	0	1,145,860			1,145,860
Willamette River Bridge Fund	161	6,270,265				6,270,265
Library Serial Levy Fund	162	43,410,237				43,410,237
Special Excise Taxes Fund	166	15,721,000				15,721,000
Pub Land Corner Preservation Fund	167	677,765		749,726		1,427,491
Inmate Welfare Fund	168	1,651,532				1,651,532
Jail Levy Fund	169	45,167,628		4,497,027		49,664,655
Assessment & Taxation Fund	175	11,460,611				11,460,611
Justice Services Special Ops Fund	180	4,305,684				4,305,684
Revenue Bond Sinking Fund	224	545,895			833,000	1,378,895
Capital Lease Retirement Fund	225	16,070,012	2,875,000		2,376,877	21,321,889
General Obligation Bond Sinking Fund	226	14,296,872			12,126,253	26,423,125
PERS Bond Sinking Fund	229	8,423,128			2,557,344	10,980,472
Justice Bond Project Fund	230	60,539,934	88,848	2,588,162		63,216,944
Revenue Bond Project Fund	231	8,335,000				8,335,000
SB 1145 Funds	232	11,345,000				11,345,000
Equipment Lease/Purchase	234	1,500,000				1,500,000
Lease/Purchase Project Fund	235	39,652,100		2,875,000		42,527,100
Library Construction Fund	237	20,906,925		600,000		21,506,925
Capital Improvement Fund	240	6,484,567	8,988,380	316,948		15,789,895
Capital Acquisition Fund	245	5,271,339		27,081		5,298,420
Asset Preservation Fund	251	3,584,100		404,280		3,988,380
Deferred Maintenance Project Fund	252	7,907,305		537,695		8,445,000
Behavioral Health Managed Care Fund	395	24,097,368		1,954,666		26,052,034
Risk Management Fund	400	38,099,448		9,625,546		47,724,994
Fleet Management Fund	401	7,631,357		697,751	1,167,572	9,496,680
Telephone Fund	402	5,421,976		928,859		6,350,835
Data Processing Fund	403	11,407,124		80,059		11,487,183
Mail Distribution Fund	404	1,513,752		83,455		1,597,207
Facilities Management Fund	410	40,194,090	2,902,000	432,780		43,528,870
Total All Funds		975,709,511	152,585,522	28,525,850	29,701,046	1,186,521,929