

# **ANNOTATED MINUTES**

Tuesday, March 16, 2004 - 9:30 AM  
Multnomah Building, Sixth Floor Commissioners Conference Room 635  
501 SE Hawthorne Boulevard, Portland

## **EXECUTIVE SESSION**

*Chair Diane Linn convened the meeting at 9:30 a.m., with Vice-Chair Serena Cruz and Commissioners Lisa Naito and Maria Rojo de Steffey present, and Commissioner Lonnie Roberts excused.*

- E-1 The Multnomah County Board of Commissioners Will Meet in Executive Session Pursuant to ORS 192.660(1)(h) AND ORS 192.660(1)(d). Only Representatives of the News Media and Designated Staff are allowed to Attend. Representatives of the News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Executive Session. No Final Decision will be made in the Executive Session. Presented by Agnes Sowle.

### ***EXECUTIVE SESSION HELD.***

*There being no further business, the meeting was adjourned at 10:05 a.m.*

---

Tuesday, March 16, 2004 - 10:00 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **BOARD BRIEFINGS**

*Chair Diane Linn convened the meeting at 10:13 a.m., with Vice-Chair Serena Cruz and Commissioners Lisa Naito and Maria Rojo de Steffey present, and Commissioner Lonnie Roberts excused.*

- B-1 Findings of Measure 30 Public Affairs Office/Budget Workgroup. Presented by Gina Mattioda and Stephanie Soden.

***STEPHANIE SODEN AND GINA MATTIODA  
PRESENTATIONS AND RESPONSE TO BOARD***

**QUESTIONS AND DISCUSSION ON ISSUES INCLUDING FINANCIAL OUTLOOK AND POLITICAL ENVIRONMENT IN SALEM; POTENTIAL E BOARD RESTORATIONS; PUBLIC AFFAIRS AND BUDGET OFFICE WORKGROUP DEVELOPMENT AND PROPOSED OUTCOMES; HB 5077 CUTS TO HEALTH AND HUMAN SERVICES AND PUBLIC SAFETY PROGRAMS WITHIN MULTNOMAH COUNTY; AND OREGON HEALTH PLAN PLUS VERSUS OREGON HEALTH PLAN STANDARDS.**

B-2 Update on Multnomah County Personal Income Tax (ITAX). Presented by Dave Boyer, Bob Gravely, Karyne Dargan and Ed Sheets.

**DAVE BOYER, BOB GRAVELY, ED SHEETS AND KARYNE DARGAN PRESENTATIONS AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION ON ISSUES INCLUDING: UPDATE ON PUBLIC AND EMPLOYER COMMUNICATION EFFORTS; UPDATE ON SCHOOL EFFICIENCY AND QUALITY ADVISORY COUNCIL ACTIVITIES, PROGRESS, CONCLUSIONS AND NEXT STEPS; ITAX ADMINISTRATION SUCCESSES AND CHALLENGES; PROJECTED COSTS SAVINGS; ITAX MONITORING AND ACTUAL AND PROJECTED BUDGETS; AND 2003 COLLECTION PLAN. SCHOOL EFFICIENCY AND QUALITY ADVISORY COUNCIL PRESENTATION TO THE BOARD TO BE SCHEDULED FOR FUTURE BOARD MEETING. ITAX STAFF TO SCHEDULE ADDITIONAL BOARD BRIEFING UPDATES IN MAY AND DECEMBER.**

*There being no further business, the meeting was adjourned at 11:05 a.m.*

BOARD CLERK FOR MULTNOMAH COUNTY, OREGON

***Deborah L. Bogstad***

Thursday, March 18, 2004 - 9:30 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

**REGULAR MEETING - CANCELLED**

(Lack of agenda items)



**Multnomah County Oregon**

## **Board of Commissioners & Agenda**

*connecting citizens with information and services*

### **BOARD OF COMMISSIONERS**

#### **Diane Linn, Chair**

501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214

Phone: (503) 988-3308 FAX (503) 988-3093

Email: [mult.chair@co.multnomah.or.us](mailto:mult.chair@co.multnomah.or.us)

#### **Maria Rojo de Steffey, Commission Dist. 1**

501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214

Phone: (503) 988-5220 FAX (503) 988-5440

Email: [district1@co.multnomah.or.us](mailto:district1@co.multnomah.or.us)

#### **Serena Cruz, Commission Dist. 2**

501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214

Phone: (503) 988-5219 FAX (503) 988-5440

Email: [serena@co.multnomah.or.us](mailto:serena@co.multnomah.or.us)

#### **Lisa Naito, Commission Dist. 3**

501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214

Phone: (503) 988-5217 FAX (503) 988-5262

Email: [district3@co.multnomah.or.us](mailto:district3@co.multnomah.or.us)

#### **Lonnie Roberts, Commission Dist. 4**

501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214

Phone: (503) 988-5213 FAX (503) 988-5262

Email: [lonnie.j.roberts@co.multnomah.or.us](mailto:lonnie.j.roberts@co.multnomah.or.us)

**On-line Streaming Media, View Board Meetings**  
[www.co.multnomah.or.us/cc/live\\_broadcast.shtml](http://www.co.multnomah.or.us/cc/live_broadcast.shtml)

**On-line Agendas & Agenda Packet Material**  
[www.co.multnomah.or.us/cc/agenda.shtml](http://www.co.multnomah.or.us/cc/agenda.shtml)

Americans with Disabilities Act Notice: If you need this agenda in an alternate format, or wish to participate in a Board Meeting, please call the Board Clerk (503) 988-3277, or Multnomah County TDD Phone (503) 988-5040, for information on available services and accessibility.

**MARCH 16, 2004**

### **BOARD MEETING**

#### **FASTLOOK AGENDA ITEMS OF INTEREST**

Pg 2	9:30 a.m. Tuesday Executive Session
Pg 2	10:00 a.m. Tuesday Findings of Measure 30 Public Affairs Office/Budget Workgroup
Pg 2	10:30 a.m. Tuesday Update on Multnomah County Personal Income Tax
	<b>The Thursday, March 18, 2004 Regular Meeting of the Board of Commissioners is cancelled for lack of an agenda</b>

Thursday meetings of the Multnomah County Board of Commissioners are cablecast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 9:30 AM, (LIVE) Channel 30  
Friday, 11:00 PM, Channel 30  
Saturday, 10:00 AM, Channel 30  
Sunday, 11:00 AM, Channel 30

Produced through Multnomah Community  
Television

(503) 491-7636, ext. 333 for further info  
or: <http://www.mctv.org>

Tuesday, March 16, 2004 - 9:30 AM  
Multnomah Building, Sixth Floor Commissioners Conference Room 635  
501 SE Hawthorne Boulevard, Portland

## **EXECUTIVE SESSION**

- E-1 The Multnomah County Board of Commissioners Will Meet in Executive Session Pursuant to ORS 192.660(1)(h) AND ORS 192.660(1)(d). Only Representatives of the News Media and Designated Staff are allowed to Attend. Representatives of the News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Executive Session. No Final Decision will be made in the Executive Session. Presented by Agnes Sowle. 30 MINUTES REQUESTED.
- 

Tuesday, March 16, 2004 - 10:00 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **BOARD BRIEFINGS**

- B-1 Findings of Measure 30 Public Affairs Office/Budget Workgroup. Presented by Gina Mattioda and Stephanie Soden. 30 MINUTES REQUESTED.
- B-2 Update on Multnomah County Personal Income Tax (ITAX). Presented by Dave Boyer, Bob Gravely, Karyne Dargan and Ed Sheets. 30 MINUTES REQUESTED.
- 

Thursday, March 18, 2004 - 9:30 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **REGULAR MEETING - CANCELLED**

(Lack of agenda items)

**Lonnie Roberts**  
Multnomah County Commissioner  
District 4



501 SE Hawthorne Boulevard, Suite 600  
Portland, Oregon 97214  
(503) 988-5213 phone  
(503) 988-5262 fax  
Email: [lonnie.j.roberts@co.multnomah.or.us](mailto:lonnie.j.roberts@co.multnomah.or.us)  
[www.co.multnomah.or.us/cc/ds4/](http://www.co.multnomah.or.us/cc/ds4/)

## **MEMORANDUM**

DATE: February 11, 2004

TO: Chair Diane Linn  
Commissioner Maria Rojo de Steffey, District 1  
Commissioner Serena Cruz, District 2  
Commissioner Lisa Naito, District 3  
Board Clerk Deb Bogstad

FROM: Kristen West  
Staff Assistant, Commissioner Lonnie Roberts

RE: Notice of Meeting Excuse

---

Commissioner Roberts will be unable to attend the March 18, 2004 Board meeting. He will be at the National Association of Workforce Boards Conference in Washington D.C.

