



Multnomah County Oregon

# Board of Commissioners & Agenda

connecting citizens with information and services

## BOARD OF COMMISSIONERS

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501 SE Hawthorne Boulevard, Suite 600  
Portland, Or 97214  
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Email: [mult.chair@co.multnomah.or.us](mailto:mult.chair@co.multnomah.or.us)

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### Lisa Naito, Commission Dist. 3

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### Lonnie Roberts, Commission Dist. 4

501 SE Hawthorne Boulevard, Suite 600  
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**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.

## OCTOBER 16, 2003

## BOARD MEETING

### FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	<b>9:00 a.m.</b> Multnomah County Auditor's Office Annual Report FY 2002-2003
Pg 3	<b>9:30 a.m.</b> Opportunity for Public Comment on Non-Agenda Matters
Pg 3	<b>9:30 a.m.</b> Briefing on the Reorganization of Juvenile Justice Supervision, Sanctions and Services
Pg 3	<b>10:00 a.m.</b> Resolution Declaring the Former Montavilla Library Property Building as Surplus Property
Pg 3	<b>10:15 a.m.</b> General Fund Financial Forecast Update and Briefing on Multnomah County Personal Income Tax Implementation and Request for Board Consideration of Related Matters

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

Thursday, **9:00 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  
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Thursday, October 16, 2003 - 9:00 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **REGULAR MEETING**

### **NON-DEPARTMENTAL - 9:00 AM**

B-1 Multnomah County Auditor's Office Annual Report FY 2002-2003.  
Presented by Suzanne Flynn. 30 MINUTES REQUESTED.

### **DEPARTMENT OF COMMUNITY JUSTICE - 9:30 AM**

B-2 Briefing on the Reorganization of Juvenile Justice Supervision, Sanctions  
and Services. Presented by Joanne Fuller and David Koch. 30 MINUTES  
REQUESTED.

### **PUBLIC COMMENT - 9:30 AM**

Opportunity for Public Comment on non-agenda matters. Testimony is  
limited to three minutes per person. Fill out a speaker form available in the  
Boardroom and turn it into the Board Clerk.

### **CONSENT CALENDAR - 10:00 AM**

#### **DEPARTMENT OF COUNTY HUMAN SERVICES**

C-1 Budget Modification DCHS\_02 Restoring 1.80 FTE Mental Health  
Consultants in the Adult Trial Visit Care Coordination program, Adding a  
.75 FTE Russian Speaking Acute Care Coordinator in the Call Center, and  
Accounting for a Reclassification of a Office Assistant Position

#### **DEPARTMENT OF COMMUNITY JUSTICE**

C-2 Budget Modification 04\_DCJ\_BCC\_03 Adding \$191,096 Project Safe  
Neighborhood Grant Funds to the Department of Community Justice  
Federal/State Budget

#### **OFFICE OF SCHOOL AND COMMUNITY PARTNERSHIPS**

C-3 Government Revenue Contract (190 Agreement) 0410493 with Portland  
Public Schools, Multnomah County School District #1J, Providing Partnership  
in Schools Uniting Neighborhoods (SUN) Delivery at 13 Community Schools

within the District and Partial Funding for SUN School Core Services at Ockley Green, George and Tubman Middle Schools

**REGULAR AGENDA - 10:00 AM**

**DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES - 10:00 AM**

R-1 RESOLUTION Declaring the Former Montavilla Library Property Building as Surplus Property, Authorizing Sale of the Building, and Authorizing County Chair to Approve the Terms of Sale and Execute Appropriate Documents to Complete the Sale

**DEPARTMENT OF HEALTH - 10:10 AM**

R-2 NOTICE OF INTENT to Request Grant Funding from the National Institute of Environmental Health Sciences' "Environmental Justice: Partnerships for Communication" Grants Program to Support an Environmental Health Assessment using the Protocol for Assessing Community Excellence in Environmental Health (PACE EH) Process

**NON-DEPARTMENTAL - 10:15 AM**

R-3 General Fund Financial Forecast Update and Briefing Regarding Multnomah County Personal Income Tax Implementation. Presented by Mark Campbell, Karyne Dargan, Bob Gravely, Dave Boyer, Kathy Turner and Agnes Sowle. 75 MINUTES REQUESTED.

R-4 First Reading of a Proposed ORDINANCE Amending Ordinance 1012 Imposing Temporary Income Tax for Public Schools, Public Safety and Human Services to Update and Clarify Definitions

R-5 RESOLUTION Adopting Administrative Rules to Implement Personal Income Tax

R-6 Discussion of Proposed Intergovernmental Agreements with Portland Public School District No. 1 J, Riverdale School District, Victory Middle School, Reynolds School District, Centennial School District, Corbett School District, David Douglas School District, Gresham Barlow School District and Parkrose School District. Presented by Dave Boyer, Kathy Turner and Agnes Sowle.

# AGENDA PLACEMENT REQUEST

BUD MOD #:

**Board Clerk Use Only:**

**Meeting Date: October 16, 2003**

**Agenda Item #: B-1**

**Est. Start Time: 9:00 AM**

**Date Submitted: 10/07/03**

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**Requested Date:** October 16, 2003

**Time Requested:** 30 mins

**Department:** Non Departmental

**Division:** Auditor

**Contact/s:** Judy Rosenberger

**Phone:** 503/988-3320

**Ext.:** 83320

**I/O Address:** 503/601

**Presenters:** Suzanne Flynn

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**Agenda Title:** Multnomah County Auditor's Office Annual Report FY 2002-2003

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

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1. **What action are you requesting from the Board? What is the department/agency recommendation?**
2. **Please provide sufficient background information for the Board and the public to understand this issue.**
3. **Explain the fiscal impact (current year and ongoing).**

**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?

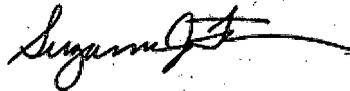
**If grant application/notice of intent, explain:**

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

**Required Signatures:**

**Department/Agency Director:**



**Date: October 7, 2003**

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**

October 1, 2003

Dear Citizens of Multnomah County,  
This year began my second term as the County's elected auditor. I was pleased to be given the opportunity to continue several initiatives I had started.

The mission of the Office is to ensure that County government is honest, efficient, effective, equitable, and fully accountable to its citizens. In the last fiscal year, we completed work in the following areas:

- Follow-up on our Public Guardian Audit
- Capital Construction
- Service Efforts & Accomplishments: Health and Social Services
- Mental Health System
- Workplace Safety
- 2002 Citizen Survey
- Financial Condition 2002
- Citizen Involvement

This year was also one of professional accomplishment for our Office. For the second time, we were recognized nationally and received an award from the National Association of Local Government Auditors for the best audit of 2002 in the medium shop category.

We are currently working on audits of library services, human resources, and building leases; a follow-up on our audit on homeless youth services; and our fourth annual report to citizens on Service Efforts and Accomplishments.

I think the work we do is important to citizens. I also believe that the Office should be a leader in accountability. This annual report is intended to be accountable for the services we provide. I would like to thank Multnomah County's leaders and employees for working with us to improve the efficiency and effectiveness of services.

Sincerely,



Suzanne Flynn  
Multnomah County Auditor

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2003**

M 902  
Multnomah County Auditor  
501 SE Hawthorne Room 601  
Portland OR 97214

# Multnomah County Auditor

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Annual  
Report  
2003

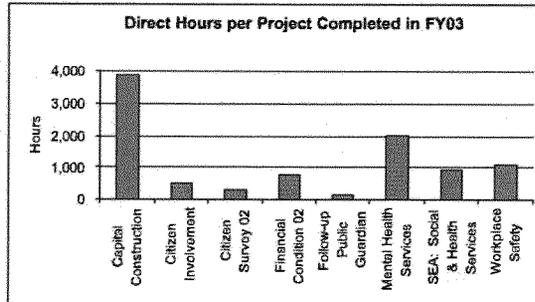


### FY03 Results

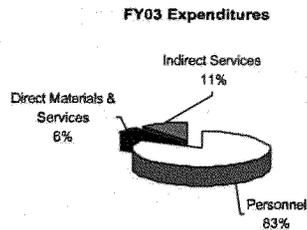
The County Charter requires the Auditor to conduct performance audits or other studies that measure or improve County operations. During performance audits, auditors examine the organization's goals and objectives and determine if they are being met. Many times, County programs are compared to other jurisdictions or other programs that are proven to be effective.

The Auditor's Office also completes other types of projects intended to improve the performance of the County, such as the annual Service Efforts and Accomplishments and the biennial Financial Condition reports. The Office follows government auditing standards recommended by the U.S. General Accounting Office.

In FY03, the Office completed seven projects. One was a follow up report on the progress the County has made in making the changes that were recommended in a previous audit.

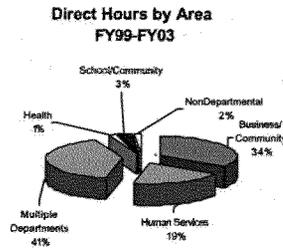


In FY03 actual expenditure for the Office was \$767,260. Most spending was for personnel (83%). In the Office, there were six auditors who collectively had 79 years of auditing experience, six advanced degrees, and five professional auditor certifications.

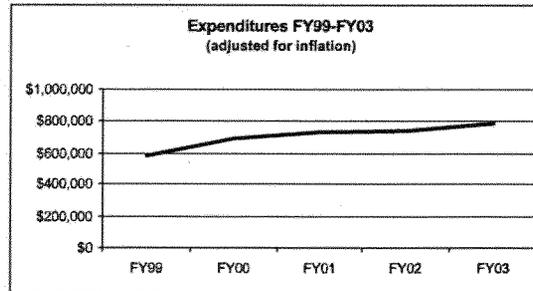


### Trends

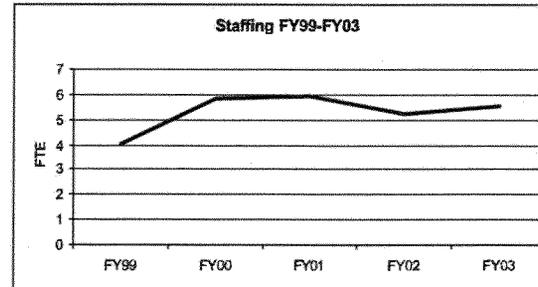
Each fiscal year, the Office develops an audit schedule. Audit areas are selected based upon potential savings or improvement, interest of the County Commissioners or public, evidence of problems, potential for loss or risk, time since last audit and audit staff resources. Many audits involve several departments in the County. The chart shows the distribution of audit hours by departments in the last five years. Work that involved examining more than one department accounts for the largest percentage.



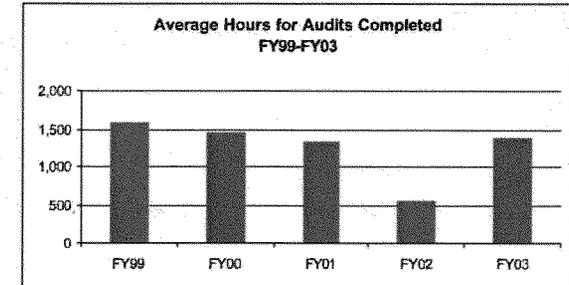
Once adjusted for inflation, total spending has increased 35% since FY99. The addition of an auditor position in FY99 and increases in internal business and insurance costs explains most of the increase.



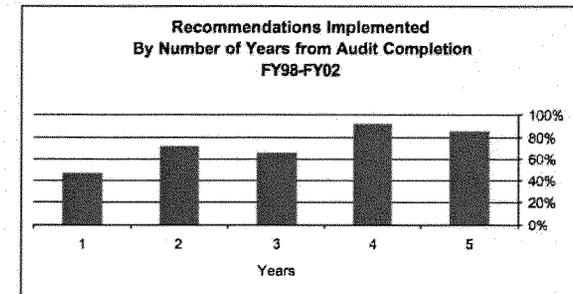
In FY99 the number of auditor positions increased from five to six. Changes in staffing levels in FY99 were also affected by the transition to a newly elected auditor. The decrease in audit staff full-time equivalent (FTE) in FY02 and FY03 reflects a reduction in staff hours.



Audit projects vary considerably by topic and complexity. As a result, the time that it takes to complete an audit can also vary. In FY03 the Office completed an audit of the County's capital construction process, one of the largest audits ever undertaken. It took three auditors over the course of three fiscal years almost 3,900 hours to complete the audit. The drop in average hours per audit completed in FY02 and sharp increase in FY03 is the result of the shorter projects completed in FY02 and the large audit completed in FY03.



Audit recommendations are either to improve the efficiency or the effectiveness of County operations. How quickly a recommendation is implemented depends upon the complexity. The chart below shows that by the fourth and fifth years after an audit is completed from 85% - 90% of the recommendations were implemented.



To improve the Office's effectiveness, departments and agencies are asked to report annually on the status of recommendations for a five year period after the audit is completed. The Office also conducts formal audit follow-up one to two years after the audit is concluded. At that time additional suggestions are made to increase the likelihood that recommendations will be followed. The Office also surveys auditees once an audit is completed to determine how the audit process can be improved.

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Suzanne Flynn  
Multnomah County Auditor

# A n n u a l R e p o r t 2003

M 902  
Multnomah County Auditor  
501 SE Hawthorne Room 601  
Portland OR 97214

## Multnomah County Auditor

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Annual  
Report  
2003

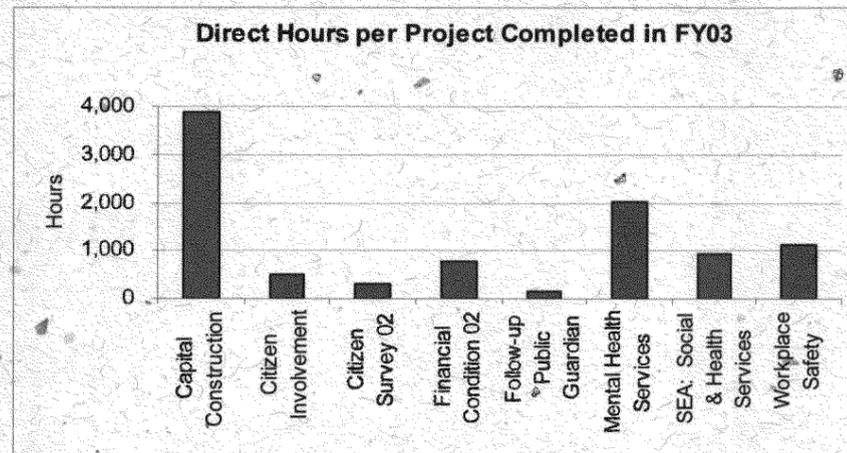


## FY03 Results

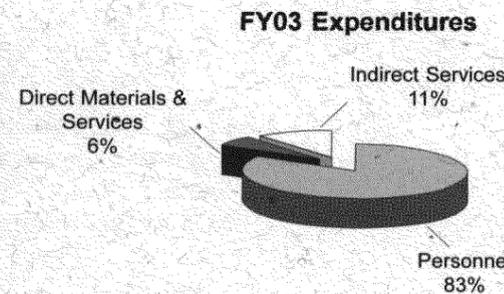
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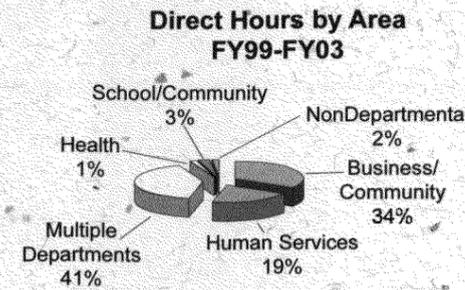


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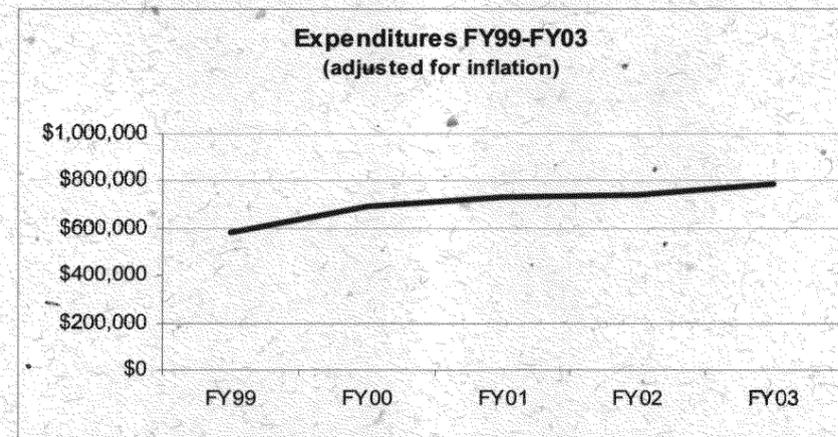


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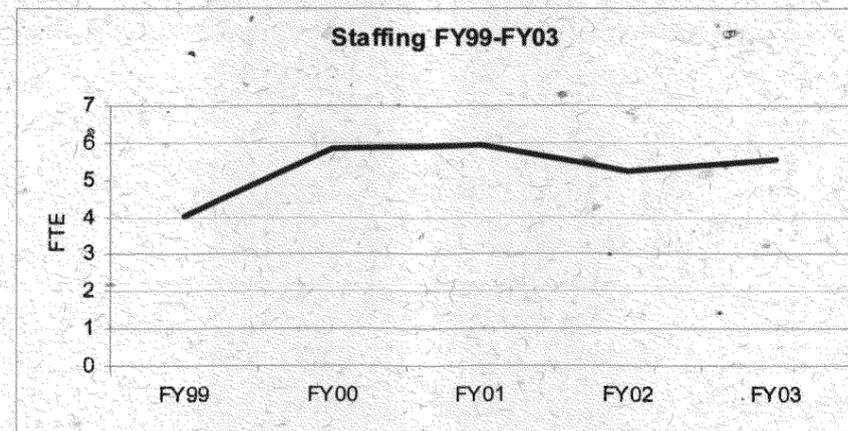
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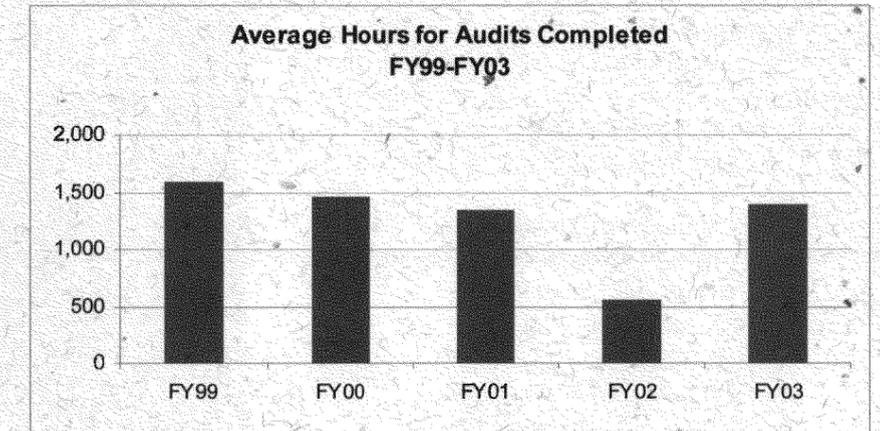
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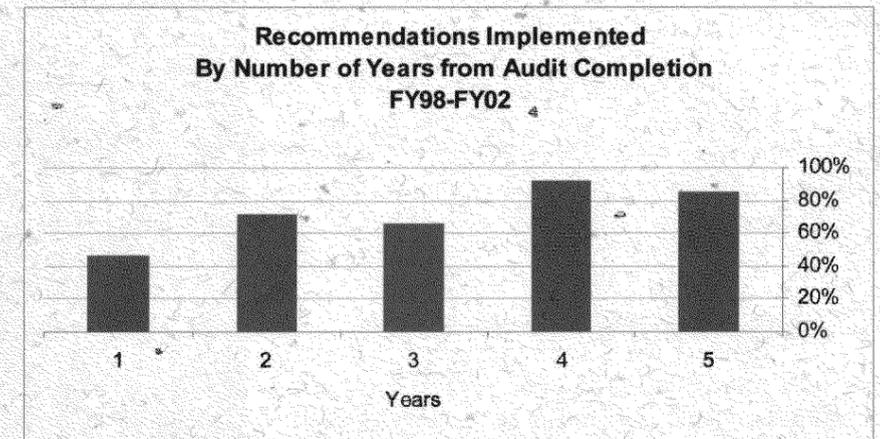
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# Annual Report FY02-03

