

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 03-037**

Local School, Human Services and Public Safety Funding Options

**The Multnomah County Board of Commissioners Finds:**

- a. Multnomah County is proud of being a great place to live.
- b. The ability to attract and keep businesses and families in Multnomah County depends on strong public schools, safe neighborhoods and vital services to seniors, persons with disabilities and other vulnerable members of our community.
- c. In the current economic climate, we recognize that individuals, families and businesses are struggling and that now more than ever, quality public and community services are essential to maintaining a high quality of life.
- d. Ballot Measure 28, while defeated statewide, was supported by 57% of voters in Multnomah County.
- e. Over the course of the past year, the County has been forced to manage through a series of severe cuts and budget reductions. This includes painful cuts to direct services related to the failure of Ballot Measure 28, the series of Special Sessions, Emergency Board actions, across the board reductions and local budget shortfalls and service reductions.
- f. The Oregon State Legislature and the Governor have continued to disinvest in our community's vital public infrastructure. They have failed to adequately fund schools and have reduced funding for public safety, health and senior services to the point where it endangers people's lives and livelihoods.
- g. **Public Schools.**
  - 1) Multnomah County is valued for having quality public schools where students continue to make gains in meeting rigorous academic standards, where a high percentage of families choose public education, where the citizens actively support the schools and where every child is assured of receiving a quality education.
  - 2) The Board is committed to supporting quality local education to produce well-educated students, acknowledging that strong public schools attract families and businesses, produce independent and responsible citizens, a well prepared and highly skilled work force, and ensure that all children reach their full potential in school and in life regardless of income, race, gender, sexual orientation, ethnicity, religion, mental or physical ability.

- 3) Quality public education is critical to closing the achievement gap and maintaining diverse communities.
- 4) The Board supports rigorous academic standards and appropriate assessments for all Oregon students.
- 5) Through various constitutional and other changes that have taken place, primary responsibility for funding schools has been moved to the State Legislature, but the State has not provided adequate school funding for local schools to enable the schools to achieve their vital mission of preparing our children to enter college and the workforce.
- 6) Local governments, parents, educators and other citizens have worked hard to achieve adequate and stable funding for all Oregon schools and began and continue to support the statewide, non-partisan efforts of the Coalition for School Funding Now!
- 7) Local school districts have suffered budget cuts over the last twelve years because of property tax limitations, the phase-in of equalization without additional funds, and the Oregon legislature's inability to enact either meaningful tax reform or stable educational funding.
- 8) Local school districts have lost funding with the distribution of income taxes from the metro area to subsidize rural areas across Oregon, while metro-area schools have suffered from higher costs of special need students.
- 9) In the past, the County has contributed over \$22 million from its general fund, in addition to the approximately \$100 million it spends annually on programs for school aged children, including school based health clinics, library outreach, mental health services, and early childhood programs.
- 10) Every school district in Multnomah County faces substantial and unprecedented budget shortfalls, and Multnomah County has a unique commitment to represent the interests of the over 90,000 students attending public schools within the County.
- 11) The County Board believes that the challenge of achieving stable and adequate school funding should be resolved by a statewide solution and expects the state legislature and citizens of this state to develop a long-term, viable solution.
- 12) It does not appear that adequate funding for schools will be approved and allocated during the current legislative session. Therefore, the County Board finds that temporarily supporting education in Multnomah County is a matter of immediate County concern and believes it must act on its commitment to assist this community with the crisis by developing a funding package to augment school district revenues within Multnomah County for the 2003-2004, 2004-2005 and 2005-2006 school years, while the State is developing a long-term plan.

- 13) The County will allocate proceeds of the income tax to fund performance audits of the school districts within the County to be conducted jointly by the City Auditor and the County Auditor in order to achieve cost-savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity-building for increased accountability. The City and the County auditors will work with all the districts in the appropriate jurisdictions to define the scope and design of the performance audits. The auditors will provide an opportunity for the district(s) management to respond to the audit report(s) and deliver the audits' findings directly to the individual Boards of Education.
- 14) A School Efficiency and Quality Advisory Council will be established to ensure that the revenues benefit students in the classroom and that the new local tax dollars are well spent. It will include representatives of parents, educators, taxpayers, business leaders, union leaders, and governmental leaders, including the Mayor of Portland and the Multnomah County Chair.
- 15) The individual school districts (Districts) and Boards of Education (Boards) have agreed to provide a detailed accounting of the expenditures of local funds to the School Efficiency and Quality Advisory Council on a semiannual basis.

Districts and Boards will responsibly apply resource management, cost containment, and organizational structure to ensure that every tax dollar - whether raised locally or received from the state - is used most effectively to provide a high quality educational experience to all students.

Districts and Boards will also report to the School Efficiency and Quality Advisory Council about what their specific action plans are for school performance and the achievement goals for all students, including the disparity between high-and low-performing children, especially the achievement gaps between majority students and low-income students, children with disabilities, children of color, and culturally and linguistically diverse students.

The Advisory Council will distribute a report to residents in the community and to the City Council and Board of Commissioners about the use of these tax dollars. No additional allocation of revenues to any school district will occur if the Advisory Council, City Council and Multnomah County Board of Commissioners determine that funds already allocated have not been spent as specified in this resolution. The Advisory Council may determine that the State administrative costs are to be paid by the School Districts.

- 16) The City, County, Portland Association of Teachers and District intend to establish and Advisory Committee with respect to Portland Public School District No. 1:
  - a) The Advisory Committee will be composed of 2 members appointed by the Portland Association of Teachers, 2 members appointed by the PPS District; 1 member appointed by the Portland City Council; and 1 member appointed by the Multnomah County Board.