## AGENDA PLACEMENT REQUEST

**BUD MOD #:**

**Board Clerk Use Only:**

**Meeting Date:** March 16, 2004

**Agenda Item #:** B-1

**Est. Start Time:** 10:00 AM

**Date Submitted:** 03/04/04

---

**Requested Date:** March 16, 2004

**Time Requested:** 15-30 min

**Department:** Non-Departmental

**Division:** Public Affairs Office

**Contact/s:** Gina Mattioda

**Phone:** 503-988-5766

**Ext.:** 85766

**I/O Address:** 503/6

**Presenters:** Gina Mattioda and Stephanie Soden

---

**Agenda Title:** Findings of Measure 30 Public Affairs Office/Budget workgroup

**NOTE:** If Ordinance, Resolution, Order or Proclamation, provide exact title.  
For all other submissions, provide clearly written title.

- 
1. **What action are you requesting from the Board? What is the department/agency recommendation?**

None. This is an informational briefing only.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

Materials to be provided by PAO/Budget Office at briefing.

3. **Explain the fiscal impact (current year and ongoing). N/A**

**NOTE:** If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

**If a budget modification, explain:**

❖ **What revenue is being changed and why?**

- ❖ What budgets are increased/decreased?
- ❖ What do the changes accomplish?
- ❖ Do any personnel actions result from this budget modification? Explain.
- ❖ Is the revenue one-time-only in nature?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?

**NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)**

**If a contingency request, explain:**

- ❖ Why was the expenditure not included in the annual budget process?
- ❖ What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?
- ❖ Why are no other department/agency fund sources available?
- ❖ Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.
- ❖ Has this request been made before? When? What was the outcome?

**If grant application/notice of intent, explain:**

- ❖ Who is the granting agency?
- ❖ Specify grant requirements and goals.
- ❖ Explain grant funding detail – is this a one time only or long term commitment?
- ❖ What are the estimated filing timelines?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?
- ❖ How will the county indirect and departmental overhead costs be covered?

4. Explain any legal and/or policy issues involved. N/A
5. Explain any citizen and/or other government participation that has or will take place. N/A

**Required Signatures:**

Department/Agency Director: *Gina Mattioda*

Date: 3/4/03

**Budget Analyst**

By: \_\_\_\_\_

Date:

**Dept/Countywide HR**

By: \_\_\_\_\_

Date:





**Public Affairs Office**  
**MULTNOMAH COUNTY OREGON**

---

501 SE Hawthorne Blvd., Ste. 600  
Portland, Oregon 97214  
(503) 988-6800

March 16, 2004

To: Board of County Commissioners

From: Gina Mattioda and Stephanie Soden  
Public Affairs Office (PAO)

Re: Measure 30: Findings from PAO and Budget Workgroup

---

**Current Situation:**

***Analysis of Financial Outlook in Salem***

The failure of Measure 30 resulted in a state budget shortfall of \$800 million. The HB 5077 cuts (\$545 million) are scheduled to take effect on May 1 or August 1, 2004. The remaining shortfall, \$235 million, has been eliminated by higher than expected revenue collections. In December, state revenues came in at \$74.6 million above the amount predicted by the Legislature at the close of session. An additional \$44.3 million was collected by March. The Legislative Fiscal Office uses these revenue increases and future revenue increase projections, in addition to the 2003-2005 ending balance, to eliminate the \$235 million remaining shortfall.

***Analysis of Political Environment in Salem***

The Public Affairs Office (PAO) continues to research and seek out information on post-Measure 30 activities. Despite the grim reality of \$545 million in cuts to programs and services taking effect on either May 1 or August 1 we continue to hear there is no immediate effort to call a special session from the Governor, the Legislature, or any special interest groups. A special session in June will occur. This session could consider an array of issues, the PAO will inform county stakeholder of emerging issues.

Instead of holding an immediate special session, the focus is on restoring some of the HB 5077 budget cuts slated to take effect on May 1 or August 1. The Governor has identified a list of proposed restorations. A package of restorations will be deliberated over and adopted during the April Emergency Board (E-Board), which is to be held on Thursday, April 8 and Friday, April 9, 2004.

Traditionally many recommendations are decided well in advance of the actual E-Board meeting. However due to the political nature of these proposed restorations, it is quite possible a package will not be made public until the actual April E-Board meeting. Beginning next week, legislative leadership and members of the Governor's Office will be meeting with the intent of developing an agreed-upon list of restorations. The PAO will continue to monitor these activities and update board members.

***PAO/Budget Workgroup***

A workgroup between the PAO and the Budget Office was developed to:

- (1) Review list of restorations and determine linkage to county programs/services.
- (2) Determine financial and potential client impact of restorations.
- (3) Identify and analyze if additional Measure 30 cuts are not listed as restorations and determine those impacts to the county.
- (4) Develop analysis of findings.
- (5) PAO will work with Board of Commissioners to determine appropriate next steps.

Attached is a list of HB 5077 cuts to health and human services and public safety programs in Multnomah County. Cuts that the Governor intends to restore at the April E-Board are highlighted in yellow. Over the next few weeks, the Governor and legislative leadership will share priorities for restorations.

**Next Steps:**

The PAO will continue to monitor post-Measure 30 activities in Salem and update the Board. In the meantime, please do not hesitate to contact either of us with questions.

# Programs Potentially Affected by State Disappropriation (DRAFT)

Last Updated: 03/08/04

\* Shaded areas denote programs that had been proposed by State agencies to be cut in response to the failure of BM 30. These programs are now proposed for restoration by the Governor's Office.

County Dep't	County program	Impact of Reduction and Notes	State Implement- ation date if not 5/1	# of Clients per year	ESTIMATED # of clients served (after cut)	FY 2004 STATE FUNDING	FY 2004 General Fund	FY 2004 Itax Funding	FY 2004 Other Funding	FY 2004 Total Funding	ESTIMATED FY 04 State Cut Amount	ESTIMATED FY 05 State Cut Amount
DCHS	Mental Health & Addiction Services	Reduce flex funds for the Child Welfare System of Care		153	0	120,000	0	0	0	120,000	20,000	120,000
DCHS*	Mental Health & Addiction Services	Elimination of Lottery-funded gambling programs		600	0	900,814	0	0	0	900,814	150,136	900,814
DCHS*	Mental Health & Addiction Services (Verity)	Eliminate <u>OHP Plus</u> coverage for adult outpatient mental health and chemical dependency services. Roughly 25,000 Multnomah County residents will be disenrolled from mental health and addiction coverage. About 5,400 chronic mentally ill adults that are currently served per month will lose mental health treatment & case management.	8/1/2004	25,000	0	16,000,000				16,000,000	0	16,000,000
DCHS*	Mental Health & Addiction Services (Verity)	Eliminate mental health and addiction benefits for non-mandated (SCHIP) Mental Health Coverage	8/1/2004	2,959	0	507,576				507,576	0	507,576
DCHS*	Mental Health & Addiction Services (Verity)	Eliminate Mental Health and Addiction Benefits for OHP Pregnant Women between 133% and 185% of Federal Poverty Level (FPL)	8/1/2004	267	0	21,984				21,984	0	21,984
DCHS*	Mental Health & Addiction Services	Eliminate <u>OHP Plus</u> adult prescription drug coverage	8/1/2004		0	Indirect				Indirect	Indirect	Indirect
DCHS	Mental Health & Addiction Services	Eliminate all <u>OHP Standard</u> Coverage	8/1/2004	11,490	0	Indirect				Indirect	Indirect	Indirect
HD	Integrated Clinical Services (Primary Care Clinics)	State cut eliminates <u>OHP Standard</u> medical assistance for 11,490 Multnomah County residents. About 4,000 of these residents receive health care at Multnomah County Primary Care Clinics. OHP Standard clients are about 14% of the 29,000 total MCHD primary care clients.	8/1/2004	29,000	24,940	21,157,823	14,799	990,000	5,340,574	27,503,196	0	3,116,400
HD	Integrated Clinical Services (Pharmacy)	State cuts to eliminate <u>OHP Standard</u> coverage and Medically Needy program will increase MCHD pharmacy costs for the uninsured.	8/1/2004			4,600,000	1,959,056			6,559,056		Increase in County costs due to a cost shift. Not a cut.

The OHP cuts described to the left reflect complete elimination of specific populations or benefits within OHP/Verity. The total FY 04 adopted budget for OHP/Verity in DCHS is \$29.9 million. These cuts (on a full year basis) would reduce that amount to \$13.4 million, a 55% reduction.

# Programs Potentially Affected by State Disappropriation (DRAFT)

Last Updated: 03/08/04

\* Shaded areas denote programs that had been proposed by State agencies to be cut in response to the failure of BM 30. These programs are now proposed for restoration by the Governor's Office.