Multnomah County Auditor's Office

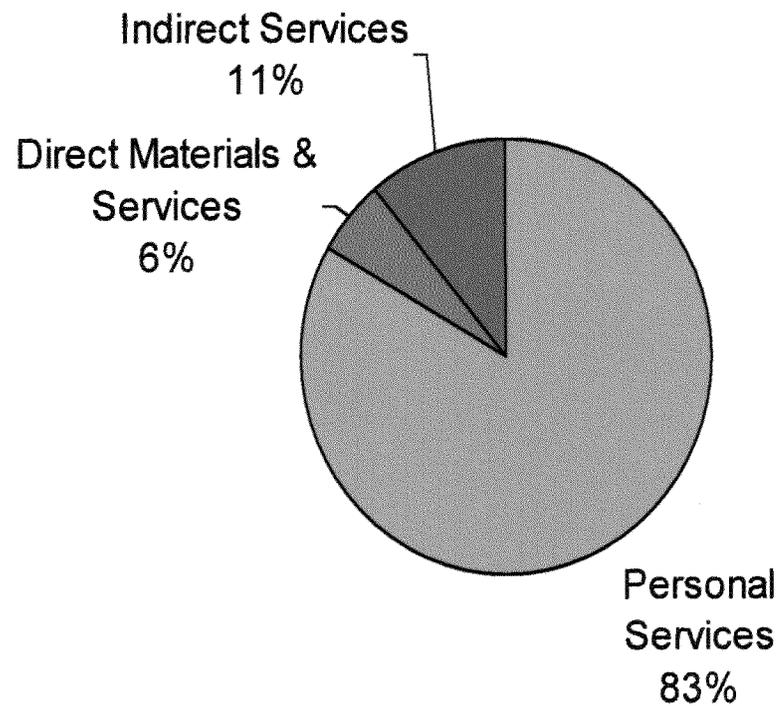
# Mission

To ensure that County government is honest, efficient, effective, equitable and fully accountable to its citizens.

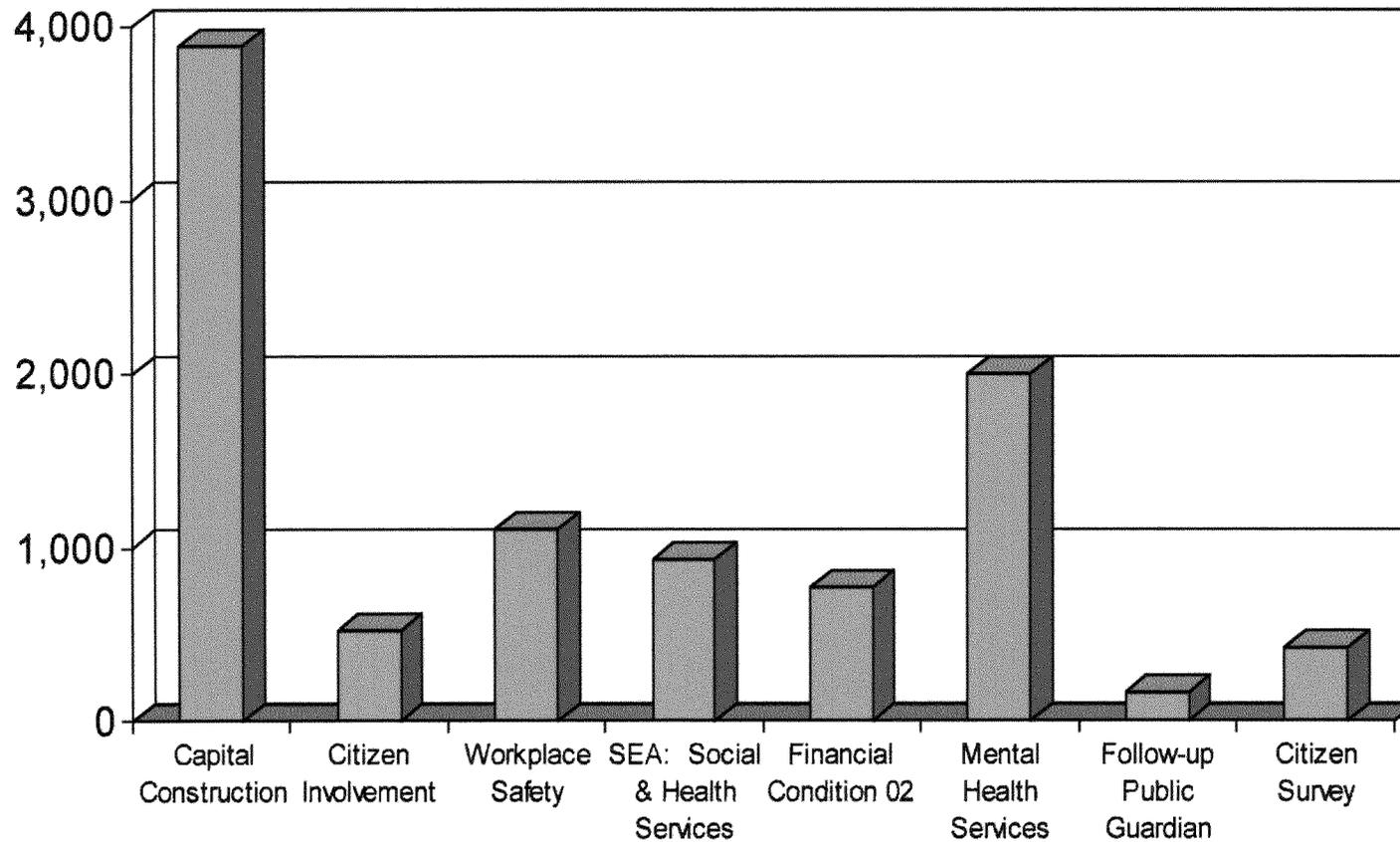
# Reports Completed FY03

- Capital Construction Process
- Citizen Involvement Committee
- Workplace Safety
- Service Efforts & Accomplishments: Health and Social Services
- Financial Condition 2002
- Mental Health System Business Operations
- Follow up: Public Guardian

# Spending by Type FY03



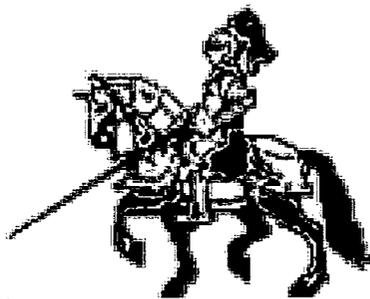
# Direct Hours per Project Completed FY03



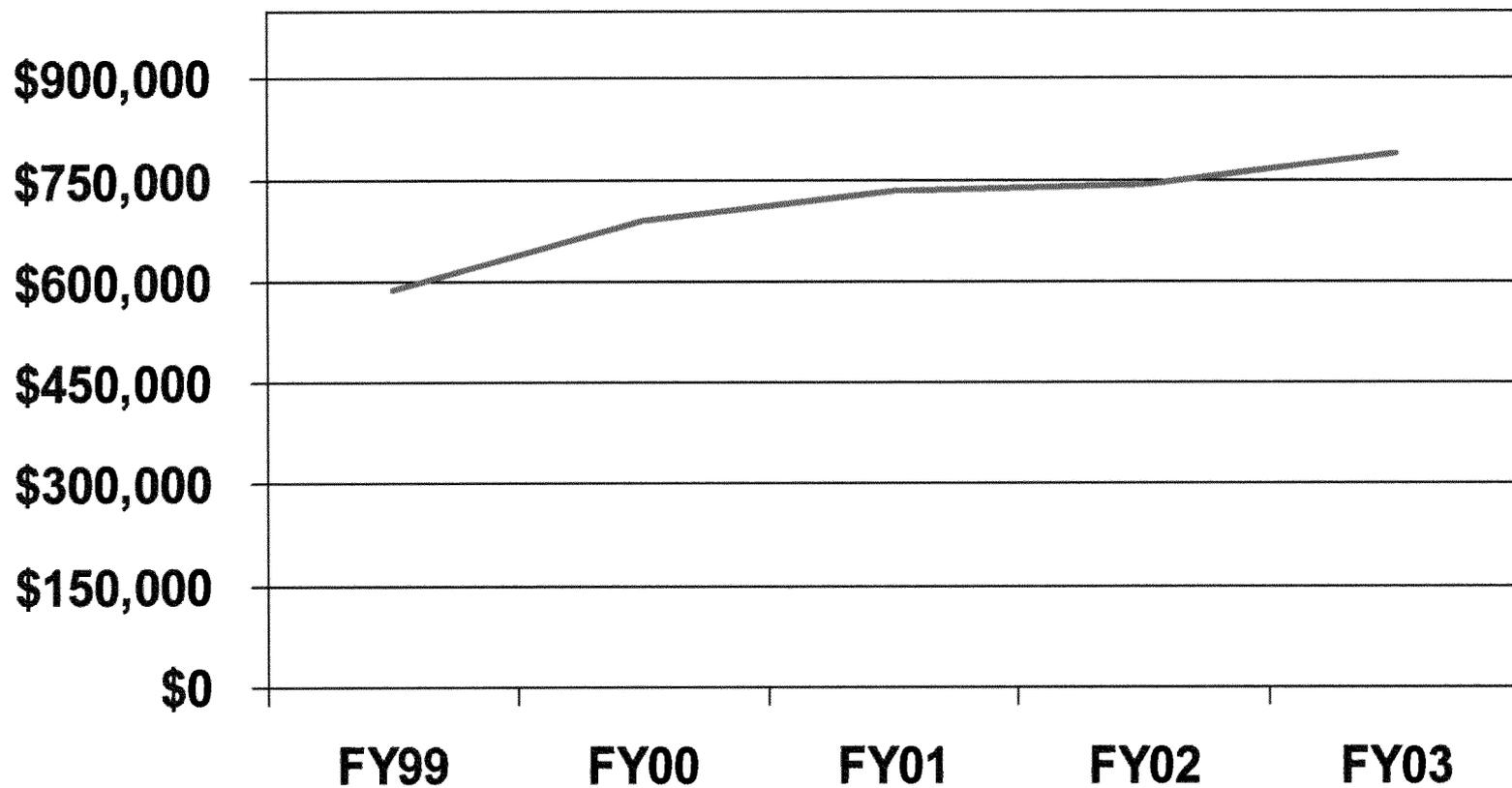
Multnomah County Auditor's Office

# Accomplishments

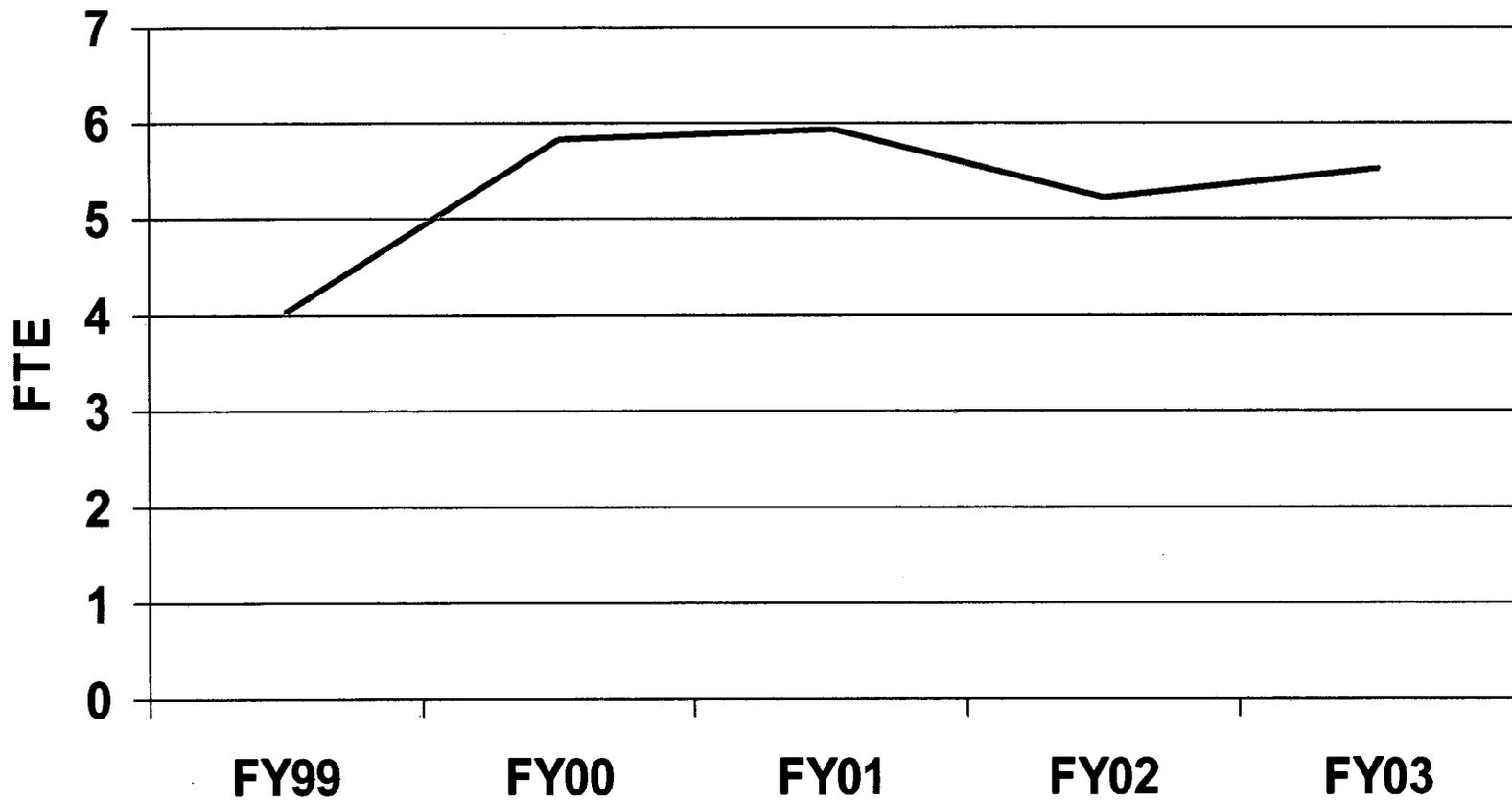
- Winner of the Knighton Award for excellence in performance auditing.
- Capital Construction Audit judged "*Best Audit*" of 2002 by National Association of Local Government Auditors