- b) The Advisory Committee will be charged with making findings and recommendations for the creation of a balanced and competitive compensation package that reduces cost of benefits and increases teacher salaries. The report is due by 10/31/03.
- c) The City, County, Portland Association of Teachers and District will commence discussions concerning Article 10 of the PPS/PAT Agreement relating to staffing needs.
- d) Upon the recommendation of the Portland City Council and the Multnomah County Board, the annual funding provided by the City and the County to local schools will be reevaluated if the above actions are not undertaken

**h. Public Safety.**

- 1) Safe neighborhoods and the capacity to adequately arrest, prosecute, incarcerate and supervise offenders, is critical to a healthy and prosperous community.
- 2) Multnomah County is responsible for providing three fourths of the local public safety system through the Sheriff's Office, the District Attorney and the Department of Community Justice.
- 3) Due to an on-going series of severe state cuts and cycles of local revenue shortfalls, the local public safety system is at serious risk.
- 4) Multnomah County has been forced to reduce the jail bed capacity by 497 beds in the last two years. This has resulted in early release of offenders, while at the same time the County has been forced to reduce the capacity to supervise these same offenders in the community.
- 5) Critical health, treatment and mental health services to offenders in jail and on supervision is a proven method at reducing recidivism. Changing the behavior of offenders through cost effective treatment significantly reduces the likelihood of them cycling through the jail system, thereby saving the county the high cost of incarceration. Due to on-going cuts, Multnomah County's ability to provide these critical services have been significantly reduced.

**i. Human Services.**

- 1) Multnomah County is the community's human services safety net. The County provides vital health, mental health, addiction treatment, and senior and disability services to those in our community who live on the margin.
- 2) Caring for the community's most vulnerable and to invest in proven and effective community based services that save us money in the long run are matters of vital County concern.

- 3) Supports for the elderly to maintain independent living in order to avoid more expensive nursing home care have been cut or withdrawn altogether.
- 4) Service to the chronically mentally ill, basic health care and medications for the medically-needy have been eliminated.
- 5) Research has shown that outpatient treatment for the mentally ill avoids expensive hospital costs. Research also tells us that effective alcohol and drug treatment reduces the likelihood that criminal activity will occur. The County is poised to dismantle critical outpatient services for the severely mentally ill, including crisis services, clinics and treatment.

**Temporary Income Tax:**

- j. It is necessary and in the best interests of the County to adopt a temporary income tax to support local schools, public safety and human services. Funding for local schools is designed primarily to prevent urgent cuts.
- k. If, as a result of the County's adoption of this temporary income tax to support local schools, public safety, and human services, the State acts to attach those revenues for statewide purposes or decrease Multnomah County's base funding allocation for schools, public safety or human services, the Board will consider whether to seek immediate termination of the tax.
- l. Should the State adequately restore funding for local schools, public safety or human services during the next three years, the Board will consider whether to immediately seek termination or a reduction of the tax or other disposition of the income tax proceeds consistent with this resolution.

**The Multnomah County Board of Commissioners Resolves:**

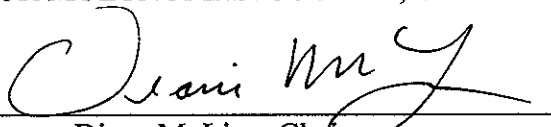
1. The Board of County Commissioners intends to refer a measure to the voters to impose a graduated temporary personal income tax on Multnomah County residents at a targeted rate of 1.25%. This measure is estimated to raise \$128 million to benefit local public schools, public safety and human services.
2. The Board of County Commissioners will develop a school funding allocation formula based on ADMw for FY 2003-04; and consider applying ADMw and other equitable allocations formulas for all districts in the county the following years
3. Multnomah County will aggressively pursue with the state legislature alterations to school equity and special education formulas and adjustments to limitations on local options to substantially increase revenue available to schools throughout Multnomah County.
4. A technical team for public safety will be convened by the Chair's Office and will work through the Local Public Safety Coordinating Council to make recommendations for the use of the public safety allocation.

5. A technical team convened by the Chair's Office will work with the Directors of Health, Human Services, and School and Community Partnerships and Commission on Children and Families of Multnomah County to make recommendations for the use of the human services allocation.
6. Revenues for Multnomah County schools generated from these tax adjustments will be used only as follows:
  - a. To promote the current or improved student-teacher ratios.
  - b. To promote a full school year.
  - c. To fund programs designed to achieve improvements in academic success of all students, including programs in English as a Second Language, Special Education, Alternative Schools and TAG/AP.
  - d. To fund key student support programs and services that provide a quality school experience and retain students in school.
  - e. To fund performance audits.
  - f. To communicate with all citizens regarding achievement and accountable use of these tax dollars.
7. Beginning with the 2003-2004 fiscal year, all county revenues generated from this tax will be subject to an independent review by the Office of the County Auditor. At any time beginning July 1, 2003, the County Auditor may determine that county revenues generated from the income tax and/or any county program benefiting from this tax will be audited.

ADOPTED this 13th day of March 2003.



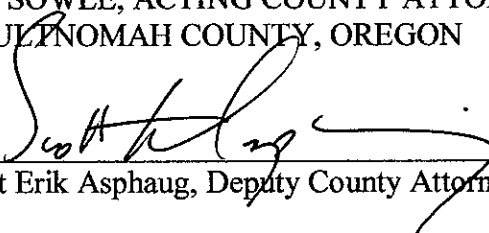
BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, ACTING COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By

  
Scott Erik Asphaug, Deputy County Attorney