County Dep't	County program	Impact of Reduction and Notes	State Implement- ation date if not 5/1	# of Clients per year	ESTIMATED # of clients served (after cut)	FY 2004 STATE FUNDING	FY 2004 General Fund	FY 2004 Itax Funding	FY 2004 Other Funding	FY 2004 Total Funding	ESTIMATED FY 04 State Cut Amount	ESTIMATED FY 05 State Cut Amount
HD	Dental	State cut eliminates Dental Services for 125,000 adults in the <u>OHP-Plus</u> program. Multnomah County has about 22.4% of the state's <u>OHP-Plus</u> population, or about 28,000 of the 125,000 people who will lose services. <i>Budget Office Note: County General Fund pays for School &amp; Community Dental services.</i>	8/1/2004	12,000	10,500	7,425,502	543,888	225,216	498,500	8,693,106	0	828,000
HD	Crisis Nurseries	10% reduction from OCCF. Will cause an increase in the waiting lists for high risk families in need of relief nursery services.				485,491	0	0	0	485,491	13,871	83,227
HD	Healthy Start Home Visiting Nurses	Reduction to 47% of first births, or 4% cut to services. Approx. 500 families statewide will not receive HS services; estimated 105 of those families in Multnomah County. NOTE: County has not appropriated all of its FY 04 state allocation.				1,692,984	282,963	0	1,147,263	3,123,210	25,350	152,100
DA	Deputy District Attorney State Salary Supplement	The State of Oregon Department of Justice provides Counties with a funding supplement to help offset Deputy District Attorney's salaries. This represents a 100% reduction by FY 05 of State support. The DA has not budgeted for this funding for FY 04 due to the information provided to them at the time of adoption. ITAX funding was used to backfill.		N/A	N/A	173,000	N/A	174,000	N/A	347,000	87,000	174,000
MCSO**	Corrections Division - MCIJ	The biennial cut would necessitate the closure of two dormitories equivalent to 114 beds at Inverness Jail per year. The failure of BM 30 would produce a set of financial shortfalls that will impact the Sheriff's Office ability to house and manage high risk offenders in our community.	FY 2005	114 Beds Average of 41,000 bed days	1,576 Beds	7,860,156	16,900,000	2,443,627	0	27,203,783	762,611	793,373

Note: A portion of these reductions were implemented for FY 2004 due to the timing of funding decisions.

\*\*Note: MCSO presented a reduction of \$1.8m for the biennium. That included approximately \$300,000 in an across the board cut. Information from the Governor's office has indicated the additional reduction may not occur. The above cuts do not reflect the additional across the board reductions.

# Programs Potentially Affected by State Disappropriation (DRAFT)

Last Updated: 03/08/04

\* Shaded areas denote programs that had been proposed by State agencies to be cut in response to the failure of BM 30. These programs are now proposed for restoration by the Governor's Office.

County Dep't	County program	Impact of Reduction and Notes	State Implement- ation date if not 5/1	# of Clients per year	ESTIMATED # of clients served (after cut)	FY 2004 STATE FUNDING	FY 2004 General Fund	FY 2004 Itax Funding	FY 2004 Other Funding	FY 2004 Total Funding	ESTIMATED FY 04 State Cut Amount	ESTIMATED FY 05 State Cut Amount
DCJ	Adult Justice-Parole and Probation	Dept. of Corrections Funds - there is a \$17.8 m statewide loss of funding which translates into a \$3 million loss for DCJ over the biennium. This would eliminate 11 FTE in adult supervision, sanctions and treatment services affecting 600 high and medium risk offenders per year. Additional services for 200 clients would also be affected. The loss of a Family Therapist would adversely impact 50 clients per year. A research and evaluation analyst would be cut along with information technology services.	FY 2005	850	8,600 clients still served; state cut does not reduce clients; more offenders will receive lowest levels of service	14,986,796	7,871,312	842,938	0	23,701,046	1,454,043	1,513,392
<div>Note: These reductions were implemented for FY 2004 due to the timing of funding decisions.</div>												
<u>Juvenile Justice</u> (Cuts are tentative and may not occur based on discussions with the Oregon Youth Authority)												
DCJ*	Gang Transition Services Funds	Reductions would impact high and medium risk youths. The Juvenile Division has incurred a 35% reduction in State spending. The manner in which additional cuts would be implemented for the Oregon Youth Authority and Oregon Criminal Justice Commission are yet to be determined. At this time the local impact is unknown.	FY 2005			1,211,508		470,000		1,681,508	121,151	123,811
DCJ*	Juvenile Crime Prevention Diversion		FY 2005			591,427		183,793		775,220	59,143	61,557
DCJ*	Oregon Youth Authority Flex Funds		FY 2005			63,467				63,467	6,347	0
<u>Impacts from the Loss of OHP Standard Coverage</u>												
DCJ	Residential A&D Treatment - Contracted	Reduce to OHP Plus Level of Coverage, cut 58 contracted beds for High and Medium risk offenders. The county would not be reimbursed for our bed days (\$100 per day) from Federal Medicaid resulting in a revenue loss totaling \$2,122,800. This loss will continue over the biennium.	FY 2005		82 Beds remaining		2,971,892		2,281,123	5,253,015	2,132,059	2,132,059
DCJ	Residential A&D Treatment - River Rock	Reduction of OHP Standard would represent <u>unbudgeted</u> lost revenue from Medicaid to the County.	FY 2005		60 Beds Remaining No bed loss		700,000	2,134,469	632,700	3,467,169	562,111	946,080
<b>Total</b>											<b>5,393,822</b>	<b>27,474,373</b>

## AGENDA PLACEMENT REQUEST

**BUD MOD #:**

**Board Clerk Use Only:**

**Meeting Date:** March 16, 2004

**Agenda Item #:** B-2

**Est. Start Time:** 10:30 AM

**Date Submitted:** 03/05/04

---

**Requested Date:** March 16, 2004

**Time Requested:** 30 mins

**Department:** BCS

**Division:** Finance, Budget,  
Assessment & Taxation

**Contact/s:** Dave Boyer, Bob Gravely

**Phone:** 503-988-3312

**Ext.:** x83903

**I/O Address:** 503/4

**Presenters:** Dave Boyer, Bob Gravely, Karyne Dargan, Ed Sheets

---

**Agenda Title:** ITAX Update

**NOTE:** If Ordinance, Resolution, Order or Proclamation, provide exact title.  
For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?**

None. This is an informational briefing only.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

### **Briefing Agenda**

1. Update Communication (Bob Gravely)
  1. The Public
  2. Employer Sign Up
2. SEAC Update (Ed Sheets)
3. Administration (Dave Boyer)
  1. Challenges and Successes
4. ITAX FY 2004 Current Year Estimate

1. Expenditure Projection (Karyne Dargan)
2. Revenue Collection (Dave Boyer)
  1. Addressing Non-Payers
5. ITAX FY 2005
  1. Administration (Dave Boyer)
  2. Budgeting Instructions (Karyne Dargan)
    1. COLA's
    2. Programs
  3. Strategy for BM 30
6. Overview of 5/18 BCC Briefing (Dave Boyer)

**3. Explain the fiscal impact (current year and ongoing). N/A**

**NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.**

**If a budget modification, explain:**

- ❖ What revenue is being changed and why?
- ❖ What budgets are increased/decreased?
- ❖ What do the changes accomplish?
- ❖ Do any personnel actions result from this budget modification? Explain.
- ❖ Is the revenue one-time-only in nature?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?

**NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)**

**If a contingency request, explain:**

- ❖ Why was the expenditure not included in the annual budget process?
- ❖ What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?
- ❖ Why are no other department/agency fund sources available?
- ❖ Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.
- ❖ Has this request been made before? When? What was the outcome?

**If grant application/notice of intent, explain:**

- ❖ Who is the granting agency?
- ❖ Specify grant requirements and goals.
- ❖ Explain grant funding detail – is this a one time only or long term commitment?
- ❖ What are the estimated filing timelines?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?
- ❖ How will the county indirect and departmental overhead costs be covered?

**4. Explain any legal and/or policy issues involved. N/A**

5. Explain any citizen and/or other government participation that has or will take place. N/A

**Required Signatures:**

Department/Agency Director: David G. Boyer Date: 3/4/03

Budget Analyst

By: \_\_\_\_\_ Date: \_\_\_\_\_

Dept/Countywide HR

By: \_\_\_\_\_ Date: \_\_\_\_\_



**BOGSTAD Deborah L**

---

**From:** DARGAN Karyne A  
**Sent:** Tuesday, February 17, 2004 4:22 PM  
**To:** BOGSTAD Deborah L  
**Subject:** FW: Draft ITAX Agendas for March 16 and May 18 - Comments????????????????  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

deb-  
can i reserve these dates for itax briefing?  
thx  
k

ps-i will be reviewing draft agenda with KT at our next budget meeting

-----Original Message-----

**From:** DARGAN Karyne A  
**Sent:** Tuesday, January 27, 2004 5:26 PM  
**To:** BOYER Dave A; GRAVELY Robert M; MATTIODA Gina M  
**Cc:** CAMPBELL Mark  
**Subject:** Draft ITAX Agendas for March 16 and May 18 - Comments????????????????