# Spending

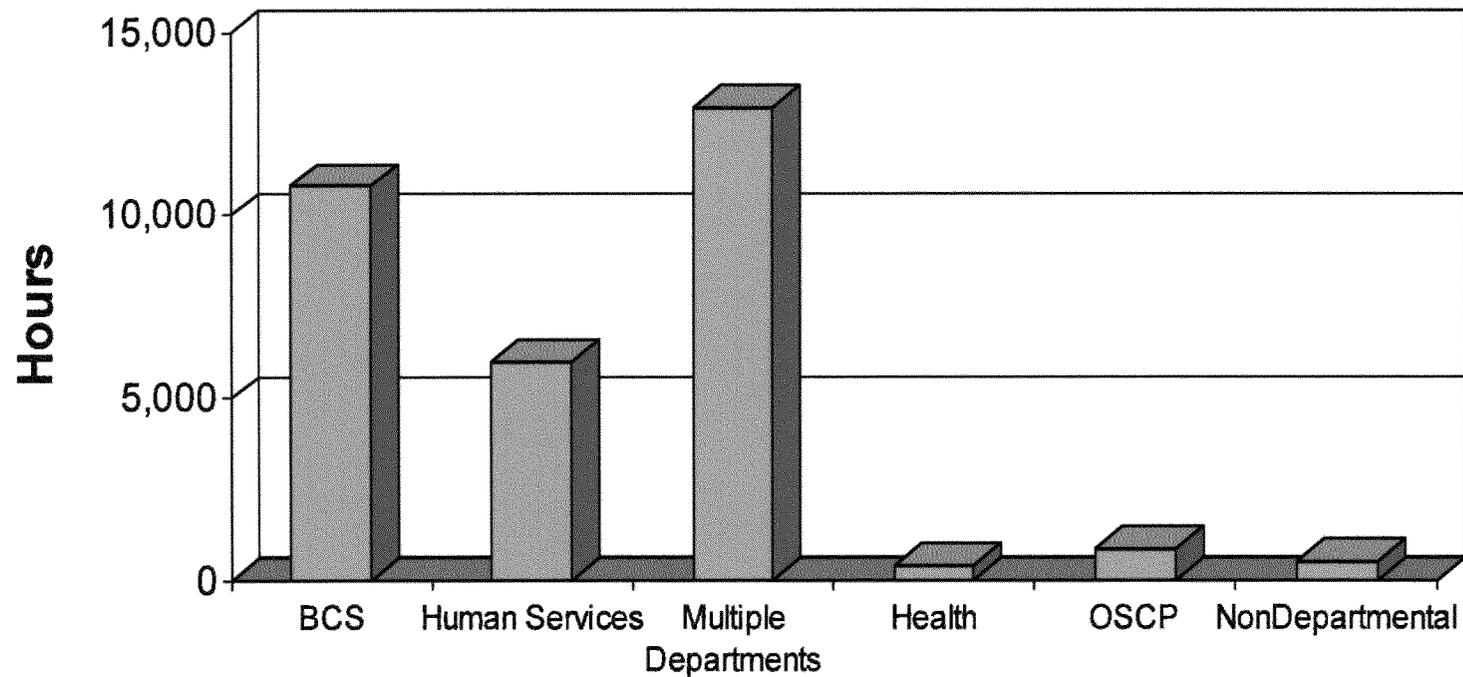


# Staffing



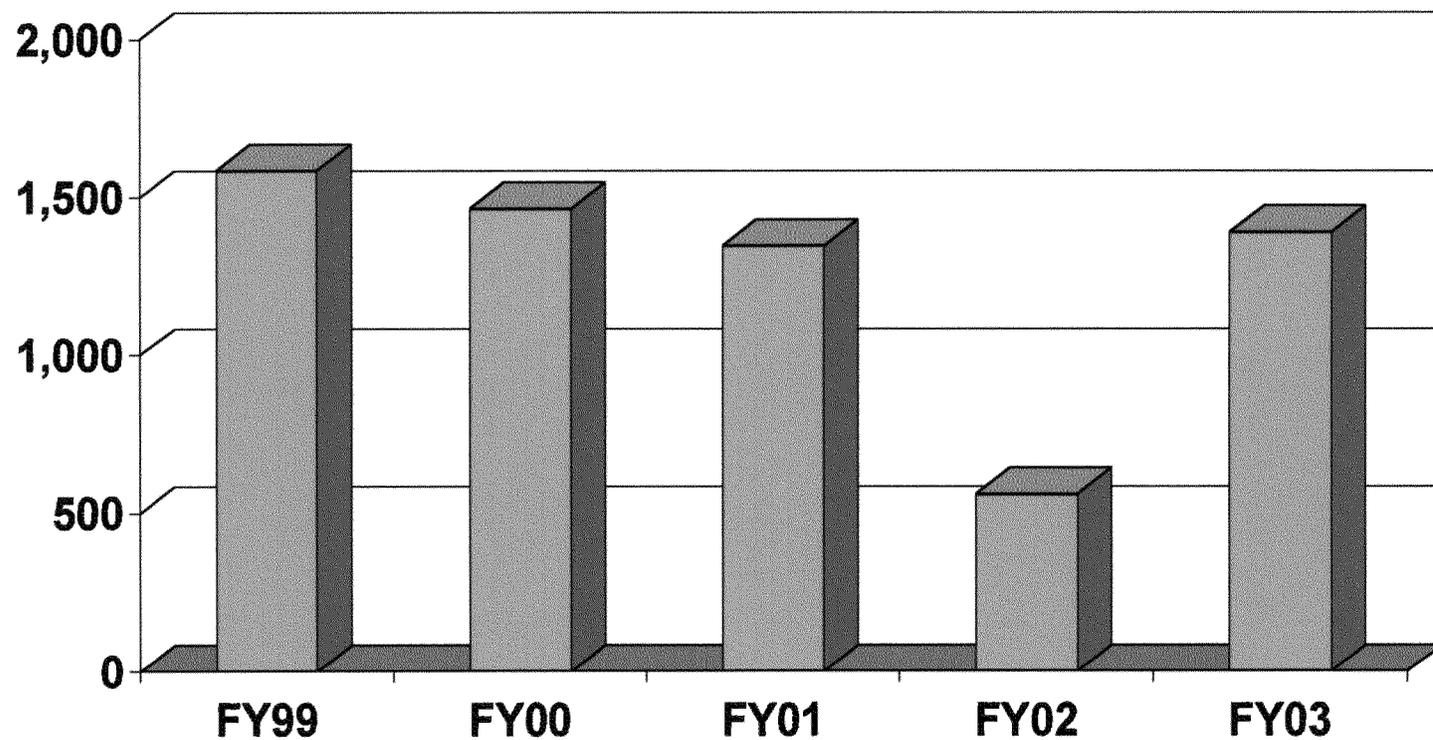
Multnomah County Auditor's Office

# Direct Hours for Audits Completed by Area FY99-FY03



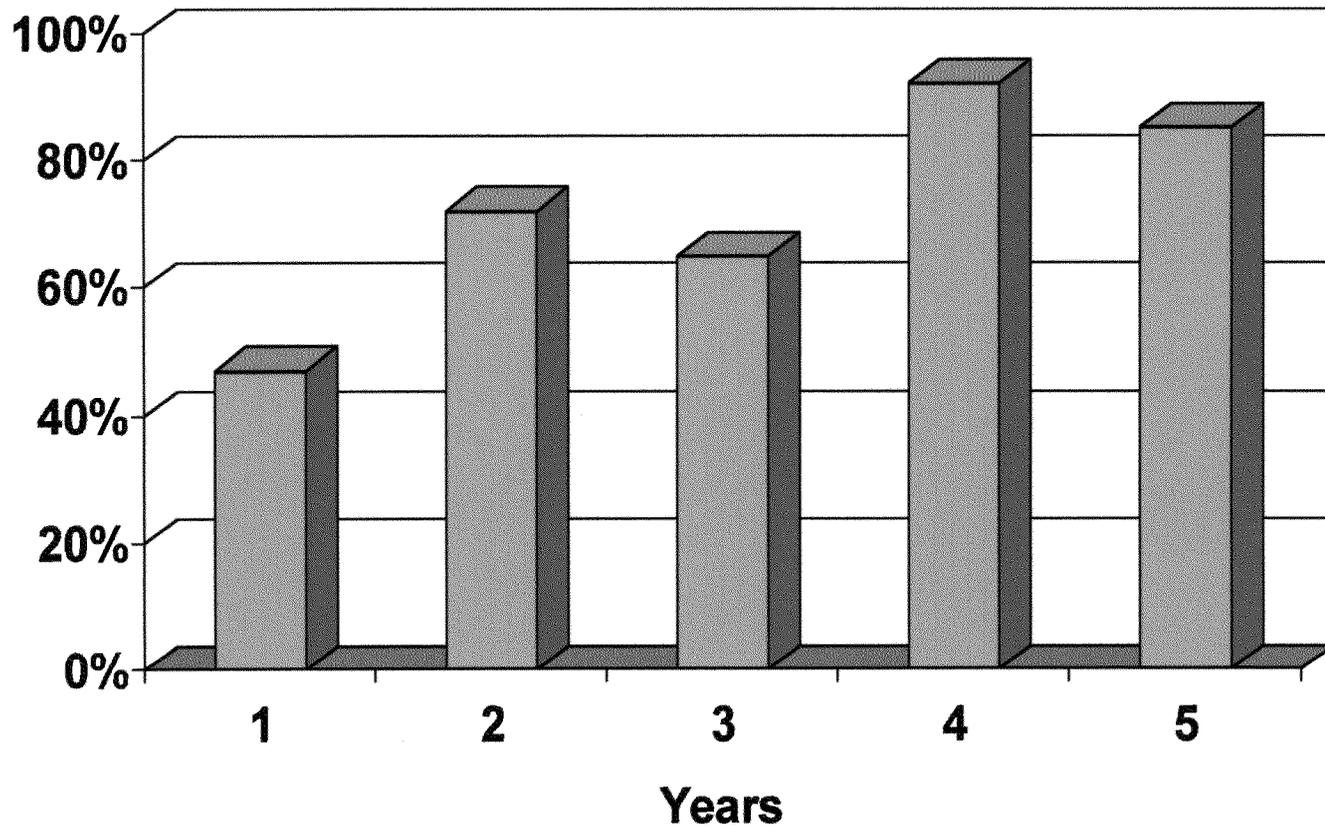
Multnomah County Auditor's Office

# Average Hours for Audits Completed FY99-FY03



Multnomah County Auditor's Office

# Recommendations Implemented By Number of Years from Audit Completion



# AGENDA PLACEMENT REQUEST

**BUD MOD #:**

**Board Clerk Use Only:**

**Meeting Date: October 16, 2003**

**Agenda Item #: B-2**

**Est. Start Time: 9:30 AM**

**Date Submitted: 09/22/03**

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**Requested Date:** October 16, 2003

**Time Requested:** 30 minutes

**Department:** Department of Community Justice

**Division:** Juvenile Services Division

**Contact/s:** Robb Freda-Cowie

**Phone:** 503.988-5820

**Ext.:** 85820

**I/O Address:** 503/250

**Presenters:** Joanne Fuller and Dave Koch

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**Agenda Title:** Briefing on the Reorganization of Juvenile Justice Supervision, Sanctions and Services

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

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

The Department of Community Justice would like to provide a briefing to the Board on the reorganization we are implementing in our Juvenile division.

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

Through the leadership of the Board of County Commissioners, the juvenile justice system in Multnomah County has become a national leader in developing programs and services that have contributed to a countywide reduction in recidivism and a reduction minority over-representation of youth in detention.

To maintain our gains and continue our progress, however, we must do even more. The needs of our youth continue to change, as do the challenges faced by the systems that serve them. Increasingly, the juvenile justice system is being forced to address the

mental health, drug and alcohol abuse and other problems that youth and their families face. Many of these problems put youth at-risk for further and more serious involvement with the justice system.

Our data and best practice research tells us that our resources need to be re-directed to the youth who are most at risk. We have learned that we need to develop common criteria for decision-making and to improve initial screening to better match risk level to intervention strategies. We also need to strengthen our mental health and addiction treatment continuum and improve clinical oversight of these services.

We also know that there is much we can do to make the juvenile justice system more efficient and more responsive to youth, families, victims and the community.

To address these issues, the Juvenile Services Division is poised to introduce a reorganization of systems, programs, and services. The reorganization is designed to better support the department's mission and values and is focused on public safety, youth accountability, competency development, and the effective use of public resources. Key reorganization goals are:

- o Create a case processing system in which a youth's case moves quickly through the system so that intervention, consequences, and accountability are closely linked to the youth's behavior.
- o Provide excellent service to clients, families, the court, our partners, etc. with a seamless transition from Court to probation supervision.
- o Keep low-risk youth out of the system and concentrate resources on high- and medium-risk youth.
- o Better integrate mental health and addiction assessment and treatment services into the continuum of services we provide to address the factors that contribute to criminal activity among youth.
- o Enhance and standardize the quality of care in treatment programs for delinquent youth and increase reimbursements through managed care and health insurance organizations.
- o Implementing the recommendations of the recent juvenile services audit.

In order to achieve these goals, some juvenile court counselor positions will be reclassified to mental health counseling specialists, in order to better serve youth.

### **3. Explain the fiscal impact (current year and ongoing).**

The reorganization will enable DCJ to draw down increased federal revenue by bringing more of the services we offer to youth into alignment with national standards for behavioral health care and federal standards for Medicaid eligibility. Our FY 2004 departmental budget anticipates increases in third party reimbursement based on this reorganization. The reorganization will not cost more than has been anticipated in our FY 2004 budget.

The reorganization also allows us to maximize use of our shrinking state and general fund dollars.

We will be submitting a separate and related budget modification that will reflect changes in staffing and programming necessary to accomplish this reorganization.

**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.**

This reorganization will change the timeframes in which youth in juvenile justice system are processed, create earlier assessment and clinical intervention opportunities and integrate clinical services into supervision and sanctions. We are continuing to work with Judge Elizabeth Welch, the DA's office and the defense bar to ensure that new procedures are consistent with relevant constitutional and legal requirements.

This reorganization is also designed to complement (not supplement) community based clinical services by offering access to mental health and alcohol and drug abuse treatment to juveniles who are not appropriate to receive services in the community, or who do not have access to them.

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

Through briefings at the Juvenile Justice Council and meetings with individual stakeholders (including Judge Elizabeth Welch, the District Attorney's office, the Juvenile Rights Project, the Annie E. Casey Foundation, the Department of County Human Services, community based service providers and others), we have informed all the major system partners and stakeholders in this reorganization and invited their participation. We are also developing informational resources for youth and their families.

**Required Signatures:**

**Department/Agency Director:**      *Joanne Fuller*      **Date: September 22, 2003**

**Budget Analyst**  
**By:**      **Date:**

**Dept/Countywide HR**  
**By:**      **Date:**



Multnomah County

Department of Community Justice

# Responding to the Needs of Youth in Challenging Times



Multnomah County

Department of Community Justice

## Juvenile Justice Goals

The purpose of juvenile justice under Oregon law:

- protect the public
- reduce juvenile delinquency
- provide fair and impartial adjudication



Multnomah County

Department of Community Justice

## Juvenile Justice Mission

**“The system shall provide a continuum of services that emphasize prevention of further criminal activity by the use of early and certain sanctions, reformation and rehabilitation programs and swift and decisive intervention in delinquent behavior.”**

(ORS 419C.001)



Multnomah County

Department of Community Justice

## Continuum of Services for

- **Early Intervention for 10-12 year old violent youth**
- **Probation supervision of youth**
- **Detention of pre-adjudicated youth**
- **Detention alternatives**
- **Treatment to address criminogenic risk**

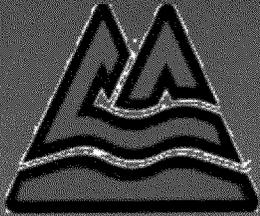


Multnomah County

Department of Community Justice

## Major System Reform Initiatives

- Detention reform
- Reducing minority over-representation
- Communities of Color partnership
- Reclaiming Futures – Multnomah Embrace
- Strength-based practice
- Intercultural strategies
- Restorative Justice

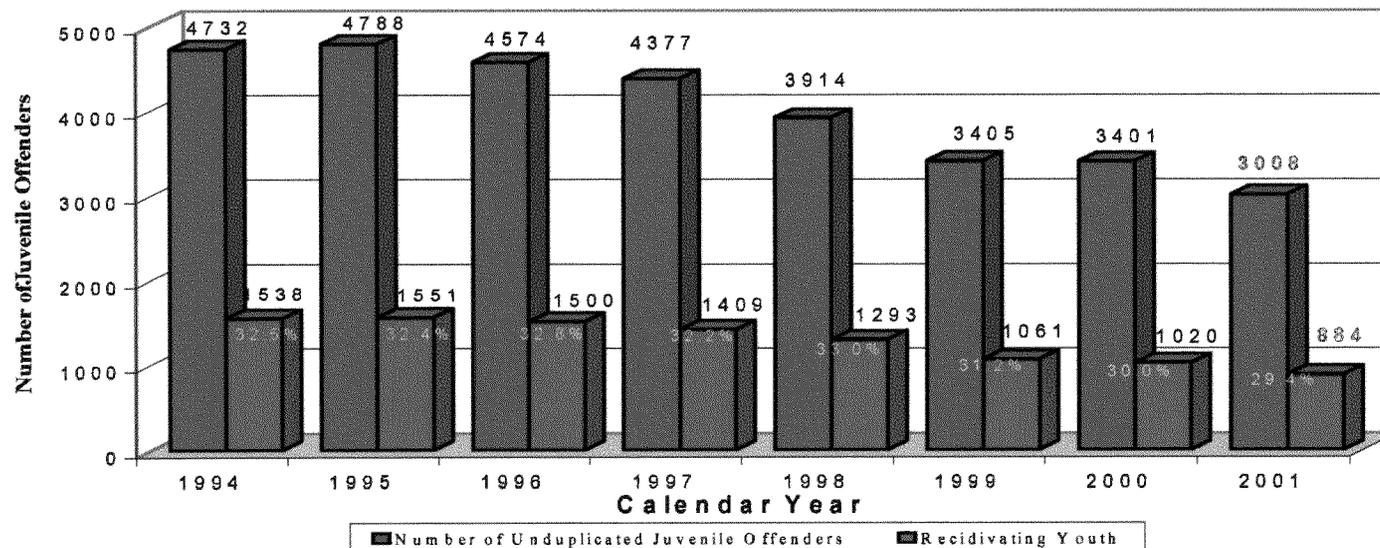


Multnomah County

Department of Community Justice

# Measuring Our Effectiveness: Lower Juvenile Recidivism

**Juvenile Offenders and Recidivism Rate  
at DCJ: 1994-2001\***



\* - The recidivism rate for 2002 offenders will not be available until Jan. 1, 2004, since we must wait for one full year from the last initial offense to calculate the rate for all juvenile offenders in 2002.

"Recidivism Report: on Juvenile Offenders in 2001"  
Scott Keir, Ph.D., 2003

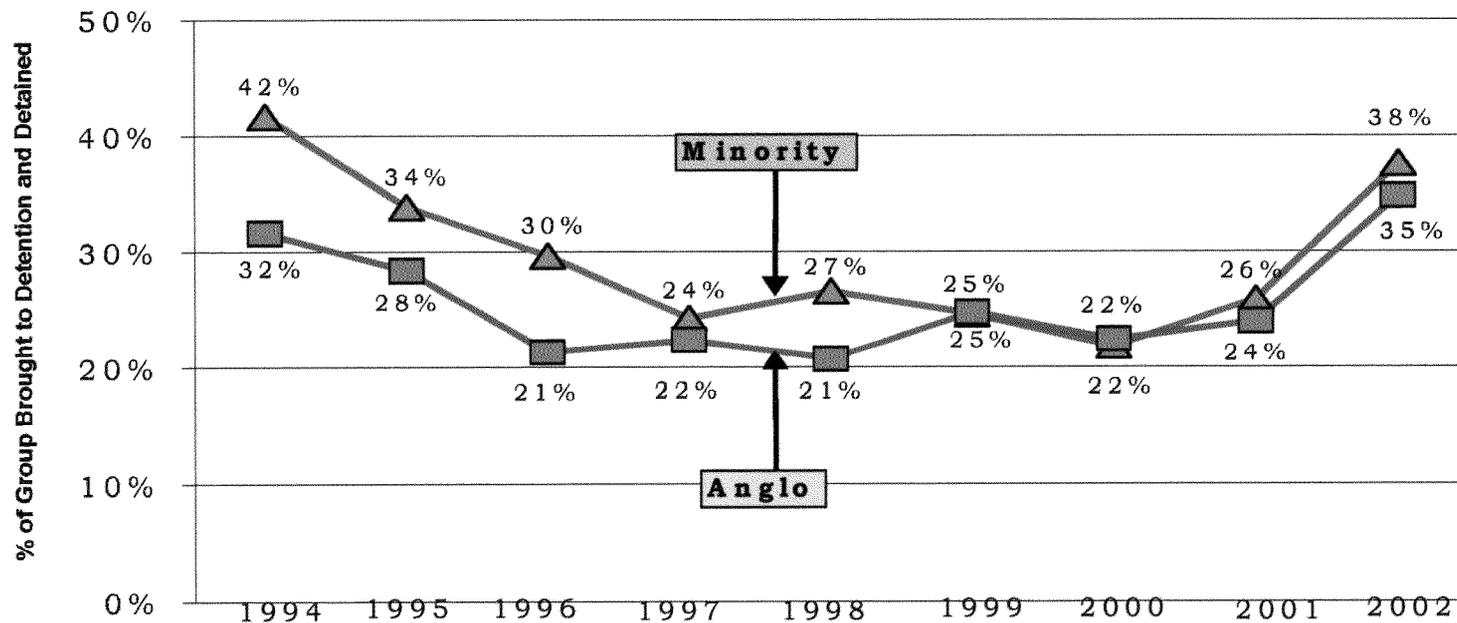


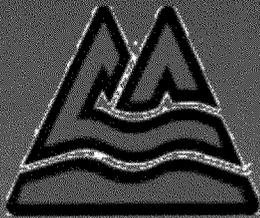
Multnomah County

Department of Community Justice

# Measuring Our Effectiveness: Declining Minority Over-rep in Detention

**DCJ Detain Rate by Anglo/Minority Over Time:  
1994-2002**





Multnomah County

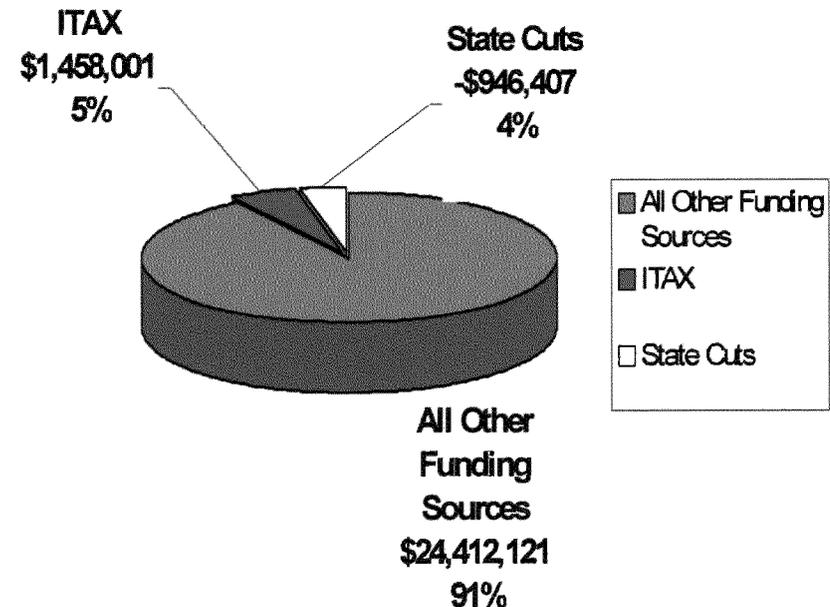
Department of Community Justice

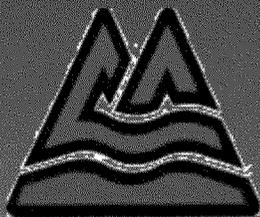
**ITAX Off-Sets  
State Cuts:**

- 70% in Juvenile  
Crime Prevention
- 22% JCP Basic
- 21% in OYA  
Diversion
- 10% Gang  
Services