**March 16, 2004 Board Briefing**

1. Overview
2. Update Communication
  1. The Public
  2. Employer Sign Up
3. SEAC Update
4. Administration
  1. Challenges and Successes
5. ITAX FY 2004 Current Year Estimate
  1. Expenditure Projection
  2. Revenue Collection
    1. Addressing Non-Payers
6. ITAX FY 2005
  1. Administration
  2. Budgeting Instructions
    1. COLA's
    2. Programs
  3. Strategy for BM 30
7. Overview of 5/18 BCC Briefing

**May 18, 2004 Board Briefing**

2/17/2004

1. Collection Status
  1. To Date
  2. Projected FY 2004
  3. Projected FY 2005
  4. Projected FY 2006
2. Addressing Deficits/Surplus - Options
3. FY 2004 Expenditure Projection
4. ITAX Sunset Options - The Basics
5. Future Briefing ITAX Sunset Implementation Plan
  1. Health & Human Services Council
  2. Public Safety Group

# Briefing for Multnomah County Commission

March 16, 2004

## **School Efficiency and Quality Advisory Council**

The purpose of the School Efficiency and Quality Advisory Council is to ensure that the revenues provided by the local income tax benefit students in the classroom and that the new local tax dollars are well spent.

The Council was formed in December 2003. It includes representatives of parents, educators, taxpayers, business leaders, union leaders, and governmental leaders. The Council was appointed by, and includes the Mayor of Portland and the Multnomah County Chair.

**Role of the Council:** The Advisory Council has dual roles to ensure accountability for the use of revenues and to communicate their findings to taxpayers. Specifically, the Advisory Council will:

- Review plans and budgets for expenditures to ensure that they are consistent with the requirements of the Multnomah County Income Tax.
- Review plans and results for improving academic success and operational efficiencies to ensure that the dollars are well spent.
- Work with Portland and Multnomah County auditors to define the scope of specific performance audits and review the findings of those audits.
- Report at least annually to the Portland City Council and Multnomah County Commission and make recommendations about continued funding.
- Ensure that information about the use of the local tax revenues is reported to every household in Multnomah County.

The Multnomah County Income Tax specifies that revenues for Multnomah County schools generated from the local income tax will only be used:

- To promote the current or improved student-teacher ratios.
- To promote a full school year.
- To fund programs designed to achieve improvements in academic success of all students.
- To fund key student support programs and services that provide a quality school experience and retain students in school.
- To fund performance audits.
- To communicate with all citizens regarding achievement and accountable use of these tax dollars

## **Status**

- Council formed in December and requested information from districts

- Districts provided information in January
- District presentations and review of information January and February
- Council approved report March 15<sup>th</sup>
- Schedule presentations with Commission, City Council.
- Mailing to County households.

## **Conclusions**

### **The local tax is being used to provide a full school year and to benefit students**

After reviewing the material submitted to the School Efficiency and Quality Advisory Council by the Multnomah County school districts, meeting with each district, and requesting clarifications on a number of questions, the Council concludes:

- All Multnomah County school districts will be open for a full school year in 2003-2004.
- The school districts have used the local tax to maintain or add 780 teachers to maintain or reduce class size.
- The school districts have restored or maintained educational programs and services to keep students in school.
- 97 percent of the funding went to school based activities; the remainder goes to central support for those school-based activities.
- All of the districts have provided plans to improve student achievement.
- All districts provided descriptions of how they will use the funds efficiently.
- In late 2004, districts will report on their plans for next year and their accomplishments in implementing the 2003-2004 action plans. In the next School Efficiency and Quality Advisory Council report, we will review the progress in meeting the districts' goals.

### **Activities to improve the Council process for the next report**

The Council has also identified several steps to improve the review process for next year.

- The Council will work with the Multnomah County and City of Portland Auditors to review the results of performance audits scheduled for later this year.
- The Council will work with the school districts and the Multnomah County and City of Portland Auditors to develop a consistent format for reporting and tracking expenditures.

- The Council will work with the school districts to determine the feasibility of developing a consistent format to report goals and plans to improve student achievement and the progress made in meeting those goals and plans. This could include a consistent way to report on progress to address the achievement gap and progress in meeting the Annual Yearly Progress goals.
- The Council will work with the school districts to develop a better way of reporting plans to ensure that the local tax funds are used efficiently. For example, it may be possible to develop measurements for some of the proposed actions.
- The Council will strive to develop reporting formats that utilize existing materials wherever possible to avoid placing an added reporting burden on the districts.
- During the course of this review, the Council raised some questions about the use of the local tax. In those cases, the districts have clarified or reallocated funds to ensure that funding is consistent with the purposes of the local income tax. We believe the steps we have outlined above will improve the reporting process.



**SCHOOL EFFICIENCY AND  
QUALITY ADVISORY COUNCIL**

3055 N.W. Cumberland Road

Portland, OR 97210

[www.seacinfo.org](http://www.seacinfo.org)

### **Meeting Agenda**

5 p.m. Monday, March 15, 2004

Room 112, First Floor, Multnomah County Building, 501 SE Hawthorne

1. **Discuss and approve the 2004 School Efficiency and Quality Advisory Council Report.**
2. **Discuss communications plan for the SEAC report**
3. **Discuss future activities of the Council**
  - a. Schedule for future meetings
  - b. Priorities for additional studies
  - c. Meeting summary from February 17, 2004.
4. **Public Comment**

For more information contact: Ed Sheets at 503-222-1700

---

#### **Co-Chairs**

BARUTI ARTHAREE  
JUDY PEPPLER

#### **Members**

RICHARD ANDERSON  
DAMIAN BARNETT  
PAT BURK

DR. PHYLLIS EDMUNDSEN  
BERTHA FERRAN  
NANCY HAMILTON  
VERA KATZ  
DAVID KNOWLES  
DIANE LINN  
JS MAY  
NATHAN NGUYEN

DR. LEE PELTON  
CAROL SAMUELS  
BILL SCOTT  
DAVID SHIELDS  
KEN THRASHER  
COURTNEY VANDERSTEK  
CONI WESTMORELAND  
DUNCAN WYSE

# Revisions to the Draft SEAC Report

March 9, 2004

## Summary

This document summarizes the changes made to the draft SEAC report that was circulated on February 23, 2003. In general, we have incorporated the suggestions to delete sections, change wording, and revise the student performance section.

SEAC members also suggested a number of issues that would require significant additional work or information that is not available on a consistent basis. These issues have been added to the potential additional activities section in the conclusions.

## Background

The SEAC requested specific information from all eight Multnomah County school districts in early December. Our request asked for information that was already available. We did not ask the districts to develop new material or to adopt a common format for their student performance and efficiency plans.

We received responses from all of the districts. In January, we worked to develop a consistent approach for reporting how the funding was used. The Council also received briefings from all eight districts during January and February.

A draft was circulated on February 23<sup>rd</sup> to the Council, the school districts, and the Multnomah County and Portland auditors. This revised draft addresses the comments we received.

In addition, we worked with Bill Auty of the Oregon Department of Education on the appropriate format to report student achievement.

## Changes to the Draft

Deleted Sections: Based on comments we have deleted the following sections:

- The budget history on state school funding
- Multnomah County school district budget cuts
- Administrative costs

Some on the Council wanted to keep the state budget history section. I have prepared a shorter version of the budget history that also includes information about Multnomah County school district funding per student, adjusted for inflation. The Council should discuss this section and provide final guidance.

Moved Sections: The following sections were moved to the student achievement section:

- Increasing demands on school districts
  - State and federal standards
  - Multnomah County demographic trends

Added Section: We added a brief section on state-wide trends in meeting the state standards.

Student performance: We have significantly rewritten this section. A number of comments raised questions about the use of AYP as the measure of student performance. Bill Auty said the measure was accurate, but gave very crude results. He thought it would be more meaningful to show the average scores for students in 3<sup>rd</sup>, 5<sup>th</sup>, 8<sup>th</sup>, and 10<sup>th</sup> grade for both language and math. Unfortunately, this data was not readily available, so working with data from Mr. Auty, we developed figures that show the percent of students in each grade level that meet or exceed the state standards, compared to the state average. Bill also provided additional data that show trends over the last two years. We are working to develop figures that could be incorporated in the final report.

Editorial changes: There were a number of suggestions to clarify the wording of the draft. We have incorporated all of those comments.

## **Other Issues**

1. Budget history: Provide detailed information on the changes in school revenues from property taxes, state funding (address equalization), federal funding, ESD funding, and supplemental local taxes (including the sunset dates for these special taxes)

Response: We do not have this information in a consistent format. If the SEAC believes this is a priority, we could try to develop this information for a future report.

2. Comments in sections that were deleted: There were a number of suggests related to the sections that were deleted.

Response: We have not addressed comments to sections that were deleted. If the Council decides to restore these sections we can reflect the comments in the final report.

3. Standardize and specific student performance and efficiency plans: several comments observed that the level of detail varied greatly among districts. It would also help to tie the plans to specific performance targets and cost savings. There was also concern raised that the local funding only restores the districts to prior budget levels so it may be unrealistic to expect that student achievement will improve significantly as a result of the local funding.

Response: We did not receive the plans in a standard format and many of the plans did not have specific targets. The Council needs to discuss whether it will require a standard format in future years. Each district develops its strategic plan and budget using a



different format to address their specific history and circumstances. The districts and school boards are likely to resist moving to common format. We propose to work with the districts prior to the next report to explore this issue.

The report lists the goals set by the districts. In some cases these goals are numerical. In the 2005 report, the SEAC can report how the districts did in achieving their goals. Over time, we can also show how student performance in Multnomah County compares to state achievement of standards.

We also propose to work with the districts on the type of information reported on their efficiency plans. This is an area that could use improvement.

4. Funding for ELL: There was a request to report how the districts used federal and other funding to address English Language Learners.

Response: In a follow up e-mail to the superintendents in January, we asked for this information. We have not received responses from the districts. The Council should discuss whether this is a priority for a follow up report.

5. Additional issues: There were comments to change this section in the conclusion section. The current draft list a number of issues that were raised in the Council's deliberations and states that the Council would prioritize the list and prepare additional reports in the future. The suggested changes would commit the Council to address each of the issues.

Response: During Council discussions, several members expressed concerns that the SEAC limit its work to its specific charge under the local tax. Some of these issues may go beyond those areas. Also, consultant and staff resources are limited and we probably cannot do a high quality job on all of the issues that were identified. Therefore, we recommend that the Council prioritize the issues and the consultant will prepare a draft work plan to accomplish the identified work for the Council to review.

6. Public versus private school costs: Show these costs comparisons and the services provided, adjusted as appropriate.

Response: We do not have this type of data. If this is a priority for the Council might be able to address it in future reports.

# Communications Plan for the SEAC Report

March 9, 2004

## **Summary**

JS May, Nancy Hamilton, and Luis Ornelas volunteered to serve on an *ad hoc* communications committee. They have been meeting with Ed Sheets and communications staff from Multnomah County to discuss the format and production schedule for the first report. The committee also discussed a speaker's bureau to communicate with the press and key interested organizations.

## **Full SEAC Report**

We are assuming that the full report will be available on the Council webpage and we will make about 50 copies for the City Council, County Commission, editorial boards, etc. A summary will be prepared and distributed to all households in Multnomah County.

We have developed a production schedule to have the report available in early April.

## **Mailer**

The committee has also prepared a short summary document that would be mailed to every household in Multnomah County. The Metropolitan Group has generously donated the graphic design work for the mailer. There was a consensus on the committee that we should keep the costs of production and mailing as low as possible.

We have developed a production schedule to get this report mailed by late March.

## **Speakers Bureau**

The committee is preparing a plan to contact targeted audiences, including:

- A press release to all media
- Presentations to the Portland City Council and Multnomah County Commission
- The Oregonian and Tribune editorial boards
- City Club, Rotary, Portland Business Alliance, etc.
- Multnomah County school district superintendents meeting

# Next Steps for the School Efficiency and Quality Advisory Council

March 9, 2004

## **Summary**

If time permits, the Council should discuss the next steps for the Council, including when we should meet again and what are the priorities for the next phase of our work.

We originally estimated that the Council would meet about four times a year. So far, it has met five times since December. We should discuss how many more meetings are needed in 2004.

## **Multnomah County and Portland Auditors Reports**

The auditors will complete their next report on Multnomah County school district programs and results in early April. We could schedule a meeting in April to get a briefing on the report or send the report to each member of the Council via e-mail and post a copy on our webpage.

The auditors will also prepare performance audits on a number of topics. The schedules and subjects of these performance audits are not currently available. The Council could schedule meetings to receive these reports or get them via e-mail.

## **Student Achievement**

State reports on student achievement will be available this summer. The Council could schedule a meeting to review this information and discuss plans for the next report.

## **Other Studies**

The Council has identified a number of issues where it may want to conduct additional research and issue future reports. The list of issues includes:

- Comparisons between the Multnomah County districts and state averages regarding compensation, staff composition, etc. and how the districts compare to other districts they compete with for teachers and other staff.
- Address the next budget cycle and what effect state decisions will have.
- Review the budget history for school funding, including a review of the detailed information on the changes in school revenues from property taxes, state funding (address equalization), federal funding, ESD funding, and supplemental local taxes (including the sunset dates for these special taxes)
- Review the effects of increased mobility between districts and its effects on student performance.
- Identify student achievement programs and cost efficiency measures that could be replicated across other school districts.

- Review allocations of resources and progress toward closing the achievement gap, including the staffing levels and qualifications for English Language Learner programs.
- Comparisons of the costs and services provided in public and private schools.

The Council should discuss these issues. Ed Sheets will work with the Executive Committee to prioritize and address the issues for future reports.

# Meeting Summary

## School Efficiency and Quality Advisory Council

February 17, 2004

### Highlights

- The Corbett, Gresham-Barlow, and Reynolds school districts briefed the Council on their funding and operations.
- The Council reviewed the issues and schedule for its first report.
- The Council scheduled its next meeting for March 15th from at 5 pm in Room 112 of the Multnomah County Building, 501 SE Hawthorne to review and approve the first report.

### Attendance

Council members: Judy Pepler, Damion Barnett, Steven Cheung, Phyllis Edmondson, Bertha Ferran, Vera Katz, Diane Linn, Lee Pelton, Carol Samuels, Bill Scott, David Shields, Courtney Vanderstek, Coni Westmoreland.

Other attendees: Ed Sheets, Van Le, Bob Gravely, Carol Turner, Maxine Thompson, and Michael Zokoych.

### Council Meeting Summary

#### Corbett School District

- Superintendent Bob Dunton to the Council that Corbett has about 600 students and covers an area of 97 square miles at the east end of Multnomah County. There is limited housing growth in the district. The students are about 90 percent white; the minority population is too small to be covered by the No Child Left Behind reporting requirements for those groups. About 25 percent of the students are on free or reduced lunch and the mobility rate is about 20 percent. The drop out rate is about 1 percent.
- Corbett's goals are to have 100 percent of its students meeting the benchmarks. The district is committed to 100 percent of the students achieving the CIM requirements. Last year about 60 percent of graduates had earned a CIM. The district has found that 90 percent of the students that have taken Algebra 2 in tenth grade were able to meet the CIM math standards.
- The district used the local tax to maintain six teachers; this maintained class size.
- Without the local tax, class size would have increased by about five students per class and the district would have lost foreign language and music classes.

#### Gresham-Barlow School District

- Superintendent Ken Noah provided a briefing on his district.
- The district has 11,700 students in 54 square miles serving Boring, Damascus, Gresham, and Orient. It is the tenth largest school district in the state. Enrollment has grown steadily over the past seven years. There has been an increase in the number of Hispanic students in the district. Students qualifying for free and reduced lunch increased from 22 percent to 35 percent over the past five years.
- The District has not been able to keep up with inflation since the implementation of Measure 5 in 1991.

- The District has made on-going budget reductions to coincide with changes to its funding levels.
- The District was able to realize some savings, through economies of scale, in 1994, with the unification of four districts (plus part of Boring).
- The District's enrollment has grown slightly until the fall of 2001-02 when there was an ADMw growth of 339. During the past two years the district has seen modest growth.
- Total cuts in 2002-2003 amounted to approximately \$7 million. Major Programs Reduced or Eliminated:
  - Cut eight school days
  - Outdoor School
  - Mentor/New Teacher Program,
  - Talented and Gifted reduced
  - Elementary/Middle summer school
  - Co-Curricular Activities
  - School-to-Work
  - Staff Development
  - Elementary Media Specialists
  - Technology Support
- The district used 93 percent of the local tax revenue for direct instruction and seven percent for school support. The local tax was use for:
  - Reinstatement of a full school year for students and staff. The district would have cut 10 days without the local tax revenue.
  - Maintain Primary Class Size: Restored classroom teachers to keep primary class size at 23-24:1 and intermediate at 28:1(3 Certified FTE plus).
  - Maintain Elementary Music and PE Programs: 11 Certified FTE.
  - Retain kindergarten and primary teacher instructional assistants: 8.44 Classified FTE.
  - Maintain Foreign language, humanities, science, and art programs, at the current middle school level: 10 Certified FTE
  - Reinstatement of a full range of student activities at Gresham-Barlow's Middle Schools and High Schools: Restored all of the student activities at the secondary level that were eliminated or curtailed because of coaching and advisor cutbacks.
  - Reinstatement of the 6th grade Outdoor School Program: Extra Duty stipend, MESD program cost, and substitute requirements.
  - Retain Media Specialist at the Middle School Level: 2.5 Certified FTE
  - Maintain Classified level of teacher assistants and secretarial support (Guidance) at the middle school level: 3.82 Classified FTE
  - Maintain teaching staff ratios in various curriculum areas at the high school level: 15.5 Certified FTE
  - Maintain High School Classified Clerical and Teacher Assistant support: 4.37 Classified FTE
  - Restore Instructional Technology Support all levels: 2 Classified FTE
  - Maintain non-personnel support for all grade levels including special education services: Supplies, materials and equipment.
  - Address incoming student population with special needs: 8.31 Certified FTE and 9.7 Classified FTE (class size).
  - Remedial help for struggling students: Planning to restore summer school programs for Summer 2005.