**FY04 JUVENILE SERVICES DIVISION**

Total Adopted Budget \$26,816,529





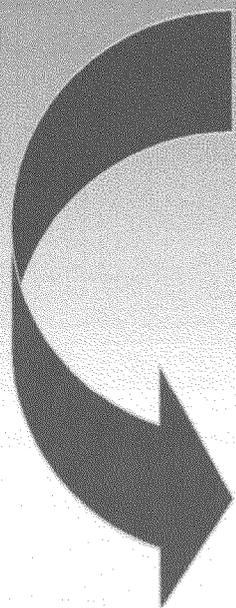
Multnomah County

Department of Community Justice

## Chronic Population

**7%** of our juvenile  
criminal offenders

commit **50%** of all  
juvenile criminal  
re-referrals



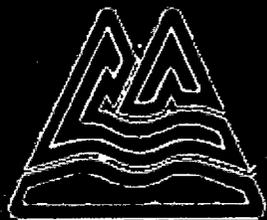


Multnomah County

Department of Community Justice

## Juvenile Reorganization:

- Focus interventions/resources on higher risk youth
- Match intervention/consequences to youth behavior
- Enhance access to appropriate clinical services
- Create seamless transition from court to probation
- Leverage new revenue sources



Multnomah County

Department of Community Justice

## Juvenile Reorganization

- Combine Intake and Diversion Services
- Provide non-adjudicated, medium/high risk youth case management
- Address specialized needs of youth on formal supervision
- Provide clinical services for youth in care and custody



Multnomah County

Department of Community Justice

## Juvenile Reentry

- Continued reduction in juvenile recidivism
- Continued reduction in minority over-representation
- Control cost of interventions
- Enhance quality of treatment services for delinquent youth



Multnomah County

Department of Community Justice

## Juvenile Reentry Initiative

- Maintain diverse funding base
- Align clinical service delivery mental health system
- Greater family involvement

# AGENDA PLACEMENT REQUEST

BUD MOD #: DCHS\_02

APPROVED : MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # C-1 DATE 10-16-03  
DEBORAH L. BOGSTAD, BOARD CLERK

**Board Clerk Use Only:**

Meeting Date: **October 16, 2003**  
Agenda Item #: **C-1**  
Est. Start Time: **10:00 AM**  
Date Submitted: **09/18/03**

**Requested Date:** October 16, 2003

**Time Requested:** N/A

**Department:** County Human Services

**Division:**

**Contact/s:** Al Stickle/Chris Yager

**Phone:** 503.988-3691

**Ext.:** 84135/26777

**I/O Address:** 166/7

**Presenters:** Consent Calendar

**Agenda Title:** Budget Modification DCHS\_02 Restoring 1.80 FTE Mental Health Consultants in the Adult Trial Visit Care Coordination program, Adding a .75 FTE Russian Speaking Acute Care Coordinator in the Call Center, and Accounting for a Reclassification of a Office Assistant Position

**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?**

The Department of County Human Services recommends approval of budget modification DCHS\_02

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

Budget modification DCHS\_02 restores 1.80 FTE Mental Health Consultants in the Adult Trial Visit Care Coordination program. The Mental Health Consultants were originally cut to due the decline in State Mental Health MHS 20 funding (Non Residential Adult Mental Health). The positions are restored due to funds available as a result of decreased inpatient expenditures. As commitments decrease, these Mental

Health Consultants will take on other Safety Net program duties. This modification also accounts for a reclassification of an OA 2 position to OA Sr. Funding is from State Mental Health Grant MHS 24 (Regional Acute Inpatient). A .75 FTE bi-lingual (Russian speaking) Acute Care Coordinator is added to the Call Center by reallocating cultural competency expenses.

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

Personnel expenditures increase by \$207,981 offset with a like reduction in pass through expenditures. Service reimbursement from the Fed/State fund to the Insurance fund increases by \$34,128. No net change to expenses or revenue for the department.

**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?** N/A
- ❖ **What budgets are increased/decreased?** Insurance fund is increasing by \$34,128
- ❖ **What do the changes accomplish?** Budget modification DCHS #02 brings Mental Health & Addiction Service Division budget in line with current operations.
- ❖ **Do any personnel actions result from this budget modification? Explain.** Yes, restores 1.80 FTE Mental Health Consultants in Adult Trial Visit program and a .75 FTE Acute Care Coordinator (Russian speaking) in the Call Center.
- ❖ **Is the revenue one-time-only in nature?** N/A
- ❖ **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.

N/A

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

N/A

**Required Signatures:**

Department/Agency Director: *Patricia K. Pate* Date: 09/15/03

Budget Analyst

By: *Michael D. Jaspin* Date: 09/18/03

Dept/Countywide HR

By: *Arnold R. Quigley* Date: 09/11/03

## EXPENDITURES & REVENUES

Budget Fiscal Year: 02/03

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with MERLIN.

Ln No.	Fund Center	Fund Code	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
			Internal Order	Cost Center	WBS Element						
1	20-80	82024			IP SA 24	60160	684,430	528,898	(155,532)		Pass Through
2	20-80	82024			IP SA 24	60000	0	4,205	4,205		Permanent (710462)
3	20-80	82024			IP SA 24	50190	(684,430)	(533,103)	151,327		IG-OP Fed Thru State
4											
5	20-80	82024			CM CC ADULT 24	50190	0	(151,327)	(151,327)		IG-OP Fed Thru State
6	20-80	82024			CM CC ADULT 24	60000	0	151,327	151,327		Permanent (705987 & 706325)
7											
8	70-01	3500		705210		50316		(34,128)	(34,128)		Svc Reim F/S Fund to Insurance
9	70-01	3500		705210		60330		34,128	34,128		Claims Paid
10											
11	20-80	1000			SP CULT CGF	60160	949,566	897,117	(52,449)		Pass Through
12	20-80	1000			CRISIS CALL CGF	60000	0	52,449	52,449		Permanent (New MHC/ACC)
13											
14											
15											
16											
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									0	0	Total - Page 1
									0	0	GRAND TOTAL



# AGENDA PLACEMENT REQUEST

BUD MOD #: 04\_DCJ\_BCC\_03

APPROVED : MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # C-2 DATE 10.16.03  
DEBORAH L. BOGSTAD, BOARD CLERK

**Board Clerk Use Only:**

**Meeting Date: October 16, 2003**

**Agenda Item #: C-2**

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

**Date Submitted: 09/22/03**

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**Requested Date:** October 16, 2003

**Time Requested:** N/A

**Department:** Community Justice

**Division:** Adult Community Justice

**Contact/s:** Shaun Coldwell

**Phone:** 503 988-3961

**Ext.:** 83961

**I/O Address:** 503/250

**Presenters:** Consent Calendar

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**Agenda Title:** Budget Modification 04\_DCJ\_BCC\_03 Adding \$191,096 Project Safe Neighborhood Grant Funds to the Department of Community Justice Federal/State Budget

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

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

The Department of Community Justice (DCJ) requests approval of a budget modification to increase the FY04 Federal/State budget by \$191,096 Project Safe Neighborhood Grant.

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

Project Safe Neighborhoods is a national gun violence reduction strategy spearheaded by the President and the United States Attorney General. The strategy contemplates a multi-disciplinary approach, which combines law enforcement and community outreach to promote deterrence and community prevention. The Project Safe Neighborhood grant will help fight gun crimes and domestic violence in the Portland metropolitan area. This Grant funds two Probation Parole Officer positions that will be assigned to the Domestic

Violence Unit and one part-time Probation Parole Officer position that will be assigned to the Gang Unit. The focus of these positions will include participation in a multi-agency task force to reduce gun violence.

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

**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?** The Federal/State Revenue for FY04 is being increased by \$191,096.
- ❖ **What budgets are increased/decreased?** The Federal/State budget for FY04 Adult Community Justice is being increased by \$191,096. The Project Safe Neighborhood Grant covers central indirect and department indirect costs.
- ❖ **What do the changes accomplish?** The Project Safe Neighborhood Grant will be used to support 2.6 Parole Probation Officers for 48 weeks. They will participate in a multi-agency task force to reduce gun crimes and domestic violence in the Portland metropolitan area.
- ❖ **Do any personnel actions result from this budget modification? Explain.** Grant funds limit personnel expense to cover two full time and one part-time Parole and Probation Officers for a 48-week period. They will be hired to promote deterrence and community prevention of gun violence in Multnomah County.
- ❖ **Is the revenue one-time-only in nature?** Yes.
- ❖ **If a grant, what period does the grant cover?** July 1, 2003 through June 30, 2004.
- ❖ **When the grant expires, what are funding plans?** The program will be discontinued.

**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.

N/A

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

The grant is for \$700,000, one third for DCJ (191,096) and the remaining two-thirds is divided between the District Attorney's Office and Portland Police Department.

**Required Signatures:**

Department/Agency Director: *Shaun Coldwell for Joanne Fuller* Date: 09/19/03

Budget Analyst

By: *Christian M. Yeager* Date: 09/22/03

Dept/Countywide HR

By: *Travis R. Graves* Date: 09/18/03

Budget Modification: 04\_DCJ\_BCC-03

**EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with MERLIN.

Line No.	Fund Center	Fund Code	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
			Internal Order	Cost Center	WBS Element						
1	50-10	32080			CJ029.PSN.DV	60000	77,981	77,981		Two .92 FTE Perm. - PPO.s Domestic Violen	
2	50-10	32080			CJ029.PSN.DV	60130	22,162	22,162		Incr Fringe two .92 FTE PPO's/DV	
3	50-10	32080			CJ029.PSN.DV	60140	23,173	23,173		Incr Ins Exp two .92 FTE PPO's/DV	
4							0				
5	50-10	32080			CJ029.PSN.DV	60240	654	654		Supplies for two .92 FTE/DV	
6	50-10	32080			CJ029.PSN.DV	60260	2,060	2,060		Travel Exp 2 trip to National, 1 trip regional	
7							0				
8	50-10	32080			CJ029.PSN.DV	60350	2,558	2,558		Central Indirect 2.03%	
9	50-10	32080			CJ029.PSN.DV	60355	6,591	6,591		Dept. Indirect 5.23%	
10							0				
15	50-10	32080			CJ029.PSN.GANG	60000	32,210	32,210		One .76 FTE Perm. PPO Gang	
16	50-10	32080			CJ029.PSN.GANG	60130	9,154	9,154		Incr Fringe one .76 FTE PPO's/DV	
17	50-10	32080			CJ029.PSN.GANG	60140	9,571	9,571		Insurance Exp one .76 FTE PPO's/DV	
18							0				
19	50-10	32080			CJ029.PSN.GANG	60240	197	197		Supplies for one .76 FTE	
20					CJ029.PSN.GANG	60260	1,000	1,000		Travel Exp 1 trip regional	
21							0				
22	50-10	32080			CJ029.PSN.GANG	60350	1,058	1,058		Central Indirect 2.03%	
23	50-10	32080			CJ029.PSN.GANG	60355	2,726	2,726		Dept. Indirect 5.23%	
24							0				
25	50-10	32080			CJ029.PSN	50170	(191,096)	(191,096)		Incr Revenue Proj Safe Neighborhood	
26							0				
27							0				
28							0				
29							0				
							0	0	0	<b>Total - Page 1</b>	
							0	0	0	<b>GRAND TOTAL</b>	

### EXPENDITURES & REVENUES

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with MERLIN.

Line No.	Fund Center	Fund Code	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
			Internal Order	Cost Center	WBS Element						
30							0				
31	50-00	1000		509600		60170	9,317	9,317		Incr Prof Svc by Dept Indirect	
	50-00	1000		509600		50370	(9,317)	(9,317)		Dept Indirect Revenue	
32							0				
33	19	1000		9500001000		50310	(3,616)	(3,616)		Central Indirect Reimb Rev in GF	
34	19	1000		9500001000		60470	3,616	3,616		CGF Contingency Expenditure	
35							0				
36	70-01	3500		705210		60330	32,744	32,744		Insurance Expenditure	
37	70-01	3500		705210		50316	(32,744)	(32,744)		Insurance Revenue	
38							0				
39							0				
40							0				
41							0				
42							0				
43							0				
44							0				
45							0				
46							0				
47							0				
48							0				
49							0				
50							0				
51							0				
52							0				
53							0				
54							0				
55							0				
56							0				
57							0				
58							0				
								0	0	Total - Page 2	
								0	0	GRAND TOTAL	

**5. ANNUALIZED PERSONNEL CHANGE**

Change on a full year basis even though this action affects only a part of the fiscal year (FY).

						ANNUALIZED			
Fund	Job #	HR Org Unit	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
32080	6276	61831	Probation Parole Officer	711613	1.00	42,381	12,045	12,594	67,020
32080	6276	61831	Probation Parole Officer	711614	1.00	42,381	12,045	12,594	67,020
32080	6276	61823	Probation Parole Officer	711615	1.00	42,381	12,045	12,594	67,020
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
<b>TOTAL ANNUALIZED CHANGES</b>					<b>3.00</b>	<b>127,143</b>	<b>36,135</b>	<b>37,782</b>	<b>201,060</b>

**6. CURRENT YEAR PERSONNEL DOLLAR CHANGE**

Calculate costs/savings that will take place in this FY; these should explain the actual dollar amounts being changed by this Bud Mod.

						CURRENT YEAR			
Fund	Job #	HR Org Unit	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
32080	6276	61831	Probation Parole Officer	711613	0.92	38,990	11,081	11,587	61,658
32080	6276	61831	Probation Parole Officer	711614	0.92	38,990	11,081	11,587	61,658
32080	6276	61823	Probation Parole Officer	711615	0.76	32,210	9,154	9,571	50,935
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
<b>TOTAL CURRENT FY CHANGES</b>					<b>2.60</b>	<b>110,190</b>	<b>31,316</b>	<b>32,745</b>	<b>174,251</b>

# AGENDA PLACEMENT REQUEST

**BUD MOD #:**

**Board Clerk Use Only:**

**Meeting Date: October 16, 2003**

**Agenda Item #: C-3**

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

**Date Submitted: 10/01/03**

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**Requested Date:** October 16, 2003

**Time Requested:** N/A

**Department:** OSCP

**Division:** School Linked Services (SUN)

**Contact/s:** Diana Hall

**Phone:** 503.988.4222

**Ext.:**

**I/O Address:** 166/2

**Presenters:** Consent Calendar

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**Agenda Title:** Government Revenue Contract (190 Agreement) 0410493 with Portland Public Schools, Multnomah County School District #1J, Providing Partnership in Schools Uniting Neighborhoods (SUN) Delivery at 13 Community Schools within the District and Partial Funding for SUN School Core Services at Ockley Green, George and Tubman Middle Schools

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

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

The Office of School and Community Partnerships (OSCP) is requesting an exception to the agenda submission process and timeline in order to meet deadlines in the PPS contract processing system and have the IGA executed most expeditiously before the funding period expires. OSCP recommends that the Board of County Commissioners approve the Intergovernmental Revenue Agreement with Portland Public Schools to partner in SUN School delivery at 13 schools within the district and provide partial funding for 3 SUN Schools. This IGA is retroactive due to late notice of funding availability and negotiations.

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

The County and the Portland Public School District have entered into an intergovernmental agreement to fulfill a shared vision for SUN Community Schools in

Portland Public and provide funding for SUN School Core Services at Ockely Green, George and Tubman Middle Schools. In addition, this agreement is centered around roles and responsibilities, including school partnership, funding, building use, and information sharing.

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

The County will receive \$50,000 in funding in exchange for Subcontracting with non-profit SUN Lead Agencies to provide the SUN Community School model at the designated schools. The other SUN Schools and responsibilities are all supported out of the existing DSCP budget. SUN funding includes County, City, State and Federal dollars. This IGA helps verify our programming for the district and their commitment of buildings, staff support and information sharing.

**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.

The SUN services will improve the lives of children, families and the community by partnering with local school communities to extend the school day and develop schools as "community centers" in their neighborhoods.

**Required Signatures:**

Department/Agency Director: *J. Blenzo T. Puerto*

Date: 10/01/03

Budget Analyst

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

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

Dept/Countywide HR

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

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

**BOGSTAD Deborah L**

---

**From:** HALL Diana C  
**Sent:** Tuesday, October 07, 2003 4:17 PM  
**To:** KINOSHITA Carol; BOGSTAD Deborah L; #AGENDA REVIEW TEAM  
**Cc:** ROBERTS Sydney L; HALL Diana C; STEWART MaryAnn  
**Subject:** RE: Agenda submission deadline exception request

The other SUN Schools and responsibilities are all supported out of our current DSCP budget. SUN funding includes County, City, Federal and State dollars. This IGA helps verify our programming for the district and their commitment of buildings, staff support and information sharing. Let me know if you have any other questions and thanks!

Diana Hall  
 Schools Uniting Neighborhoods (SUN) Initiative  
 Office of School and Community Partnerships  
 421 SW 6th Ave., Suite 200  
 Portland, OR 97204  
 (503) 988-4222

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

**From:** KINOSHITA Carol  
**Sent:** Tuesday, October 07, 2003 10:47 AM  
**To:** BOGSTAD Deborah L; #AGENDA REVIEW TEAM  
**Cc:** ROBERTS Sydney L; HALL Diana C; STEWART MaryAnn  
**Subject:** RE: Agenda submission deadline exception request

Looks fine to me-the only question I have is that if we're being paid \$50,000 to support the program at the three schools, where are the funds coming from to fulfill our other responsibilities listed in 2.0 of the IGA (including Marshall H.S. and Portsmouth M.S.)?

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

**From:** BOGSTAD Deborah L  
**Sent:** Tuesday, October 07, 2003 10:26 AM  
**To:** #AGENDA REVIEW TEAM  
**Cc:** ROBERTS Sydney L; HALL Diana C; STEWART MaryAnn  
**Subject:** Agenda submission deadline exception request

I have now received the original County Attorney reviewed and signed agenda placement packet for the attached 190 Revenue Agreement placement and on behalf of Sydney Roberts, am re-requesting ART exception to the agenda submission deadline for the October 16th Board meeting consent calendar per the department's request as outlined in APR question 1 and

10/7/2003

below:

The Office of School and Community Partnerships (OSCP) is requesting an exception to the agenda submission process and timeline in order to meet deadlines in the PPS contract processing system and have the IGA executed most expeditiously before the funding period expires. OSCP recommends that the Board of County Commissioners approve the Intergovernmental Revenue Agreement with Portland Public Schools to partner in SUN School delivery at 13 schools within the district and provide partial funding for 3 SUN Schools. This IGA is retroactive due to late notice of funding availability and negotiations.

Thank you for your consideration.