- District will not need to accrue any portion of next years State School Funding. The district planned to borrow \$4 M to defray cuts until 2004-05.
- Superintendent Noah described efforts to cut costs and improve efficiencies.
  - Salaries and employee benefits account for 83% of the general fund expenditures.
  - Negotiations are taken very seriously with employee groups to ensure that our labor contracts are fair yet remain affordable.
  - Purchase Service Contracts for Food Service and Transportation Services (6% of GF) provide extra benefits for the district. Food service provides courier and transporting service of equipment and transportation provides grants through the foundation.
  - Waste and Energy Management Program has provide a significant saving (\$500,000-\$600,000) to the district during each of the last two years.
  - Discretionary purchasing: Gresham-Barlow utilizes competitive purchasing to cut costs.
  - Purchasing in bulk or partnering with other government agencies
  - contracting for services
  - All purchases over \$5,000 require three bids
  - Refinancing/Refunding:
  - Refunding of general obligation bonds
  - Refinancing PERS Unfunded Actuarial Liability
  - Negotiating a transportation contract reduction \$250,000 for two years
- Ken Noah emphasized the positive effects that the local tax has had on students and observed that we will see the effects of deep budget cuts in other districts around the state.

#### Reynolds School District

- Terry Kneisler described the issues facing Reynolds School District.
- The district serves about 10,300 students.
- District has eleven elementary, three middle, two high schools, and one charter school.
- The district boundary passes through east Portland, west Gresham, and encompasses some unincorporated areas and the cities of Fairview, Wood Village and Troutdale. Rough boundaries are Columbia River to the north, Stark to the south, 142nd Avenue to the west, and Sandy River to the east.
- Rapidly changing demographics.
  - Increasing poverty rates
  - 55% of students receive free and reduced lunch program.
  - 4% increase in free and reduced lunch program this school year; 18% increase since 1999.
  - Increasing challenges related to food, shelter, healthcare, and mobility due to economic conditions.
  - Increasing amount of staff time, particularly counselors, principals, health assistants, and school secretaries connecting students and families to human service providers.
  - Human service providers are experiencing financial hardship at a time of increasing demands.
- Increasing # of Students in ELL programs
  - 10% increase in last school year

- 275% increase since 1997
- District goals are:
  - Student Achievement
    - Close the Achievement Gap
    - Improve Instruction
    - Develop expertise to serve language needs of diverse student body
  - Fiscal Management
    - Develop a financial reserve
    - Improve efficiencies and effectiveness
  - Community Connections
    - Meet needs of diverse population
    - Engage community to determine community priorities
    - Develop understanding of culture of poverty
- The funding per student has increased since 1997. Adjusted for inflation is about the same as seven years ago.
- Local income tax:
  - Restored 8 school days
  - Purchased \$2,000,000 in textbooks computers and classroom supplies
  - Retained Outdoor School
  - Retained approximately 35 teaching positions
  - Added approximately 20 teaching positions
- Elementary class size is reduced slightly from 25 students to 24.4 per classroom. Class size would have risen to 25.8 students without 10 additional elementary positions.
- High school classes in the core subjects have been reduced from 30 to 27 students.
- Purchased 647 new computers, directed all usable technology directly into classrooms.
- The district described its progress in reducing costs and improving efficiencies.
- Superintendent Kneisler also discussed the difficulties for new immigrant students to take the state standards tests as required by NCLB.

#### Discussion of SEAC First Report

- The Council discussed the contents of the first report
- The report should address:
  - Where did the money go?
  - What are the plans to improve achievement levels?
  - What are the districts goals?
  - Council will report on the progress in achieving goals and improvements in student achievement in the next report (we are watching).
- The report should report on the trends we see in the data:
  - School funding, adjusted for inflation is about the same as the early 1990s for some districts and has actually declined for other districts.
  - ITAX brings districts back to full school year.
  - Demands on schools increasing (e.g. more ELL, low-income, mobility)
  - Districts are showing some improvements in achievement, with exceptions in middle school and high school.
  - Districts are showing some improvement in achievement gap, with exceptions for some minorities.



- We should report historical trends to the extent they are relevant and supported by solid data.
- The report should be succinct, readable and focused on the Council's charge.
- The report should address the perception regarding waste and efficiency.
- Council member raised other issues of interest regarding comparison between Multnomah County schools and state statistics. We will determine whether solid data is available on these issues. If not, the Council may wish to address them in the future.

Grade Range K-05

	School	District	Pilot
<b>Students</b>			
Student Enrollment	360	55,321	159,231
Percent Eligible for Free/Reduced Lunch	39.4%	39.7%	30.0%
Percent ESL Students	0.0%	7.3%	6.0%
<b>Spending per Student - General Fund</b>			
Direct Classroom	\$3,451	\$3,463	\$3,308
Classroom Support	\$654	\$766	\$905
Building Support	\$1,075	\$1,075	\$892
Central Support	\$196	\$194	\$210
<b>Total</b>	<b>\$5,376</b>	<b>\$5,498</b>	<b>\$5,313</b>
<b>Classes</b>			
Elementary Class Size	25.7	26.0	25.1
Secondary Math Class Size	n/a		
Secondary English Class Size	n/a		
Student:Teacher Ratio	23.8	20.1	21.2
Hours of Instruction per Year	n/a		
<b>Staffing</b>			
Licensed Staff			
Teachers	15.1		
Other Licensed Staff	n/a		
Instructional Assistants	2.2		
Principals and Assistant Principals	1.0		

**Socio-Economic Status (SES)**

Grade	Rank	District Range	Pilot Range
3	290	6-761	4-763
5	290	7-757	6-760

**Student Performance**

Percentage of Students At or Above State Performance Standards

Reading			
Grade	Score	District	State
3	80%	72%	78%
5	66%	65%	66%

Writing			
Grade	Score	District	State
5	48%	48%	50%

Math			
Grade	Score	District	State
3	84%	67%	67%
5	71%	61%	61%

Math Problem Solving			
Grade	Score	District	State
5	50%	55%	53%

Oregon Department of Education  
School Profile for  
**HOSFORD MIDDLE SCHOOL**  
PORTLAND SCH DIST IJ  
1997 - 1998 School Year



Grade Range 06-08

	School	District	Pilot
<b>Students</b>			
Student Enrollment	482	55,321	159,231
Percent Eligible for Free/Reduced Lunch	46.7%	39.7%	30.0%
Percent ESL Students	14.9%	7.3%	6.0%
<b>Spending per Student - General Fund</b>			
Direct Classroom	\$4,234	\$3,463	\$3,308
Classroom Support	\$1,015	\$766	\$905
Building Support	\$1,075	\$1,075	\$892
Central Support	\$196	\$194	\$210
<b>Total</b>	<b>\$6,520</b>	<b>\$5,498</b>	<b>\$5,313</b>
<b>Classes</b>			
Elementary Class Size	n/a	26.0	25.1
Secondary Math Class Size	24		
Secondary English Class Size	20		
Student:Teacher Ratio	16.6	20.1	21.2
Hours of Instruction per Year	n/a		
<b>Staffing</b>			
Licensed Staff			
Teachers	29.0		
Other Licensed Staff	n/a		
Instructional Assistants	3.3		
Principals and Assistant Principals	1.0		

**Socio-Economic Status (SES)**

Grade	Rank	District Range	Pilot Range
8	145	45-391	45-392

**Student Performance**

Percentage of Students At or Above State Performance Standards

Reading			
Grade	Score	District	State
8	52%	51%	55%

Writing			
Grade	Score	District	State
8	54%	54%	59%

Math			
Grade	Score	District	State
8	52%	52%	50%

Math Problem Solving			
Grade	Score	District	State
8	47%	51%	53%

Grade Range 09-12

	School	District	Pilot
<b>Students</b>			
Student Enrollment	1,564	55,321	159,231
Percent Eligible for Free/Reduced Lunch	32.2%	39.7%	30.0%
Percent ESL Students	10.0%	7.3%	6.0%

**Spending per Student - General Fund**

Direct Classroom	\$3,390	\$3,463	\$3,308
Classroom Support	\$973	\$766	\$905
Building Support	\$1,075	\$1,075	\$892
Central Support	\$193	\$194	\$210
<b>Total</b>	<b>\$5,631</b>	<b>\$5,498</b>	<b>\$5,313</b>

**Classes**

Elementary Class Size	n/a	26.0	25.1
Secondary Math Class Size	32		
Secondary English Class Size	28		
Student:Teacher Ratio	20.9	20.1	21.2
Hours of Instruction per Year	n/a		

**Staffing**

Licensed Staff	
Teachers	74.9
Other Licensed Staff	n/a
Instructional Assistants	7.9
Principals and Assistant Principals	3.0

**Socio-Economic Status (SES)**

Grade	Rank	District Range	Pilot Range
10	141	23-311	23-311

**Student Performance**

Percentage of Students At or Above State Performance Standards

Reading			
Grade	Score	District	State
10	29%	45%	48%

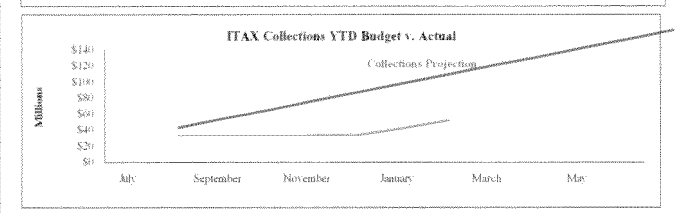
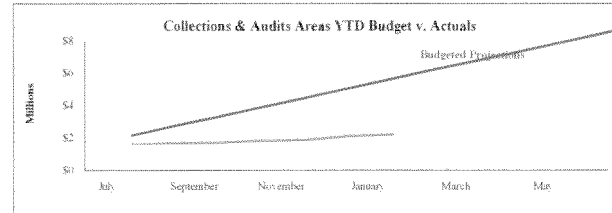
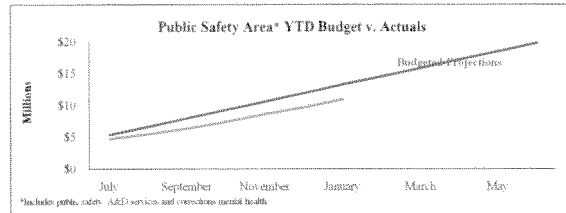
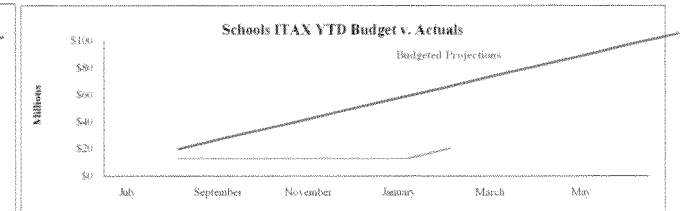
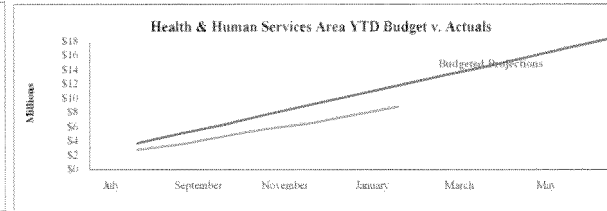
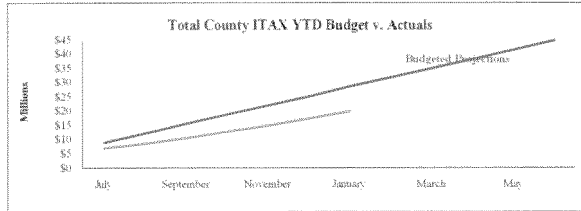
Writing			
Grade	Score	District	State
10	51%	57%	64%

Math			
Grade	Score	District	State
10	24%	33%	32%

Math Problem Solving			
Grade	Score	District	State
10	38%	36%	40%

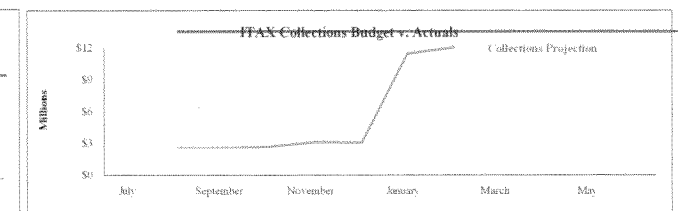
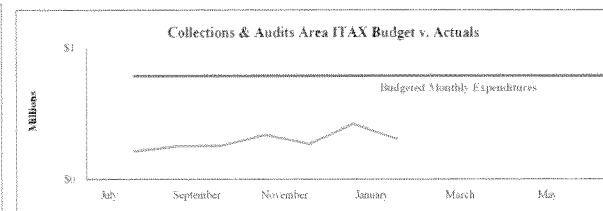
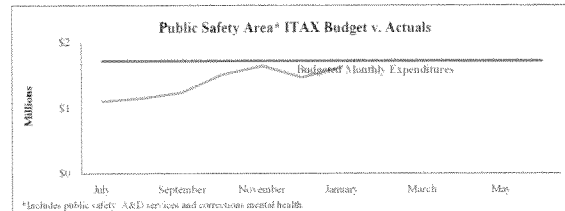
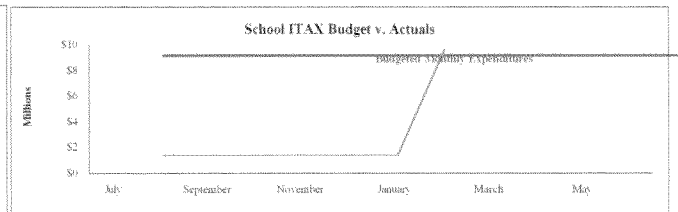
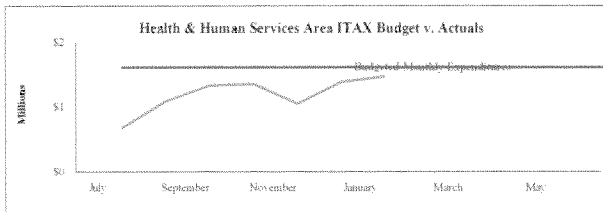
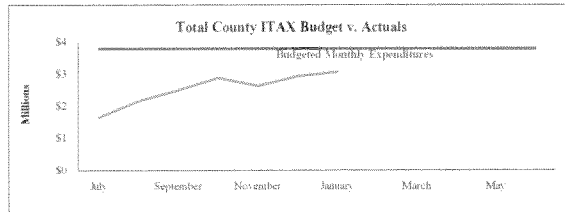
## ITAX Monitoring: YTD Projected Budget vs. YTD Actuals

County Service Area	Year-to-date	July	August	September	October	November	December	January	February	March	April	May	June	Total Projection
Public Safety	Budget YTD	\$1,314,025	\$2,628,050	\$3,942,075	\$5,256,100	\$6,570,125	\$7,884,151	\$9,198,176	\$10,512,201	\$11,826,226	\$13,140,251	\$14,454,276	\$15,768,301	\$15,768,301
	Actual YTD	\$697,313	\$1,445,334	\$2,286,377	\$3,389,400	\$4,627,838	\$5,685,800	\$6,905,794						
Health & Human Services	Budget YTD	\$1,349,671	\$2,699,341	\$4,049,012	\$5,398,682	\$6,748,353	\$8,098,024	\$9,447,694	\$10,797,365	\$12,147,035	\$13,496,706	\$14,846,376	\$16,196,047	\$16,196,047
	Actual YTD	\$408,752	\$1,229,586	\$2,290,551	\$3,384,924	\$4,173,339	\$5,293,931	\$6,499,040						
Collections/ Audit	Budget YTD	\$582,943	\$1,165,885	\$1,748,828	\$2,331,771	\$2,914,713	\$3,497,656	\$4,080,599	\$4,663,541	\$5,246,484	\$5,829,427	\$6,412,369	\$6,995,312	\$6,995,312
	Actual YTD	\$8,630	\$56,917	\$108,259	\$242,735	\$308,177	\$523,991	\$626,057						
Total County	Budget YTD	\$3,246,638	\$6,493,277	\$9,739,915	\$12,986,553	\$16,233,192	\$19,479,830	\$22,726,468	\$25,973,107	\$29,219,745	\$32,466,383	\$35,713,022	\$38,959,660	\$38,959,660
	Actual YTD	\$1,114,696	\$2,731,838	\$4,685,187	\$7,017,064	\$9,109,354	\$11,503,721	\$14,030,891						
Schools	Budget YTD	\$7,774,663	\$15,549,327	\$23,323,990	\$31,098,654	\$38,873,317	\$46,647,980	\$54,422,644	\$62,197,307	\$69,971,971	\$77,746,634	\$85,521,298	\$93,295,961	\$93,295,961
	Actual YTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,214,960						



## ITAX Monitoring: Monthly Projected Budget vs. Monthly Actuals

County Service Area	Year-to-date	July	August	September	October	November	December	January	February	March	April	May	June	Total Projection
Public Safety	Budget	\$1,314,025	\$1,314,025	\$1,314,025	\$1,314,025	\$1,314,025	\$1,314,025	\$1,314,025	\$1,314,025	\$1,314,025	\$1,314,025	\$1,314,025	\$1,314,025	\$15,768,301
	Actual	\$697,313	\$748,021	\$841,042	\$1,103,023	\$1,238,438	\$1,057,962	\$1,219,994						\$6,905,794
Health & Human Services	Budget	\$1,349,671	\$1,349,671	\$1,349,671	\$1,349,671	\$1,349,671	\$1,349,671	\$1,349,671	\$1,349,671	\$1,349,671	\$1,349,671	\$1,349,671	\$1,349,671	\$16,196,047
	Actual	\$408,752	\$820,834	\$1,060,965	\$1,094,373	\$788,415	\$1,120,591	\$1,205,109						\$6,499,040
Collections/ Audit	Budget	\$582,943	\$582,943	\$582,943	\$582,943	\$582,943	\$582,943	\$582,943	\$582,943	\$582,943	\$582,943	\$582,943	\$582,943	\$6,995,312
	Actual	\$8,830	\$48,087	\$51,342	\$134,480	\$65,438	\$215,814	\$102,067						\$626,057
Total	Budget	\$3,246,638	\$3,246,638	\$3,246,638	\$3,246,638	\$3,246,638	\$3,246,638	\$3,246,638	\$3,246,638	\$3,246,638	\$3,246,638	\$3,246,638	\$3,246,638	\$38,959,660
	Actual	\$1,114,896	\$1,616,942	\$1,953,349	\$2,331,877	\$2,092,290	\$2,394,367	\$2,527,170						\$14,030,891
Schools	Budget YTD	\$7,774,663	\$7,774,663	\$7,774,663	\$7,774,663	\$7,774,663	\$7,774,663	\$7,774,663	\$7,774,663	\$7,774,663	\$7,774,663	\$7,774,663	\$7,774,663	\$93,295,961
	Actual YTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,214,960						\$214,960



## Collection Plan Multnomah County Personal Income Tax 2003 Tax Year

We currently expect that it will take until the end of May for the City Bureau of Licenses to process all of the returns filed by the April 15 due date.