Deb Bogstad, Board Clerk  
Multnomah County Commissioners  
501 SE Hawthorne Boulevard, Suite 600  
Portland, Oregon 97214-3587  
(503) 988-3277 phone  
(503) 988-3013 fax  
[deborah.l.bogstad@co.multnomah.or.us](mailto:deborah.l.bogstad@co.multnomah.or.us)  
<http://www.co.multnomah.or.us/cc/index.shtml>

10/7/2003

**MULTNOMAH COUNTY CONTRACT APPROVAL FORM**  
(See Administrative Procedure CON-1)

Contract #: 52284 City  
0410493 County

Pre-approved Contract Boilerplate (with County Attorney signature)  Attached  Not Attached

Amendment #: 0

Class I	Class II	Class III A
Contracts \$75,000 and less per 12 month period	Contracts over \$75,000 per 12 month period	<input checked="" type="checkbox"/> Government Contracts (190 Agreement)
<input type="checkbox"/> Professional Services Contracts	<input type="checkbox"/> Professional Services Contracts	<input type="checkbox"/> Expenditure <input type="checkbox"/> Non-Expenditure <input checked="" type="checkbox"/> Revenue
<input type="checkbox"/> PCRB Contracts <input type="checkbox"/> Maintenance Agreements <input type="checkbox"/> Licensing Agreements <input type="checkbox"/> Public Works Construction Contracts	<input type="checkbox"/> PCRB Contracts <input type="checkbox"/> Maintenance Agreements <input type="checkbox"/> Licensing Agreements <input type="checkbox"/> Public Works Construction Contracts	<b>Class III B</b>
<input type="checkbox"/> Architectural & Engineering Contracts	<input type="checkbox"/> Architectural & Engineering Contracts	<input type="checkbox"/> Government Contracts (Non-190 Agreement)
<input type="checkbox"/> Revenue Contracts <input type="checkbox"/> Grant Contracts <input type="checkbox"/> Non-Expenditure Contracts	<input type="checkbox"/> Revenue Contracts <input type="checkbox"/> Grant Contracts <input type="checkbox"/> Non-Expenditure Contracts	<input type="checkbox"/> Expenditure <input type="checkbox"/> Non-Expenditure <input type="checkbox"/> Revenue
		<input type="checkbox"/> Interdepartmental Contracts

Department: Office Of School & Community Partnerships Division: School Linked Services Date: October 1, 2003  
 Originator: Diana Hall Phone: 84222 Bldg/Rm: 166/2  
 Contact: Sydney Bizzell Roberts Phone: 22701 Bldg/Rm: 166/2

Description of Contract **This is an intergovernmental agreement to fulfill a shared vision for SUN Community Schools in Portland Public Schools and provide funding for SUN School Core services at Ockley Green, George and Tubman Middle Schools.**

RENEWAL:  PREVIOUS CONTRACT #(S): \_\_\_\_\_  
 RFP/BID: IGA RFP/BID DATE: \_\_\_\_\_  
 EXEMPTION # \_\_\_\_\_  
 EFFECTIVE DATE: \_\_\_\_\_ EXPIRATION DATE: \_\_\_\_\_ ORS/AR #: \_\_\_\_\_  
 CONTRACTOR IS:  MBE  WBE  ESB  QRF State Cert# or  Self Cert  Non-Profit  N/A (Check all boxes that apply)

Contractor <b>Portland Public Schools</b>	Statement Address <u>Dunya Mino</u>
Address <u>501 N. Dixon</u>	(If different) <u>5135 NE Columbia Blvd</u>
City/State <u>Portland, OR</u>	<u>Portland, OR 97218</u>
Zip Code <u>97227</u>	Payment Schedule / Terms
Phone <u>503.970.7809</u>	<input type="checkbox"/> Lump Sum \$ _____ <input type="checkbox"/> Due on Receipt
Employer ID# or SS# _____	<input type="checkbox"/> Monthly \$ _____ <input type="checkbox"/> Net 30
Contract Effective Date <u>July 1, 2003</u> Term Date <u>June 30, 2004</u>	<input type="checkbox"/> Other \$ _____ <input checked="" type="checkbox"/> Other
Amendment Effect Date _____ New Term Date _____	<input type="checkbox"/> Requirements Funding Info:
Original Contract Amount \$ <u>50,000.00</u>	Original Requirements Amount \$ _____
Total Amt of Previous Amendments \$ <u>0</u>	Total Amt of Previous Amendments \$ _____
Amount of Amendment \$ <u>0</u>	Requirements Amount Amendment: \$ _____
Total Amount of Agreement \$ <u>50,000.00</u>	Total Amount of Requirements \$ _____

REQUIRED SIGNATURES

Department Manager Lorenzo T. Poe Jr. mas DATE 10/1/03  
 Purchasing Manager \_\_\_\_\_ DATE \_\_\_\_\_  
 County Attorney [Signature] DATE 10/7/03  
 County Chair [Signature] DATE 10/16/03  
 Sheriff \_\_\_\_\_ DATE \_\_\_\_\_  
 Contract Administration \_\_\_\_\_ DATE \_\_\_\_\_

APPROVED: MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS

COMMENTS: Vendor No. 11984 AGENDA # C-3 DATE 10-16-03

DEBORAH L. BOGSTAD, BOARD CLERK



Portland Public Schools, Multnomah County School District #1J  
INTERGOVERNMENTAL AGREEMENT No. 52284 (County No. 0410493)

**SUN Initiative Agreement**

This agreement is between School District No. 1J, Multnomah County Oregon, a school district of the State of Oregon ("District") and the Multnomah County, Department of School and Community Partnerships SUN Initiative ("County") (collectively, the "Parties"), pursuant to authority granted in ORS Chapter 190.

The Parties mutually agree as follows:

The purpose of this agreement is to fulfill a shared vision for both Parties. In accordance with the requirements listed herein, the goals of the SUN Initiative are:

- Goal 1: To increase the capacity of the local schools to provide a safe, supervised and positive environment for expanded experiences that improve student achievement, attendance, behavior and other skills for healthy development and academic success.
- Goal 2: To increase family involvement in supporting schools and school-based activities that build individual and community assets.
- Goal 3: To increase community and business involvement in supporting schools and school-based programs that combine academics, recreation and social/health services.
- Goal 4: To improve the system of collaboration among school districts, government, community-based agencies, families, citizens and business/corporate leaders through established and written agreements.
- Goal 5: To improve use of public facilities and services by locating services in the community-based neighborhood schools.

**TERM OF AGREEMENT AND RENEWAL**

The initial Agreement term shall be July 1, 2003, through June 30, 2004. This agreement may be renewed for subsequent, one (1) year terms by written agreement of the parties.

**MAXIMUM PAYMENT**

The Maximum total payment under this Agreement, including all expenses, is \$50,000

**INVOICE BILLING**

Invoices shall be sent to Portland Public Schools, Multnomah County School District 1J, as indicated below:

Dunya Mino  
5135 NE Columbia Boulevard  
Portland Oregon 97218

**PAYMENT**

Payment shall be made to County as follows:

Payment will be made net thirty (30) days following receipt of invoice or statement as specified in the Invoice Billing section above, provided that all services were delivered in strict accordance with this Agreement and associated Exhibit(s).

**TERMINATION**

This Agreement may be terminated at any time by either party upon thirty (30) days written notice.

**INDEMNIFICATION**

Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, County shall indemnify, defend and hold harmless District from and against all liability, loss and costs arising out of or resulting from the acts of County, its officers, employees and agents in the performance of this agreement.

Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300 District shall indemnify, defend and hold harmless Contractor from and against all liability, loss and costs arising out of or resulting from the acts of District its officers, employees and agents in the performance of this agreement.

**INSURANCE**

Each party is self insured in accordance with the provisions of the Oregon Tort Claims Act, ORS 30.270. The County shall maintain an insurance fund from which to pay all costs and expenses relating to claims for which they are self-insured including liability.

**ADHERENCE TO LAW**

Each party shall comply with all federal, state and local laws and ordinances applicable to this agreement.

**NON-DISCRIMINATION**

Each party shall comply with all requirements of federal and state civil rights and rehabilitation statutes and local non-discrimination ordinances.

**ACCESS TO RECORDS**

Each party shall have access to the books, documents and other records of the other which are related this agreement for the purpose of examination, copying and audit, unless otherwise limited by law.

**SUBCONTRACTS AND ASSIGNMENT**

Authorization is hereby given for County to subcontract with the SUN Lead Agency subcontractors as stipulated in Exhibit 1, Section 2.0.1. Neither party will further subcontract or assign any part of this agreement without the written consent of the other party.

**THIS IS THE ENTIRE AGREEMENT**

This Agreement constitutes the entire and integrated agreement between the Parties and may be modified or amended only by the written agreement of the Parties. This agreement consists of this Intergovernmental Agreement document and Exhibit 1 (Scope of Work), Exhibit 1 (Release of Information) and Exhibit 2 (Program Instructions). Any conflict in the contract documents shall be resolved in the priority listed above with this contract taking precedence over the other documents.

**MULTNOMAH COUNTY, OREGON**

**DISTRICT**

By: Lorenzo T. Poe, Jr. ms Date 10/1/03  
Lorenzo T. Poe, Jr., Director  
Office of School and Community Partnerships

\_\_\_\_\_  
[Name]

By: Diane M. Linn Date 10.16.03  
Diane M. Linn, Chair  
Board of County Commissioners

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

Date Authorized by School Board, if applicable:  
\_\_\_\_\_

REVIEWED: Christopher Crean Date 10/6/03  
Christopher Crean  
Assistant County Attorney

**Business Address:**

Office of Schools and Community Partnerships  
SUN Initiative  
421 SW 6<sup>th</sup> Ave., Suite 200  
Portland, OR 97204  
Phone (503) 988-6295 ext.28403  
Fax (503) 988-3332

APPROVED : MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # C-3 DATE 10-16-03  
DEBORAH L. BOGSTAD, BOARD CLERK

Employer ID #: 93-602309

## EXHIBIT 1

### Portland Public Schools, Multnomah County School District #1J INTERGOVERNMENTAL AGREEMENT No. 52284 (County No. 0410493)

#### Supplemental Terms, Conditions, and Scope

- 1.0.0 RESPONSIBILITIES OF DISTRICT.** The District agrees to:
- 1.0.1 Work collaboratively at the District and principal level with the County SUN Director and SUN Initiative staff to implement and support SUN Community Schools model in designated schools.
  - 1.0.2 Designate the District's Chief Academic Officer, to act as the primary contact at the district for SUN and the School-Aged Policy Framework. The Chief Academic Officer will designate any additional district liaisons to SUN and the School-Age Policy Framework.
  - 1.0.3 Provide quarterly and annual aggregate demographic and academic data on SUN Schools to the SUN Initiative for reporting and evaluation use. The parties will define the specific data to be provided and timeline by October 31, 2003.
  - 1.0.4 Participate in the development of the evaluation plan for the School-Age Policy Framework, which will occur over the period of this agreement and will include the definition of evaluation activities for SUN.
  - 1.0.5 Include the County in all appropriate discussions related to the SUN Initiative, School-Age Policy Framework, and alignment of resources within the educational institution.
  - 1.0.6 Ensure that schools participating in the SUN Community School Initiative:
    - A. Provide access to the school sites and space necessary for SUN Lead Agencies to perform their work.
    - B. Jointly manage the SUN School services at individual SUN sites with the SUN Lead Agency. The SUN Lead Agency is a nonprofit contractor of Multnomah County that delivers the SUN Services at a given SUN Community School. This includes participation of the Principals in the following: hiring of the SUN site manager, establishing a SUN advisory committee, developing an annual plan, ongoing operational functions, and developing partnerships with businesses. Principals will hold final decision-making power regarding services provided at the school and will make their decisions based upon knowledge of the budget allocations for SUN.
    - C. Include SUN Community School site managers in school communications, including written and email communications related to school business. This includes providing a school mailbox for site managers.
    - D. Provide access to demographic and academic data on individual SUN students when a parental Release of Information is in place and on file with the School. Specific data items are listed in the Release of Information (Attachment A).
    - E. Assist with recruitment of low achieving and at-risk students. Schools will collaborate with SUN on general recruitment of students in a manner that ensures that students in need of assistance are referred to SUN and encouraged to attend. This collaboration also includes identifying specific low achieving and at-risk students and providing data necessary for the subcontractor to recruit them, serve them and monitor their progress when a Parental Release of Information is in place and on file with the School.
    - F. Actively participate at the school level in SUN evaluation, cooperating in the collection and distribution of information related to assessment as specified in this Agreement. Currently, the expectation of schools around the SUN evaluation is for the sharing of the data described in Sections, 1.0.3, 1.0.6, D., and 1.0.6, F. Any additional evaluation activities will be defined through the School Age Policy Framework evaluation workgroup as referenced in Section 1.0.3.

1.0.7 Notify the County of unsatisfactory performance by any subcontracted SUN Lead Agency and work with the County to resolve the performance issues through mediation and other means or facilitate the removal and/or replacement of the subcontractor.

1.0.8 Payment and Reporting. Pay County the amount of \$50,000, upon receipt of invoices and program reports, in support of the SUN Community School services July 1, 2003 through December 31, 2003 in the following schools for the listed amounts:

George Middle School	\$20,000
Ockley Green Middle School	\$15,000
Tubman Middle School	\$15,000

Payments are cost reimbursement and will be disbursed upon the receipt of the invoices and program reports. Reporting dates are reflected below in Section 2.0.6.

The District will continue to provide additional support directly to the above mentioned schools including but not limited to Tri-Met bus tickets, phone lines paid for by District and the Coordinator's time to support and meet with schools.

The District may also request additional information and data from above mentioned schools to satisfy Federal 21<sup>st</sup> Century Community Learning Center reports and/or District needs. All requests to schools, Lead Agencies and the County will be made in writing to the County with a minimum of one month to respond.

**2.0.0 RESPONSIBILITIES OF COUNTY.** The County agrees to:

2.0.1 Subcontract with non-profit SUN Lead Agencies to provide the SUN Community School model at the designated schools or provide SUN directly. SUN Program Instructions, stating what the County expects the SUN Lead Agencies to do at each site, can be found in Attachment B.

Schools designated to receive services July 1, 2003 through December 31, 2003 and the SUN Lead Agency subcontractors are as follows:

- A. Buckman Elementary - Portland Impact
- B. George Middle School - Metropolitan Family Service
- C. James John Elementary - Tualatin Valley Centers
- D. Kelly Elementary - Lutheran Community Services Northwest
- E. Lane Elementary (through August 31, 2003 only)
- F. Marshall High School - Multnomah County, DSCP
- G. Ockley Green Middle School - Self Enhancement, Inc.
- H. Portsmouth Middle School - Multnomah County, DSCP
- I. Rigler Elementary - Boys and Girls Aid Society of Oregon
- J. Robert Gray Middle School - Westside Community Services, Inc
- K. Tubman Middle School - Metropolitan Family Service
- L. Whitaker Middle School - Boys and Girls Aid Society of Oregon
- M. Woodmere Elementary - Portland Impact

2.0.2 Oversee its subcontractors' (SUN Lead Agencies) activities and expenditures for compliance with the SUN Program Instructions and this agreement.

2.0.3 Work collaboratively with the Chief Academic Officer and her appointed liaisons to implement and support SUN Community Schools in an aligned model.

2.0.4 Make all reasonable efforts to reduce the burden of data collection on school staff. A minimum of one-month notice will be given for any change in evaluation collection from standard.

- 2.0.5 Include the District in all appropriate discussions on SUN Community Schools, School-Aged Policy Framework and related topics.
- 2.0.6 Submit written narrative progress reports from individual schools, detailing activities and accomplishments, and (needs to mirror earlier) as listed below. Report periods and due dates are as follows:

Report period:  
June 1, 2003 – December 31, 2003

Due Date:  
January 31, 2004

Reports are to be submitted to:

Dunya Minoo  
5135 NE Columbia Boulevard  
Portland, Oregon 97218

- 2.0.7 Provide additional information or data on schools as needed to satisfy Federal 21<sup>st</sup> Century reporting requirements and or District needs, all requests will be made by District in writing to the County with at least one month to respond to such requests.
- 2.0.8 For subcontractors (SUN Lead Agencies), participating in the SUN Community School Initiative, the County will:
  - A. Require that subcontractors collect and maintain school District-approved Release of Information (Attachment A) from parents/guardians for all enrolled students involved in extended-day activities.
  - B. Require that subcontractors provide copies of district—approved Release of Information from parents/guardians for all enrolled students involved in extended day-activities to the School principals.
  - C. Require that subcontractors provide the following information to School Principals: lists of students registered for which class on which day; lists of instructors schedules; and copies of cleared background checks.
  - D. Require that subcontractors comply with finger printing and criminal records checks on any persons working with students or as further stipulated by District. If the District stipulates changes, subcontractors will implement changes immediately and have two months to come into total compliance with requirements.
- 2.0.9 Work cooperatively with the District to resolve performance issues and/or remove from Schools those subcontractors identified as unsatisfactory or non-compliant with the goals of the District, and/or the SUN Initiative, as outlined in the SUN Program Instructions in Attachment B.

**ATTACHMENT A**

**SUN/PPS Release of Information Language**  
2003-2004 Final

**1. Overall Release to be done once a year:**

Buckman SUN School is a partnership of Portland Public Schools, City of Portland/Multnomah County Schools Uniting Neighborhoods (SUN) Initiative and Portland Impact. SUN Schools aim to extend the school day and develop local schools as "community centers." We all work together at Buckman to meet the needs of our students and their families. In order to provide your child and family with the best services and support possible, we need your permission to be able to share information with each other which will help us better meet the needs of each child.

By enrolling the child listed above in SUN activities, I understand that I am authorizing the release and exchange of student records between Buckman School and Portland Impact SUN employees and their designated volunteers. This information includes student name, PPS student ID #, grade level, achievement test scores, course grades and grade point averages, attendance, and behavior/discipline data. This information may also be shared with the City/County SUN Initiative and their evaluation contractors for program evaluation. I understand that for the purposes of coordinating support to my child that Buckman School and Portland Impact SUN employees may also verbally share information regarding my child's education and development.

Those receiving information under this release understand that this information is protected under state and federal law. They are not authorized to release it to any agency or person not listed in this release without specific written consent of the parent/legal guardian.

---

Parent/Legal Guardian

Date

This permission is effective from 9/1/2003 until 8/30/2004 unless cancelled in writing.

*Children may participate in SUN activities whether or not their Parent/Guardian agrees to the release or exchange of information between the school and other agencies.*

2. Permission to share with partners by term, highlighted in the example below:

**Buckman SUN School After School  
Enrichment Options**

Please select the classes you are interested in. Due to limited class sizes, students will be enrolled on a first come first served basis.

√	CLASS	AGENCY/CONTACT PERSON	DESCRIPTION	DAY(S) & TIMES
	Math Tutoring	SUN School Volunteers/ Tutors	Build skills for your future! Focused small group math instruction	Mon-Thurs 4:30-6:30
	African Drumming and Dance	The Higher Stages Arts Academy Yvonne Muhar	Learn the Basic of traditional African dance and drumming. Make sure you have lots of energy for this one!	Mon/Wed 4:30-6:30
	Asian Club	Asian Family Services Nathan Nguyen	Cultural activities and support for Asian students	Mon/Wed 4:30-5:30
	Basketball	Portland Parks J – Jay Lincoln	Want to learn to play like the pros? Learn fundamental skills including ball handling, shooting techniques, and foot work	Tuesday 4:30-6:30
	MESA	MESA Ester Romero/David Child	Math and Science fun	Wed. 4:30 –6:00

By enrolling my child in the above classes, I understand that I am giving Buckman School and Portland Impact SUN employees my permission to exchange academic and behavioral information about my child with the partner agencies checked above in order to better meet the needs of each child.