The first collections-related letter sent to taxpayers is expected to occur in mid-June. The letter will go to taxpayers who have filed returns but have not paid the tax in full. In addition to notifying these taxpayers what they owe, this first letter will offer six-month payment plans to anyone owing less than \$1,000.

It won't be possible to send letters to residents who haven't filed a return until mid-August because the County will not have access to Oregon Department of Revenue data until the end of July. Without the DOR data, it will not be possible to compile a list of Multnomah County residents with Oregon taxable income who filed returns to the State but not the County.

The ITAX administrator will brief the Board in early August on our best estimates of non-compliance and first year collections based on a preliminary read of the Department of Revenue data. In addition, updates on the income tax already are scheduled at Board meetings in March and May.

A resident who has not filed a return will receive this first communication from the City Bureau of Licenses around August 15. This "friendly reminder" letter will offer the 6-month payment plan to those owing less than \$1,000 and demand immediate payment for those owing more than \$1,000. The rationale for the distinction is that someone owing more than \$1,000 would have a taxable income of approximately \$80,000 and can be reasonably expected to be able to pay. The first letter will also offer to waive penalties if payments are received within 30 days.

All recipients of the first collection letter will have 45 days to reply before receiving a second letter around October 1. The intention of the second letter is to work with late responders with legitimate issues. City Bureau of License personnel will follow up the second letter with phone calls beginning Oct. 15.

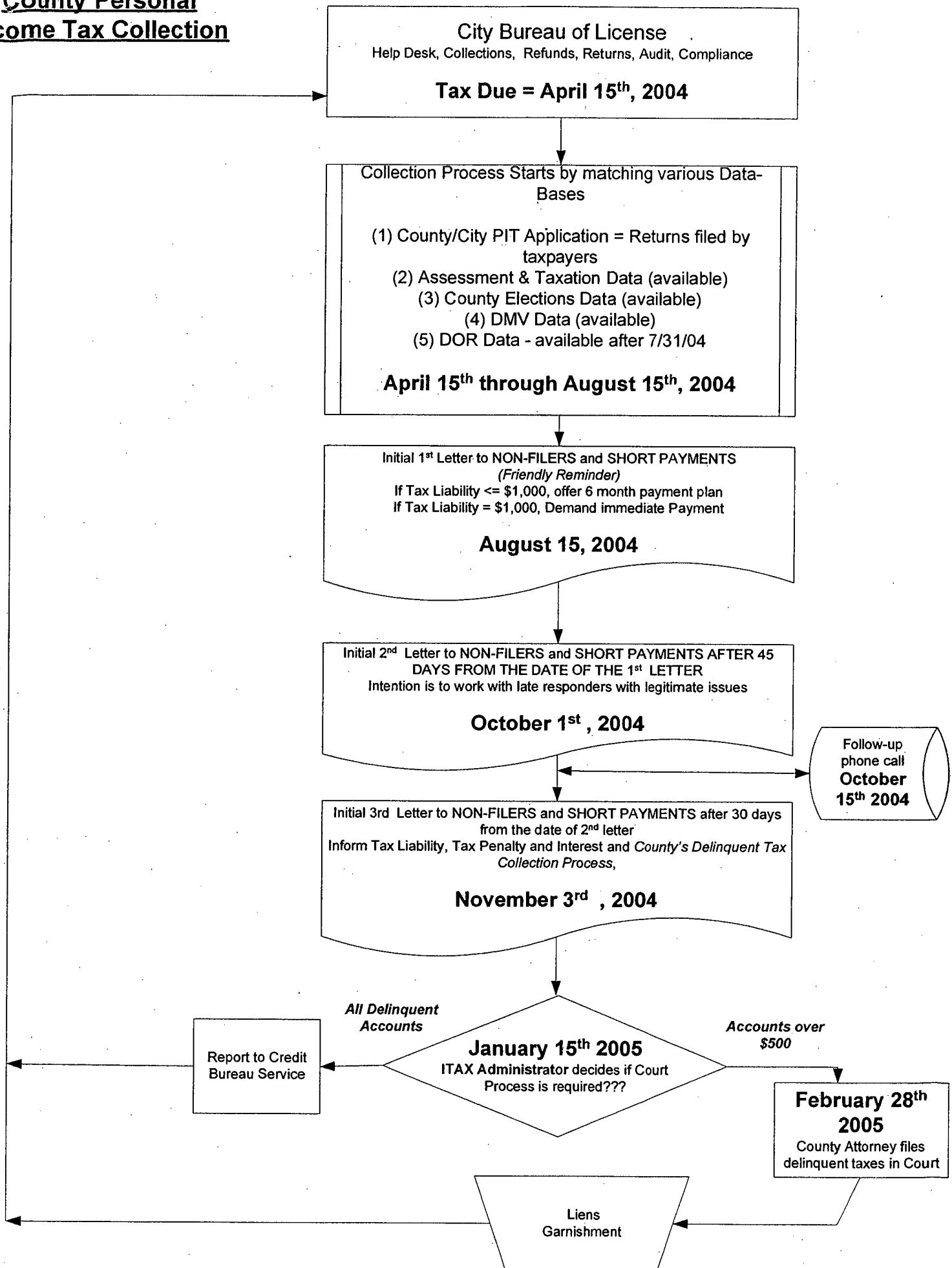
For those who still have not filed or paid the full amount owed, a third letter will be sent on November 3, informing non-filers of the County's enforcement capability and options. This letter will explain interest and late fees, as well as eventual reporting of non-payment of taxes to Credit Bureau Services and the possibility that the County could pursue liens and garnishment through court action. Recipients of the third letter will be subject to monthly follow-up.

During December, the ITAX administrator will initiate a discussion with the Chair's office and Commissioners on whether to offer additional amnesty before enforcement actions begin.

On January 15, the ITAX administrator will report all delinquent accounts to credit agencies. Additionally, the administrator can decide to refer delinquent accounts of more than \$500 to the County Attorney to initiate court action to seek liens or garnishment.

Any court action against delinquent taxes would be filed on February 28, 2004.

**County Personal**  
**Income Tax Collection**





## ITAX Collection Plan Outline

<b>Collection Data Bases</b>	<b>Date</b>
Multnomah County Voter Registration data base	In
Multnomah County A&T data base	In
DMV address data base	03-01-04
Multnomah County 2003 ITAX Filers Data Base	04-15-04
Oregon Department of Revenue data base for 2002 and 2003	07-31-04
Includes SSNs, Oregon taxable income and address	
<b>Sort Collection Data Bases</b>	
Data Base of Non-Filers	08-15-04
Filed with ODR in 2003 from MC address - No MC return	
Filed with ODR in 2002 from MC address - with no Part-Year MC return	
<b>Filers - Short Payment</b>	
Balance under \$1,000 - Letter Offering 6 month Payment Plan	06-01-04
Balance over \$1,000 - Demand for Payment - Regular Collection Process	06-01-04
<b>Collection Letters Non-Filers</b>	
Original Billing/Collection letter	08-15-04
Determination under § 11-614 of delinquent tax due and penalties and interest	
Offer to waive all penalties and interest if tax return and tax paid within 30 days	
Installment plan (6 monthly payments) offered if tax is under \$1,000	
Taxpayer to have 30 days to respond as to why tax determination is incorrect	
Second Collection letter	10-01-04
30 day Protest period has expired	
30 days to appeal to Board of Commissioners	
Notice that failure to respond will terminate appeal rights	
Intention is to work with late responders with legitimate issues	
2nd Demand for Payment	
Third Collection letter	11-03-04
3rd Demand for Payment	
Notification of potential enforcement including:	
Report to credit agency	
Liens	
Garnishment	
Phone collection	
Phone calls begin after 2nd letter (one per month)	10-15-04
Target higher value non-filers	
Future Collection letters	
Every 30 days	12-01-04
<b>Delinquent Filers Reported to Credit Agencies</b>	01-15-05
<b>Legal Action</b>	
File collection lawsuit in Multnomah County against high wealth delinquents	02-28-05
\$500 delinquents = approximate \$50,000 in gross earnings	
<b>Future Actions</b>	
Amnesty Plan Review - December 2004	12-15-04
Note: Multnomah County will be in compliance with Fair Debt Collection Protection Act (Although County is exempted from Act)	