\_\_\_\_\_  
Parent/Legal Guardian

\_\_\_\_\_  
Date

I DO NOT give permission for the release or exchange of information to be shared with the agency(s) listed:

\_\_\_\_\_  
\_\_\_\_\_

*Children may participate in SUN activities whether or not their Parent/Guardian agrees to the release or exchange of information between the school and other agencies.*

## EXHIBIT 2

### Portland Public Schools, Multnomah County School District #1J INTERGOVERNMENTAL AGREEMENT No. 52284

Multnomah County, Department of School and Community Partnerships (DSCP)  
Schools Uniting Neighborhoods (SUN) Program Instructions  
For July – December 2003

George, Ockley Green and Tubman SUN Schools

July 2003

Included here are Program Instructions for the following SUN services:

1. SUN School Core Services
2. Latino Family Outreach (as applicable)

CONTRACTOR (Lead Agency) shall conform to the SUN Mission as stated below:

*To improve the lives of children, families and the community by partnering with local school communities to extend the school day and develop schools as "community centers" in their neighborhoods.*

In addition, CONTRACTOR shall actively strive to achieve the following initiative goals:

- Goal 1:** improve student achievement, attendance, behavior and other skills for healthy development and academic success.
- Goal 2:** increase family involvement by supporting the school and school-based activities that build individual and community assets.
- Goal 3:** increase community and business involvement in supporting schools and school-based programs that combine academics, recreation and social/health services.
- Goal 4:** improve the system of collaboration among school districts, government, community-based agencies, families, citizens and business/corporate leaders
- Goal 5:** improve use of public facilities and services by locating services in the community-based neighborhood schools.

#### SUN SCHOOL CORE SERVICES

##### **Scope of Work:**

CONTRACTOR agrees to jointly manage SUN Community School services with the SUN COMMUNITY SCHOOL. The CONTRACTOR shall

- 1) Conduct the hiring process of the SUN Site Manager responsible to coordinate and implement the SUN school-based program jointly with the school principal and appropriate SUN advisory committee members and/or parents. CONTRACTOR, with the established advisory group(s), the School(s), and other participants, shall develop a job description outlining the responsibilities and roles of the CONTRACTOR'S SUN Site Manager. The SUN Initiative has developed a general document outlining the role of SUN Site Managers that serves as a broad guide to this work. The CONTRACTOR shall supervise this position. CONTRACTOR shall be called upon to do a wide variety of activities and the nature of these activities may evolve over time.
- 2) Work cooperatively with the SUN staff in the Department of School and Community Partnerships in developing a comprehensive school-based program that addresses the unique needs of the school site.
- 3) Use local needs assessment to establish an annual plan that supports the school improvement plan. The school Principal shall have the final decision on what services will be provided in the school. The advisory committee will sign off on the final annual plan.

## EXHIBIT 2

### Portland Public Schools, Multnomah County School District #1J INTERGOVERNMENTAL AGREEMENT No. 52284

- 4) Coordinate and implement the activities outlined in the annual plan. These activities must include the coordination of access to community social and health services in the school.
- 5) Ensure that the following functions are fulfilled as part of one of the governing and organizational bodies of the SUN effort: **Advisory** (see #6), **Operating** (handling day to day operations of SUN, typically the principal, lead agency supervisor and co-manager), **Student Staffing** (bringing various services together to collaborate to support specific students and families) and **Partner** (bringing together all service and program partners for coordination and information sharing purposes). All four functions are required. The manner in which these functions are fulfilled at individual schools will be based upon existing and developed structures.
- 6) Establish a SUN advisory committee having broad representation including members from the following groups: teachers, parents & family members, and community members. CONTRACTOR must also provide staffing to the council. This committee will meet at least four times annually.
- 7) Involve youth in meaningful ways in advisory and implementation roles, such as through the formation of a SUN Youth Advisory Committee.
- 8) Collect and maintain school district-approved Release of Information from parents/guardians for all enrolled students involved in extended-day activities.
- 9) Comply with any criminal records check and fingerprinting requirements as stipulated by the School District(s). If the District stipulates changes to the requirements, the CONTRACTOR will come into compliance with the new requirements within two months of receiving official notification of the new requirements.
- 10) Coordinate with other community providers/services based at or linked to the school to collaborate and integrate services.
- 11) Engage in fundraising and other resource development. CONTRACTOR is responsible for coordinating fundraising and resource development with the SUN Initiative staff. CONTRACTOR will increase resources (cash or in-kind contributions) to SUN school by at least 20% of contracted amount.
- 12) Engage in developing partnerships with businesses, in coordination with the SUN Initiative Office and its contractors. CONTRACTOR will develop a business partnership plan and one long-term strategic partnership with a for-profit business.
- 13) Actively participate in SUN Initiative evaluation and reporting. The cooperation of the lead agencies and schools in the collection and distribution of information related to the assessment of the Initiative is expected. This includes maintenance of records on the SUN Database. The CONTRACTOR is also expected to provide additional information and/or data for use by the PPS 21CCLC grant coordinator when requested. Requests from PPS will be made through the SUN Initiative and will allow the CONTRACTOR one month to respond. Periodic requests may be made of the lead agencies or schools for information or additional reports by the SUN Initiative Office.
- 14) In the event of a furlough of more than 2 weeks in any of the County's school districts, CONTRACTOR will work with SCHOOL, parents and community to identify needs during the furlough time. SUN furlough activities and services are to reflect the identified community priorities with a focus on providing safe places for children. Within the furlough period, agency SUN staff will provide a **minimum** of 40 hours of direct programming that offers a safe place for children, either through coordinating activities themselves or contributing to a partnership effort. CONTRACTOR will develop furlough plan according to direction from the Office of School and Community Partnerships.

## EXHIBIT 2

### Portland Public Schools, Multnomah County School District #1J INTERGOVERNMENTAL AGREEMENT No. 52284

#### Partnership from School Districts:

The County and Portland Public Schools have entered into an Intergovernmental Agreement around roles and responsibilities, including school partnership, funding, building use, and information sharing. A copy of this agreement is available on request.

#### Outputs/Outcomes:

CONTRACTOR will provide services for all students. The intent behind this is to bring together youth with varying abilities and life situations (both at-risk and not at-risk) to support their development and success. Within the contracted period, CONTRACTOR will meet the following service targets listed in the contract, which include:

1. CONTRACTOR will serve 25% of the student body in extended-day, family and social service programming.
2. CONTRACTOR with the assistance of the SCHOOL will identify, recruit and retain 30%-50% of the students not meeting established District and State academic standards in SUN programs and services.
3. CONTRACTOR will serve families in extended-day family programs and services, providing the following:
  - a. At least 2 enrolled activities for families (such as FAST, parenting classes, family literacy programs, etc.)
  - b. At least 2 family non-enrollment events (such as Family Night, Math Night, Family Sports Night, Dad's Night Out, etc.)
4. CONTRACTOR will offer a minimum of 20 extended hours of service a week during the regular school year. These services will include, but not be limited to, extended-day programming including academics, enrichment, recreation and the arts; family strengthening programs and parent education; adult education; social and health services.
5. CONTRACTOR will provide services during the summer. Services will be coordinated with school and community to maximize the available resources and hours the school is open. Programs and services provided should address academic skill maintenance and improvement.
6. CONTRACTOR will engage in community outreach activities to increase community and parent awareness of SUN and SUN offerings. Activities should include:
  - a. Published or broadcast items in forums such as neighborhood and community newspapers, the Oregonian, Portland Tribune, network and cable television and radio. The target outcome for this type of outreach is 1 press item between July 1 and December 31, 2003.
  - b. Community visibility and recruitment through other methods of outreach such as speaking engagements, leafleting, tabling and attendance at community events. The target outcome for this type of outreach is 4 speaking engagements or other community visibility activities between July 1 and December 31, 2003.
  - c. Community outreach for all community-focused events, which includes materials in additional languages as appropriate for the community.

Progress on all contracted outcomes will be measured as indicated in the contract.

#### Reporting:

CONTRACTOR shall submit an annual budget with narrative, which is tied to their annual plan objectives.

- The narrative must demonstrate the costs relative to the goals of the project and the SUN Sponsor Group restrictions on the core funding (see below).
- Indirect costs shall not exceed 15% for SUN Schools.
- Project supervision expenses shall not exceed 12.5% of the supervisor's time, or cumulative 12.5% fte if more than one supervisor works on the project.
- Occupancy will not be allowed as a budget line item given provision of office space by school.

## EXHIBIT 2

### Portland Public Schools, Multnomah County School District #1J INTERGOVERNMENTAL AGREEMENT No. 52284

- Budget review and approval will be done with the principal and co-manager prior to submission. The annual budget and narrative submitted must include the signature of the principal and co-manager of the site.
- Requests for exceptions must be made in writing to the SUN Initiative Office.

CONTRACTOR shall submit an Annual Plan, quarterly Service Data and a Half-Yearly Progress Report. Annual Plan and progress reporting forms are included in the contract (Attachments E & F). The minimum data set (as defined in the contract) for Service Data is to be kept current monthly and submitted on a quarterly basis. A zip disk copy of the current SUN Database will be collected by the SUN data entry person the week following the reporting date.

Reports are due according to the following schedule:

Report	Due Date
<b>Expenditure &amp; Key Personnel Reports</b>	20 <sup>th</sup> calendar date of month following incurred expenses
<b>Annual Budget &amp; Narrative</b>	October 1, 2003
<b>Annual Plan &amp; Signature Sheet</b>	October 1, 2003
<b>Quarterly Service Data</b> (for period July 1, 2003 – September 30, 2003) *For sites using the Cayen database, data must be current monthly. The SUN Initiative staff will work with the Site Managers and PPS evaluation staff to define the data needed quarterly and who will supply it	October 17, 2003
<b>Quarterly Service Data</b> (for period October 1, 2003 – December 31, 2003) <b>Half Yearly Progress Report</b> (for period July 1, 2003 – December 31, 2003)	January 16, 2004

#### Expenditure Limitations:

- The SUN Sponsor Group has limited the use of "Core" funding, which is the amount given the sites in this contract, to the management costs (co-manager salary, overhead, etc), Parent Involvement (which can include community involvement as well) and Enrichment programs.
- Enrichment programs refer to before and after school activities that are academic and non-academic and focused on the students. Materials that are part of the regular school day, like textbooks, are not included. The purchases must be used to support the before and after school program.
- Limited equipment purchased to support the co-manager is permissible with SUN approval.

## EXHIBIT 2

### Portland Public Schools, Multnomah County School District #1J INTERGOVERNMENTAL AGREEMENT No. 52284

#### **LATINO FAMILY OUTREACH**

##### **Scope of Work:**

CONTRACTOR shall provide services to increase parent/family involvement among Latino/Hispanic ethnic/cultural groups, families for whom English is a second language and low-income families at identified school(s).

CONTRACTOR will hire a Latino Outreach Worker and/or provide programs and activities that are culturally appropriate for Latino/Hispanic people. The specific objectives for the position and activities are:

1. increase Latino parent awareness of SUN opportunities and services
2. increase Latino family attendance at both academic and extracurricular activities
3. improve satisfaction with the local school
4. improve home-school communication with Latino families
5. increase the ability of Latino parents to support their children's healthy development and academic success
6. provide opportunities for leadership and decision-making in SUN programs

##### **Outputs/Outcomes:**

CONTRACTOR will use Outreach funding to contribute to the ability of the existing SUN/21CCLC efforts to:

1. Assist parents/families in accessing appropriate SUN or SUN 21<sup>st</sup> Century Learning Center educational, enrichment and support services.
2. Conduct outreach to at least 75% of identified Latino families
3. Engage between 30-50% of the student enrollment in SUN opportunities and services.
4. Increase participation by Latino students in SUN activities and programs

##### **Reporting:**

Latino outreach services should be incorporated into annual plans and progress/results reported on as part of the quarterly and annual reports (see reporting for core services).

# AGENDA PLACEMENT REQUEST

BUD MOD #:

**Board Clerk Use Only:**

**Meeting Date: October 16, 2003**

**Agenda Item #: R-1**

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

**Date Submitted: 09/22/03**

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**Requested Date: October 16, 2003**

**Time Requested: 10 minutes**

**Department: DBCS**

**Division: Facilities & Property Management**

**Contact/s: Doug Butler, Greg Herlean**

**Phone: 503 988-3322, x24443**

**I/O Address: 274/FM**

**Presenters: Doug Butler, Lynn Dingler**

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**Agenda Title:** Directing the Facilities and Property Management Division to declare the former Montavilla Library building as surplus property, sell the building, and authorizing County Chair to execute appropriate documents to complete said sale.

**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?**

The Department of Business and Community Services requests this Resolution be considered at the October 16, 2003 Board Meeting.

This Agenda Placement Request will allow review and discussion of the Resolution to declare the former Montavilla Library Building at 211 SE 80<sup>th</sup> Avenue surplus County property. Further, the resolution directs the County Facilities and Property Management Division (FPM) to sell the building at fair market value, authorizes the Chair to execute all appropriate documents necessary to close the sale, and applies the proceeds in reserves to the County Capital improvement Fund #2507 to be used for deferred maintenance on County owned properties.

The Department of Business and Community Services, Facilities and Property Management Division, recommends adoption of the Resolution.

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

- a. The County owns the former Montavilla Library building located at 211 SE 80<sup>th</sup> Avenue which was closed as a library in 1981.
- b. The land upon which the building is sited was purchased in 1934 by the County from the City of Portland via a deed which restricted the property to Public Library purposes. The County subsequently improved the property with a building which was used as a public library until 1981.
- c. In 1982, the City of Portland executed a quitclaim deed relinquishing the City's reversionary interest regarding use of the building as a library, and the County subsequently leased the building to a series of non-profit organizations; the building has been leased to Oregon State University Extension Service since 1999.
- d. The Oregon State University (OSU) Extension Service and Multnomah County Facilities and Property Management agreed to terminate the lease of the building and OSU will vacate the premises as of October 31, 2003.
- e. The building would require significant funds to repair and upgrade for use by the County, and is not of sufficient square footage or convenient location to provide a desirable location for County programs or for leased space at market rates.
- f. The former Montavilla Library has not been used for County programs for over 5 years and the extent of the building's physical and functional obsolescence warrants that it be declared surplus property and sold.
- g. Sale of this building will eliminate the costs to County Facilities and Property Management of maintaining the building in mothballed state or providing tenant improvements for continued use as leased space.

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

The current lease to Oregon State University Extension Service is on a no-rent (\$00.00 per month) triple net basis which means the tenant (OSU Extension Service) pays for all maintenance, repairs, utilities and services on the property.

The County has not received any revenue during this lease, and will not pay expenses for July –October, 2003.

Effective November 1, 2003, or whenever the tenant is able to vacate the premises, the County will be responsible for all expenses related to the building including maintenance and repair, utilities, and other services necessary until the building can be sold.

**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:**

No Budget Modification is included or requested as part of this Resolution.

- ❖ **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:**

No Contingency Request is included as part of this Resolution.

- ❖ **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:**

No Grant application or notice of intent is included or anticipated as part of this Resolution.

- ❖ **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.**

Passage of this Resolution is necessary to provide a process for the Board to:

- 1) Approve the designation of this real property as surplus,
- 2) Sell the property at fair market value in an arms length transaction to maximize the sale proceeds, and
- 3) Apply the net proceeds from the sale of the property in reserves to the County Capital improvement Fund #2507 to be used for deferred maintenance on County owned properties.

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

The fair market value will be determined by an independent appraisal of the property and may be reviewed by the County's Assessment and Taxation Division Appraisal unit.

The sale of the property will be a bid process open to the public, and the winning bid will be reviewed by a panel of authorized County employees including Director of Facilities & Property Management, Director of Finance, and County Attorney or their designees

The County Chair will be authorized to execute all appropriate documents necessary to close this sale.

**Required Signatures:**

Department/Agency Director:     *Doug Butler*    

Date: 09/24/03

**Budget Analyst**

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

Date:

**Dept/Countywide HR**

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

Date:

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. \_\_\_\_\_**

Declaring The Former Montavilla Library Property Building As Surplus Property, Authorizing Sale Of The Building, And Authorizing County Chair To Approve The Terms Of Sale And Execute Appropriate Documents To Complete The Sale

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

- a. The County owns the former Montavilla Library located at 211 SE 80<sup>th</sup> Avenue ("the property").
- b. The land was purchased in 1934 by the County from the City of Portland by a deed which restricted the use of the property to Public Library purposes. The County subsequently improved the property with a building which was used as a public library until 1981.
- c. In 1982, the City of Portland executed a quitclaim deed removing the deed restriction and the County subsequently leased the property to a series of non-profit and government organizations; the property has been leased to Oregon State University Extension Service ("OSU") since 1999.
- d. OSU and Multnomah County Facilities and Property Management have agreed to terminate the lease of the property and OSU will vacate the property on October 31, 2003.
- e. The property has not been used for County programs for over 5 years. The building on the property requires significant repair and upgrade for use by the County and is neither of sufficient size nor in a convenient location for use for County programs.

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

1. The former Montavilla Library building at 211 SE 80<sup>th</sup> Avenue is surplus property.
2. The Division of Facilities and Property Management shall obtain an independent appraisal of the property and offer the property for sale.
3. The County Chair is authorized to approve the sale price and other terms of the sale and to execute all appropriate documents necessary to close the sale.

4. All net proceeds derived from the above sale shall be deposited in reserves to the County Capital improvement Fund #2507 to be used for deferred maintenance on County owned properties.

ADOPTED this 16th day of October, 2003.

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

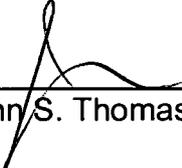
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Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By



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John S. Thomas, Assistant County Attorney

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 03-144**

Declaring the Former Montavilla Library Property Building as Surplus Property, Authorizing Sale of the Building, and Authorizing County Chair to Approve the Terms of Sale and Execute Appropriate Documents to Complete the Sale

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

- a. The County owns the former Montavilla Library located at 211 SE 80<sup>th</sup> Avenue ("the property").
- b. The land was purchased in 1934 by the County from the City of Portland by a deed which restricted the use of the property to Public Library purposes. The County subsequently improved the property with a building which was used as a public library until 1981.
- c. In 1982, the City of Portland executed a quitclaim deed removing the deed restriction and the County subsequently leased the property to a series of non-profit and government organizations; the property has been leased to Oregon State University Extension Service ("OSU") since 1999.
- d. OSU and Multnomah County Facilities and Property Management have agreed to terminate the lease of the property and OSU will vacate the property on October 31, 2003.
- e. The property has not been used for County programs for over 5 years. The building on the property requires significant repair and upgrade for use by the County and is neither of sufficient size nor in a convenient location for use for County programs.

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

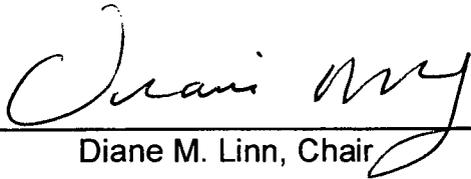
1. The former Montavilla Library building at 211 SE 80<sup>th</sup> Avenue is surplus property.
2. The Division of Facilities and Property Management shall obtain an independent appraisal of the property and offer the property for sale.
3. The County Chair is authorized to approve the sale price and other terms of the sale and to execute all appropriate documents necessary to close the sale.

4. All net proceeds derived from the above sale shall be deposited in reserves to the County Capital improvement Fund #2507 to be used for deferred maintenance on County owned properties.

ADOPTED this 16th day of October, 2003.

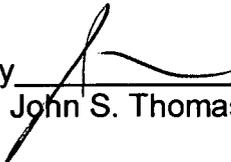


BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
John S. Thomas, Assistant County Attorney

# AGENDA PLACEMENT REQUEST

BUD MOD #:

**Board Clerk Use Only:**

**Meeting Date: October 16, 2003**

**Agenda Item #: R-2**

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

**Date Submitted: 09/29/03**

*Postponed Indefinitely*

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**Requested Date:** 10/16/03

**Time Requested:** 5 minutes

**Department:** Health

**Division:** Director's Office

**Contact/s:** Lila Wickham

**Phone:** 503-988-3674

**Ext.:** 29087

**I/O Address:** 106/14

**Presenters:** Lila Wickham

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**Agenda Title:** NOTICE OF INTENT to Request Grant Funding from the National Institute of Environmental Health Sciences' "Environmental Justice: Partnerships for Communication" Grants Program to Support an Environmental Health Assessment using the Protocol for Assessing Community Excellence in Environmental Health (PACE EH) Process

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

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

Authorize the Director of the Health Department to seek grant funding from the National Institute of Environmental Health Sciences.

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

→ **NOTE: An exception to the Agenda Review Team's three week review period is requested in order to meet the October 17 deadline for this grant application.**

We know from examining local health data that environmental degradation has resulted in adverse health consequences, and we know that there are vulnerable residents who are disproportionately affected by environmental degradation. For example, (1) breathing contaminated air can aggravate asthma conditions (in fact asthma effects children throughout Portland); (2) exposure to lead-based paints can cause learning disabilities in

young children (in fact more than 70 percent of the homes in Portland have composite lead dust levels that exceed federal standards, and the blood lead levels of 5 out of every 100 children screened are high enough to cause health problems); (3) consuming drinking water that contains volatile organic compounds (VOCs) can cause cancer (several public ground water wells in northeast Portland are contaminated by VOCs); and (4) contact with contaminated surface waters (either directly or indirectly) can cause a variety of different illnesses in individuals (each year millions of gallons of untreated wastewater is diverted directly into the Willamette River where local residents swim, boat and fish).

Since February 2002, the Multnomah County Health Department has been meeting with individuals, community groups, faith-based organizations, private enterprises, and public agencies to discuss emerging needs associated with environmental health. From these meetings, the Department has found that (1) the community is ready to assess the impact of environmental health and environmental justice issues; (2) participants acknowledge that efforts to improve environmental conditions can best be achieved through a collective understanding of values, roles, and resources; and (3) there is general agreement among stakeholders that a collaborative effort is the most effective way to identify and implement strategies to protect the public's health from the consequences of environmental degradation.

This project will integrate a data-driven analysis of environmental health conditions with the values and perceptions of local communities in order to prioritize future actions. It is modeled after a process developed by environmental health experts from across the country under the direction of the National Association of County and City Health Officials, and the Centers for Disease Control and Prevention. The Health Department has received input from throughout the community ensure that the project's design is responsive to local concerns, and to assure its accountability to the populations vulnerable to environmental degradation.

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

The proposed grant funding would enable the Health Department to work with its community partners to conducting the PACE environmental health assessment. The resulting action plan will be implemented in stages to reflect the highest priority areas in the county.

**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?**

National Institute of Environmental Health Sciences.

- ❖ **Specify grant requirements and goals.**

The main goal of this grant program is to establish methods for linking members of a community, who are directly affected by adverse environmental or occupational conditions, with researchers and health care providers and to create partnerships that can address environmental and occupational health problems and develop appropriate research and policy strategies to impact public health. The program seeks applications that demonstrate approaches to promote health research, education and interventions that address improved ways to serve low income, immigrant, and minorities who may be disproportionately exposed to environmental and occupational stressors. Applications that encourage community outreach, training, research, education and evaluation efforts that will become the catalyst for reducing exposure to or reducing the health impact from environmental and occupational stressors in underserved populations are emphasized.

The key outcome resulting from PACE EH – Multnomah County will be to address environmental health and environmental justice issues using strategies that reflect community values and priorities. Additional outcomes associated with this project include the following:

- Establishment of a broad-based coalition to oversee the project, participate in the assessment and prioritization of environmental issues, and implement the action plan.
- Documentation of environmental health and environmental justice issues, and the populations affected by environmental degradation.
- Identification of public policies and personal behaviors that may influence health impact(s) associated with environmental degradation.
- Development and prioritization of strategies to address environmental health issues.
- Establishment of an action plan and a funding strategy to address environmental health concerns.

- ❖ **Explain grant funding detail – is this a one time only or long term commitment?**

The Health Department will request approximately \$225,000 per year for a period of three years to complete the proposed project.

- ❖ **What are the estimated filing timelines?**

This application is due on October 17, 2003.

- ❖ **If a grant, what period does the grant cover?**

3 years beginning July 30, 2004.

❖ **When the grant expires, what are funding plans?**

Plans are to establish a funding strategy as a part of the assessment process. This strategy will focus on private foundation sources and other grant sources to support the implementation of an environmental health action plan.

❖ **How will the county indirect and departmental overhead costs be covered?**

Indirect can be charged as a grant expense.

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

No obvious legal or policy issues related to the PACE process have been identified. However, such issues will be addressed as a component of the project.

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

The PACE EH process requires broad community participation (individuals, community-based organizations, faith-based organizations, businesses, government, etc. Examples of community partners, including the following:

- Portland State University
- Environmental Justice Action Group
- Physicians for Social Responsibility
- Oregon Environmental Council
- City of Portland
- American Lung Association
- Oregon Department of Environmental Quality
- Oregon Department of Human Services - Health Services
- Others

**Required Signatures:**

**Department/Agency Director:**



**Date: 09/29/03**

**Budget Analyst**

**By:** 

**Date: 10/03/03**

**Dept/Countywide HR**

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

**Date:** \_\_\_\_\_

**BOGSTAD Deborah L**

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**From:** WICKHAM Lila A  
**Sent:** Monday, October 13, 2003 6:58 PM  
**To:** BOGSTAD Deborah L  
**Subject:** RE: Board Agenda 10-16-03

Thank you kindly. You are always so helpful.

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

**From:** BOGSTAD Deborah L  
**Sent:** Monday, October 13, 2003 6:54 PM  
**To:** WICKHAM Lila A  
**Cc:** WALTZ Tom R; JOHNSON Sandy A  
**Subject:** RE: Board Agenda 10-16-03

Since it is already on the October 16th Board agenda, which was distributed last week, the Board will have to approve a motion to postpone indefinitely. This is a parliamentary procedure necessary to dispose of the agenda item. Staff does NOT need to appear on Thursday. Thank you.

Deb Bogstad, Board Clerk  
Multnomah County Commissioners  
501 SE Hawthorne Boulevard, Suite 600  
Portland, Oregon 97214-3587  
(503) 988-3277 phone  
(503) 988-3013 fax  
[deborah.l.bogstad@co.multnomah.or.us](mailto:deborah.l.bogstad@co.multnomah.or.us)  
<http://www.co.multnomah.or.us/cc/index.shtml>

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

**From:** WICKHAM Lila A  
**Sent:** Monday, October 13, 2003 6:47 PM  
**To:** BOGSTAD Deborah L  
**Cc:** WALTZ Tom R; JOHNSON Sandy A  
**Subject:** Board Agenda 10-16-03  
**Importance:** High

Deb, we were not able to complete the grant application that is on the Board Agenda on Thursday 10-16-03 for a NIEHS application. Could you please delete this item from the agenda?

**DEPARTMENT OF HEALTH - 10:10 AM**

R-2 NOTICE OF INTENT to Request Grant Funding from the National Institute of Environmental Health Sciences' "Environmental Justice: Partnerships for Communication" Grants Program to Support an Environmental Health Assessment using the Protocol for Assessing Community Excellence in Environmental Health (PACE EH) Process

10/14/2003

Let me know if you need anything else from me regarding this agenda item. Thanks.

**Lila Wickham, MS, RN**  
Manager Environmental Health  
727 NE 24th Avenue  
Portland OR 97232  
Phone (503) 988-3400 Fax (503) 988-5844  
[lila.a.wickham@co.multnomah.or.us](mailto:lila.a.wickham@co.multnomah.or.us)

10/14/2003

**BOGSTAD Deborah L**

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**From:** WALTZ Tom R  
**Sent:** Tuesday, October 14, 2003 9:08 AM  
**To:** BOGSTAD Deborah L  
**Subject:** FW: NIEHS Grant--NO SUBMISSION

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

**From:** WICKHAM Lila A  
**Sent:** Monday, October 13, 2003 6:39 PM  
**To:** HOUGHTON David B; ABDELLATIF Vanetta M; SARAGOZA Consuelo C; DOUGHERTY John A; WALTZ Tom R; Joice Taylor (jtaylor@albinacdc.org); Stephanie Farquhar  
**Cc:** Noelle Dobson; Charles Bishop 2 (bishop\_charles@msn.com); Greg Wolley (wollemorrison@earthlink.net); Joice Taylor (jtaylor@albinacdc.org); Kevin Odell; Larry Tuttle (nevermind@earthlink.net); WALTZ, Tom; BISHOP Charles E; DOBSON Noelle G; JOHNSON, Sandy; MORLEY, Lisa; Stephanie Farquhar; TILLMAN-REARDON, Tricia; Karen Southwick; #  
**Subject:** NIEHS Grant--NO SUBMISSION

I would like to thank everyone who has committed their time, effort, passion and vision to development of the NIEHS grant application. Sandy, Tricia, Joice and I spoke at the end of the day and concluded that as passionate as we are about the process, excited about the future and desirous of engaging new partners that we need to perform several tasks and strategically plan before moving forward with the NIEHS or a similar application.

This is a complex proposal with a research and primary care component that needs development. What we have learned:

- Assure that the PACE Steering Committee and Steering Committee Grant Writing sub-group are more actively involved in leading and steering the process by identifying proposals, prioritizing options, assuring support from the larger coalition, securing partnerships
- Perform literature review to become familiar with research
- Develop relationships with primary care experts (Venetta and team)
- Develop relationships with research experts (John Dougherty)
- Develop relationships with field experts (Consuela and team)
- Identify the true costs of a collaborative model with several integrated partnerships
- Create an adequate timeline for development of future proposals requiring multiple contributors
- Research for proposals that match goal criteria

What we will do next:

Tricia and Sandy....Perform literature review

Lila. ...Cancel Board presentation with Deb Bogstad for 10-16-03 Board Meeting

Lila...Inform partners, write letter of regret to all who provided Letters of Support

Tom...Send copy of letters of support to Lila (Bldg 245)

Joice...Complete bio and budget

Lila...Present need for strong Steering Committee involvement to Steering Committee

Lila, Sandy, Tricia, Stephanie, Joice, new partners...Review proposal and identify how to develop inter-related components in a research oriented format with clearly measurable objectives and outcomes.

We appreciate the time and effort that you have each committed to this project. It became clear as the grant took form that we need further development so that we can develop a winning proposal that will be successful in creating positive change. Our sincere thanks for your time and effort and apologies for your

10/14/2003

unrequited efforts.

**Lila Wickham, MS, RN**  
Manager Environmental Health  
727 NE 24th Avenue  
Portland OR 97232  
Phone (503) 988-3400 Fax (503) 988-5844  
[lila.a.wickham@co.multnomah.or.us](mailto:lila.a.wickham@co.multnomah.or.us)

10/14/2003



1. Preliminary General Fund Forecast
2. Library Local Option Levy
3. ITAX Revenue Forecast (ECONW Will Be Available to Discuss Their Assumptions)
4. State Disappropriation Bill and Impacts to the County
5. ITAX Options
  - Commissioner Cruz Proposal on Spending
  - Proportional Reduction Between Schools and County
6. Draft Spending Resolution (Commissioner Naito and Chair Linn Proposal)
7. ITAX Collections and Administration - Three Year Budget

3. Explain the fiscal impact (current year and ongoing). No budgetary action needed

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

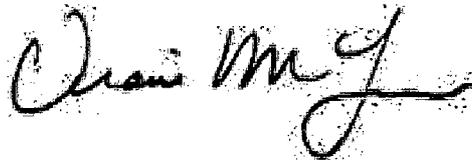
If a budget modification, explain:

- ❖ 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)**

4. Explain any legal and/or policy issues.  
Meets the County's legal requirements and is consistent with County policies
5. Explain any citizen and/or other government participation that has or will take place.  
None.

**Required Signatures:**



Department/Agency Director:

Date: 10/08/03

Budget Analyst

By:

Date:

Dept/Countywide HR

By:

Date:

MULTNOMAH COUNTY, OREGON

SCHEDULE A

ITAX IF STATE SURTAX IS REPEALED and STATE FUNDS SCHOOLS AT \$5.2 Billion in FY 2004  
STATE FUNDS SCHOOLS AT \$4.8 Billion in FY 2005 AND 2006

Commissioner Cruz's Proposal

	Allocation %	FY 2004			FY 2004		
		Adopted	FY 2004 Revised**	Difference	Admin Allocation	Revised Spread	Commissioner Cruz
Schools*	70.5%	93,000,000	79,895,455	(13,104,545)	(720,045)	(13,824,591)	(13,800,000)
County	24.2%	32,000,000	27,490,909	(4,509,091)	(266,318)	(4,775,409)	(3,800,000)
Collections	5.3%	7,000,000	6,013,636	(986,364)	-	-	(1,000,000)
<b>Total</b>	<b>100.0%</b>	<b>132,000,000</b>	<b>113,400,000</b>	<b>(18,600,000)</b>		<b>(18,600,000)</b>	<b>(18,600,000)</b>

\*FY 2004 adopted budget includes \$89M for schools; a supplemental budget is scheduled to bring budget in alignment with IGA @ \$93 m

\*\*Assumes revenue collection @ \$126,000,000 with 10% slippage factor

ECONorthwest Estimates	Schools		County		Total	
	Taxes Owed	Uncollected Taxes	Taxes Owed	Uncollected Taxes	Taxes Owed	Uncollected Taxes
Total Tax Collected 2004	\$ 89,065,000	\$ 12,600,000	\$ 36,935,000	\$ 12,600,000	\$ 126,000,000	\$ 12,600,000
Total Tax Collected 2005	\$ 92,627,600	\$ 6,552,000	\$ 38,412,400	\$ 6,552,000	\$ 131,040,000	\$ 6,552,000
Total Tax Collected 2006	\$ 96,332,704	\$ 6,814,080	\$ 39,948,896	\$ 6,814,080	\$ 136,281,600	\$ 6,814,080

Future Impact:	Schools		County		Total		Percent of Tax Reduction Per Year
State Fund increased from \$4.8 to \$5.2 @ \$245/ADMw (savings)	26,515,304	-	-	-	26,515,304	-	
Less Projected ITAX revenue collection shortfall	(13,800,000)	(4,800,000)	(18,600,000)				
<b>Potential Tax Reduction</b>	<b>(7,915,304)</b>	<b>(4,800,000)</b>	<b>(7,915,304)</b>				<b>6%</b>
<b>Amount Carryover For FY 2005</b>	<b>4,800,000</b>	<b>(4,800,000)</b>	<b>-</b>				
Delinquent Collection @45% on \$12.6 million	3,997,350	1,672,650	5,670,000				
Tax Collection in FY 2005 @ 95%	87,996,220	36,491,780	124,488,000				
Less FY 2005 Estimated Commitment	(94,000,000)	(36,000,000)	(130,000,000)				
<b>Potential Tax Reduction</b>	<b>-</b>	<b>-</b>	<b>-</b>				<b>0%</b>
<b>Amount Carryover For FY 2006</b>	<b>2,793,570</b>	<b>(2,635,570)</b>	<b>158,000</b>				
Delinquent Collection @45% on \$12.6 million	3,997,350	1,672,650	5,670,000				
Delinquent Collection @45% on \$6.5 million	2,078,622	869,778	2,948,400				
Tax Collection in FY 2005 @ 95%	91,516,069	37,951,451	129,467,520				
Less FY 2006 Estimated Commitment	(95,000,000)	(36,500,000)	(131,500,000)				
<b>Potential Tax Reduction</b>	<b>(5,385,611)</b>	<b>(1,358,309)</b>	<b>(6,743,920)</b>				<b>5%</b>
<b>Amount Carryover For FY 2007</b>	<b>(0)</b>	<b>0</b>	<b>-</b>				
Final Delinquent Collection on \$6.5 million	3,108,622	869,778	3,978,400				
Final Delinquent Collection on \$6.8 million	4,323,534	1,809,138	6,132,672				
<b>Potential Tax Reduction</b>	<b>(7,432,156)</b>	<b>(1,566,916)</b>	<b>(8,999,072)</b>				<b>7%</b>
Admin Close Out Costs		(1,112,000)	(1,112,000)				
<b>Balance To Be Refunded to Taxpayers</b>	<b>(0)</b>	<b>0</b>	<b>-</b>				

(\$xxx,xxx) Represents amount of potential tax reduction  
\$xxx,xxx Represents amount reserved for following year programs

Total Potential Tax Reduction over three years **23,658,296**

**MULTNOMAH COUNTY, OREGON  
SCHEDULE B**

**ITAX IF STATE SURTAX IS AFFIRMED**

**STATE FUNDS SCHOOLS AT \$5.2 Billion in FY 2004, 2005 and 2006 AND FUNDS COUNTY PROGRAMS AT \$4 MILLION**

**Commissioner Cruz's Proposal**

	Allocation %	FY 2004		Difference	Admin Allocation	Revised Spread	FY 2004
		Adopted	FY 2004 Revised**				Commissioner Cruz
<b>Schools*</b>	70.5%	93,000,000	79,895,455	(13,104,545)	(720,045)	(13,824,591)	(13,800,000)
<b>County</b>	24.2%	32,000,000	27,490,909	(4,509,091)	(266,318)	(4,775,409)	(3,800,000)
<b>Collections</b>	5.3%	7,000,000	6,013,636	(986,364)	-	-	(1,000,000)
<b>Total</b>	100.0%	132,000,000	113,400,000	(18,600,000)		(18,600,000)	(18,600,000)

\*FY 2004 adopted budget includes \$89M for schools; a supplemental budget is scheduled to bring budget in alignment with IGA @ \$93 m

\*\*Assumes revenue collection @ \$126,000,000 with 10% slippage factor

ECONorthwest Estimates	Schools		County		Total Taxes Owed	Uncollected Taxes	Percent of Tax Reduction Per Year
Total Tax Collected 2004	\$ 89,065,000	\$ 36,935,000	\$ 126,000,000		12,600,000		
Total Tax Collected 2005	\$ 92,627,600	\$ 38,412,400	\$ 131,040,000		6,552,000		
Total Tax Collected 2006	\$ 96,332,704	\$ 39,948,896	\$ 136,281,600		6,814,080		
<b>Future Impact:</b>		<b>Schools</b>		<b>County</b>		<b>Total</b>	
State Fund increased from \$4.8 to \$5.2 @ \$245/ADMw (savings)		26,515,304		4,000,000		30,515,304	
Less Projected ITAX revenue collection shortfall		(13,800,000)		(4,800,000)		(18,600,000)	
<b>Potential Tax Reduction</b>		<b>(11,915,304)</b>				<b>(11,915,304)</b>	<b>9%</b>
<b>Amount Carryover For FY 2005</b>		<b>800,000</b>		<b>(800,000)</b>		<b>-</b>	
Delinquent Collection @45% on \$12.6 million		3,997,350		1,672,650		5,670,000	
Tax Collection in FY 2005 @ 95%		87,996,220		36,491,780		124,488,000	
Less FY 2005 Estimated Commitment		(68,000,000)		(36,000,000)		(104,000,000)	
<b>Potential Tax Reduction</b>		<b>(24,793,570)</b>		<b>(1,364,430)</b>		<b>(26,158,000)</b>	<b>20%</b>
<b>Amount Carryover For FY 2006</b>		<b>-</b>		<b>-</b>		<b>-</b>	
Delinquent Collection @45% on \$12.6 million		3,997,350		1,672,650		5,670,000	
Delinquent Collection @45% on \$6.5 million		2,078,622		869,778		2,948,400	
Tax Collection in FY 2006 @ 95%		91,516,069		37,951,451		129,467,520	
Less FY 2006 Estimated Commitment		(69,000,000)		(36,500,000)		(105,500,000)	
<b>Potential Tax Reduction</b>		<b>(28,592,041)</b>		<b>(3,993,879)</b>		<b>(32,585,920)</b>	<b>24%</b>
<b>Amount Carryover For FY 2007</b>		<b>(0)</b>		<b>0</b>		<b>-</b>	
Final Delinquent Collection on \$6.5 million		3,108,622		869,778		3,978,400	
Final Delinquent Collection on \$6.8 million		4,323,534		1,809,138		6,132,672	
<b>Potential Tax Reduction</b>		<b>(7,432,156)</b>		<b>(1,566,916)</b>		<b>(8,999,072)</b>	<b>7%</b>
Admin Close Out Costs				(1,112,000)		(1,112,000)	
<b>Balance To Be Refunded to Taxpayers</b>		<b>(0)</b>		<b>0</b>		<b>-</b>	

(\$xxx,xxx) Represents amount of potential tax reduction  
 \$xxx,xxx Represents amount reserved for following year programs

Total Potential Tax Reduction over three years **79,658,296**

## Schedule of Speakers for 10/16 Board Meeting on ITAX items

### **R-3 GF Financial Forecast Update and Briefing RE: MCPIT Implementation**

1. Opening comments - Diane Linn
2. General Fund Forecast - Mark Campbell
  - Relationship between assessment and commercial & residential taxes – Bob Ellis, Kathy Tuneburg
  - Policy on GF Reserves and PERS Reserves - Boyer
3. Library Levy Forecast - Mark Campbell
  - [Impact of Compression on Proposed Branches – Becky Cobb]
4. ITAX Communication Strategy – Bob Gravely
5. 3 Year ITAX Administration Budget - Boyer
6. ITAX Revenue Forecast – Mark Campbell
7. ITAX Revenue Forecast Assumptions - Eco NW *CARL BATTEN*
8. ITAX Expenditure Options – Diane's Introductory comments; Cruz introduction; Overview of 2 handouts - Dave Boyer
9. Commissioner Discussion ITAX Options and Policy Direction
10. Draft Spending Resolution – Linn Introductory Comments; turn over to commissioners; Boyer to provide context walk through resolution
11. State Disappropriation Impact - Matt Nice

### **R-4 First Reading of Proposed Ordinance Amending Ordinance 1012 Imposing a Temporary Income Tax for Public Schools, Public Safety and Human Services to Update and Clarify Definitions – Dave Boyer**

### **R-5 Resolution Adopting Administrative Rules to Implement Personal Income Tax – Dave Boyer**

### **R-6 Discussion of Proposed Intergovernmental Agreements with PPS, etc. – Dave Boyer**



# MULTNOMAH COUNTY OREGON

DEPARTMENT OF BUSINESS  
& COMMUNITY SERVICES  
BUDGET OFFICE

MULTNOMAH BUILDING  
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PO BOX 14700  
PORTLAND OR 97293-0700

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TO: Board of County Commissioners  
Department Directors

FROM: Mark Campbell, Principal Analyst *Mark*

DATE: October 15, 2003

SUBJECT: First Quarter General Fund Forecast  
Preliminary Overview of Five Year General Fund Forecast  
Library Local Option Levy Forecast

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The Budget Office has recently completed an analysis of the General Fund based on unaudited FY 02-03 actuals. That review indicates that the General Fund ended the year with a slightly higher level of reserves than had been anticipated. We have also forecast expenditures and revenues for FY 03-04 based on trends through the first quarter of the year. Finally, we have used this data as the basis for developing a preliminary five year forecast for the General Fund. We believe there are still some uncertainties associated with this forecast and we will revisit some of our key assumptions as new data becomes available.

## FY 02-03 Actuals

In June the Budget Office presented a forecast to the Board that suggested the General Fund would end FY 02-03 with a balance between \$4.4 million and \$6.6 million. The FY 03-04 budget was developed under the assumption that the ending balance would fall roughly at the midpoint of that range. As shown below the actual fund balance is slightly higher than the amount budgeted for the current year:

Total Revenue	\$276,220,180
Department Expenditures	<u>270,431,508</u>
Ending Balance/Reserve	\$ 5,788,672
Budgeted FY 03-04	<u>5,426,718</u>
<b>Additional Balance to Reserve</b>	<b>\$ 361,594</b>

Our review of the actuals suggests that some revenue sources came in higher than forecast, a few notable revenue sources (Interest Earnings and Indirect Costs) came in lower than forecast, and overall department spending came in under forecast.

Attachment "A" compares department spending to the revised (after the mid-year rebalance) budget. Total department spending was approximately 1.4% lower than forecast – you may recall we based the forecast on the assumption there would be no savings – which helped to offset revenue shortfalls.

### FY 03-04 Forecast

As noted above the General Fund balance at year-end is slightly higher than anticipated in the FY 03-04 budget. The additional carryover provides for an increase in the reserve above what we planned for. In addition, because we were able to make sufficient ongoing expenditure reductions and because we used conservative revenue projections in developing the budget we do not believe we will need to engage in a mid-year budget rebalance process.

There are seven revenue sources which make up about 90% of the total General Fund. Attachment "B" lists those sources along with the FY 02-03 actual, FY 03-04 budget, and the first quarter FY 03-04 forecast amounts. Overall, these revenues are expected to grow by about a percent over last year. However, the forecast does indicate a slight shortfall from the amounts assumed in the budget.

**Property Taxes** were based on the assumption that value growth would average about 2.9% throughout the County. The values have been certified and it appears that the actual growth rate was closer to 2.5%. That translates to a projected shortfall of roughly \$1.2 million. It should be noted, though, that Measure 5 compression was lower than forecast and that will mitigate some of the shortfall.

**BIT** receipts exceeded the FY 02-03 forecast by nearly \$1.3 million. The budget for FY 03-04 was developed on the assumption that collections would be flat relative to the forecast amount. Year over year BIT collections suggest that we may finally see some growth after four years of declining revenues.

**Recording Fees** were at an all time high in FY 02-03. They *exceeded \$6.8 million* last year. This primarily reflects the home refinancing "boom" that occurred as a result of historically low interest rates. This forecast assumes that collections return to a more normal level.

Once again we are taking a conservative approach to department spending. At this time we are assuming that departments will spend their full budgeted appropriations. We do believe that we will not spend the entire Contingency – currently at about \$1.5 million – allocated in the General Fund. Therefore, we feel that any revenue shortfalls that may occur can be managed within the existing budget.

### Preliminary 5 Year Forecast

The purpose of this preliminary forecast is to present some of the assumptions we are proceeding under as we begin development of the FY 04-05 budget. It is important to convey that there are a number of economic uncertainties associated with this forecast and we will be refining our estimates as more information/data becomes available. It should also be noted that this forecast does not address the programs funded by the temporary Personal Income Tax.

Overall, we have taken a conservative approach to this forecast. Revenues are expected to grow at roughly the rate of inflation while expenditures reflect normal growth associated with the provision of county services.

The key assumptions we have been working with are shown in Attachment "C". One of the big areas of uncertainty at this time is the fact that most bargaining unit contracts expire at the end of the current year. For purposes of developing this forecast we have assumed that the language in those contracts "rolls over" to the next contract period. For example, most of the contracts have language that sets a floor of 2.5% for cost of living increases. We have assumed that the cost of living increases will follow the change in the CPI. In addition, we believe that medical benefit costs will continue to exceed inflation and we have estimated annual increases in the 10% - 12% range.

This forecast does not include operating costs associated with the Wapato facility which is scheduled to be open later this year. At this time there have been no costs developed for this jail facility. The Sheriff's Office will be preparing cost estimates and funding alternatives and we will factor those into the forecast when they are available.

"Fixed Costs" account for **approximately 20%** of the General Fund. These costs are defined as ones which are required to meet established Board policy, set by intergovernmental agreement, or are required by state mandate. Those costs, along with the amounts estimated for FY 04-05, are listed in Attachment "D". This is an important point to note because when budget reductions are required they must come from the 80% of the General Fund that is discretionary.

As noted above revenues are forecast to grow at a moderate rate. Overall revenue growth is forecast to range from 3.25% to 4% over the five year period. Property Tax is the single largest source of revenue in the General Fund and it accounts for more than 68% of total revenues. General Fund revenue growth, therefore, is particularly sensitive to changes in property valuation.

When the forecast growth in costs is overlaid on estimated revenue it becomes apparent that the General Fund has a structural deficit that will be difficult to overcome. Why is this true? We believe it is an inherent feature of the property tax limitations passed by the Oregon electorate. More precisely, it appears to be a feature of Measure 47/50 which, as you will recall, limited growth in existing property values to 3% annually.

Attachment "E" highlights the gap that exists between ongoing costs and revenues. Expenditures are forecast to grow between 4.5% to 5.25% annually – a rate that is not above normal expectations. Assuming those estimates are accurate this forecast indicates an annual shortfall that is approximately one percent of current costs. In FY 04-05 we are **projecting a shortfall of roughly \$5.5 - \$6 million**, excluding any operating costs associated with the Wapato facility. That shortfall amount grows by about \$2.5 million each year if no corrective action is taken.

It should be pointed out, however, that were it not for the (as yet unknown) cost of operating the Wapato facility we believe we could manage the shortfall in FY 04-05 without making significant reductions to programs.

### Library Local Option Forecast

The Library is funded primarily from two sources – a local option levy passed by Multnomah County voters in November, 2002 and a transfer from the General Fund. The transfer from the General Fund approximates the share of the County's permanent rate levy that is attributable to the former Library levy.

Because it receives a majority of its funding from Property Tax revenue the Library is subject to the limitations outlined in Measure 47/50. And, because it is funded by a local option levy it is subject to compression to a much higher degree than the County's permanent rate. Compression, as you know, is the concept that taxes on any property cannot exceed the constitutional limit established by Measure 5. Under the Measure 50 rules there is a hierarchy of levies and local options are the first ones to be reduced when the taxes on any given property exceed the Measure 5 limit.

Last year there were no other competing local option levies in place within Multnomah County. In the November election voters in the City of Portland approved two local option levies that added approximately \$.80/\$1,000 to the limited tax rate. The former local option levy experienced compression – in FY 02-03 it lost approximately 20% of its value.

The addition of the two new levies, coupled with a 20% increase in Portland's FPD&R levy, increased compression on the Library local option levy to approximately 27% in FY 03-04. This translates to a shortfall that is **estimated at \$1.7 million** in FY 04-05. And, because expenditures are forecast to grow faster than revenues the shortfall grows to more than \$5 million when the levy is scheduled for renewal.

It should be noted that this phenomenon is not unexpected. Compression was originally forecast to cost the local option levy about 23% - 24% per year. The original spending plan outlined by the Library was modified to accommodate that level of compression. The current forecast is attached and it suggests that further spending adjustments may be necessary unless value growth exceeds projections.

cc: Board Staff  
Administrative Services Managers

**ATTACHMENT "A"**

GF Actual v. Budget by Department

Department	Actual	Budget	Difference	% Savings
NonDepartmental	\$ 12,024,732	\$ 12,496,246	\$ 471,514	
District Attorney	13,819,130	14,172,160	353,030	
OSCP	13,756,162	14,129,215	373,053	
County Human Services	17,284,506	17,084,391	(200,115)	
Health	37,902,507	37,721,476	(181,031)	
Community Justice	38,725,585	39,262,473	536,888	
Sheriff	84,336,033	86,364,613	2,028,580	
Business & Community	35,349,197	35,737,990	388,793	
Library	17,233,656	17,233,656	0	
<b>Totals</b>	<b>\$ 270,431,508</b>	<b>\$ 274,202,220</b>	<b>\$ 3,770,712</b>	<b>1.38%</b>

**ATTACHMENT "B"**

Comparison of Major General Fund Revenue Sources

	Actual	Budget	Forecast	% Change	
	FY 02-03	FY 03-04	FY 03-04	Actual/Forecast	Budget/Forecast
Property Taxes	\$ 174,984,875	\$ 180,525,308	\$ 179,243,629	2.43%	-0.71%
Business Income Tax	26,491,000	25,075,000	25,075,000	-5.35%	N/C
Motor Vehicle Rental	10,743,613	12,214,041	11,549,384	7.50%	-5.44%
A&T - Grant/Recording Fees	11,043,021	8,773,898	8,773,898	-20.55%	N/C
State Shared	6,530,670	7,212,738	7,212,738	10.44%	N/C
US Marshal Per Diem	5,161,027	5,287,937	5,287,937	2.46%	N/C
Central Indirect Costs	4,950,214	5,442,965	5,166,665	4.37%	-5.08%
	<b>\$ 239,904,420</b>	<b>\$ 244,531,887</b>	<b>\$ 242,309,251</b>	<b>1.00%</b>	<b>-0.91%</b>
% of General Fund (Exclusive of ITAX Revenue)	89.76%	91.04%	90.97%		

Notes:

- No Assumed Change to Structure of Business Income Tax
- State Shared Revenues = Video Lottery, Cigarette Tax, Liquor Tax, and Amusement Device Tax
- US Marshal Reimbursement Assumed @ 125 Beds per Day

**ATTACHMENT "C"**

Summary of Forecast Assumptions  
 Preliminary Forecast Developed 10/1/03

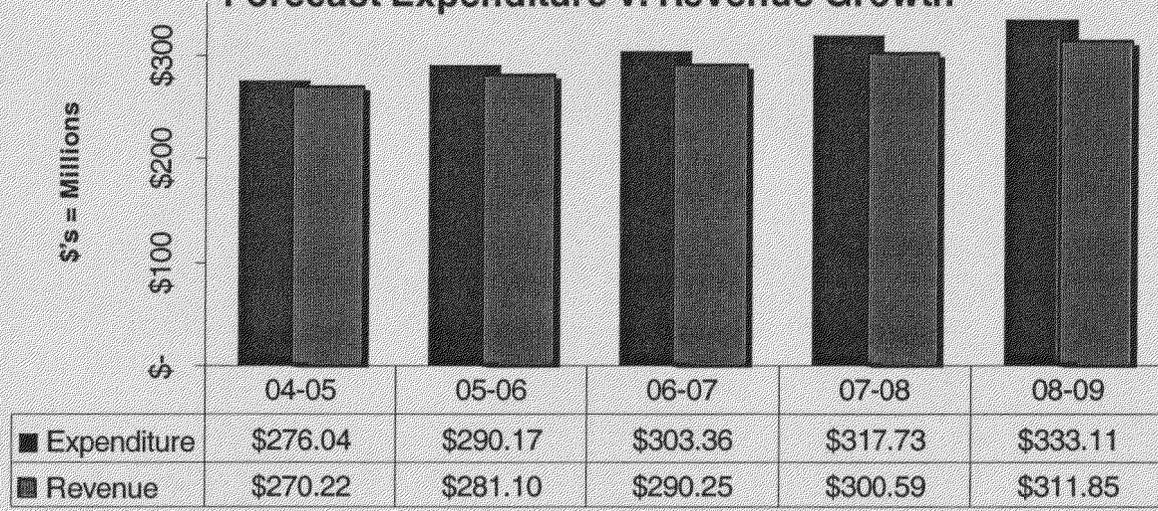
<u>Expenditures</u>	<u>Assumptions</u>	<u>Notes</u>
Change in CPI	2.50% to 3.50%	
Overall Change in Labor Costs	5.50% to 6.00%	
Increase Reserve to 5%	\$ 1,500,000	Annual Contribution Necessary for 3 Years
Operating Costs @ Wapato	\$ -	Unknown at Current Time, MCSO Developing Estimates
ITAX Programs	\$ 35,000,000	Estimated Cost of Continuing Programs After Tax Expires These Programs are <b>Not Included</b> in GF Expenditure Forecast
General Fund "Fixed Costs"	20%	Established by Policy and/or Contractual Obligation
<u>Revenue</u>	<u>Assumptions</u>	<u>Notes</u>
Property Tax	3.00% to 4.25%	Moderate Growth, Reflects Continued Sluggishness of Regional Economy
Business Income Tax	1.50% to 3.50%	Believe Collections Have Troughed, Slow to Moderate Growth <b>Assumes Current BIT/BLF Structure Remains in Place Through Forecast Period</b>
Motor Vehicle Rental Tax	3.50% to 5.00%	Return to Historical Growth as Travel/Toursim Returns to Pre - 9/11/01 Levels
State Shared Revenue	2.50% to 3.00%	Forecast to Grow at Approximately the Same Rate as CPI
US Marshal	No Change	Estimate Revenue From 125 Beds @ \$115.90 Per Day
Indirect Costs	2.00% to 3.00%	Administrative Costs Associated w/ Fed and State Revenue Conservative Estimate Subject to Change Dependent on State Budget Deliberations
Assessment & Taxation	2.00% to 3.00%	Increases Driven by Low Interest Rates, Expect Return to "Normal" Growth

**ATTACHMENT "D"**

<u>Description</u>	<u>Total Amount</u>	<u>Reason</u>
Tax Supervising	\$ 280,000	Legal Mandate
Citizen Involvement Committee	132,089	Charter Requirement
A&T/SB 2338 Grant	11,758,179	State Mandate - Tied to A&T Grant Revenue
BIT to East County Cities	2,632,875	Revenue Sharing IGA
Capital Lease Payments	1,599,536	Non-Facility Related COP Payments
Transfer to Library Levy	18,331,760	Portion of Property Tax per Financial Policy
Facilities Debt	5,419,846	Included w/in Facilities Charges
Central DP Costs	8,725,425	Assumed DP Fixed Costs
Mainframe Migration	1,170,000	Repayment of Inter-Fund Loan
PC Replacement/Flat Fee	1,425,840	Assumed DP Fixed Costs
State Mandated Expenses	3,323,723	Court Space
Bybee-Howell House IGA	10,300	IGA w/ METRO
Hooper Detox Facilities Charges	151,743	Payment of Facility Charges per Contract
TAN Interest	1,200,000	Interest on Short Term Borrowing
Contingency	1,250,000	"Normal" Contingency Amount
<b>Total (FY 04-05)</b>	<b>\$ 57,411,315</b>	

**ATTACHMENT "E"**

**General Fund  
 Forecast Expenditure v. Revenue Growth**



# Library Levy Fund Forecast

## Local Option @ \$.7550 per \$1,000 Expires in FY 07-08

	FY 03-04 Adopted	FY 03-04 CYE	FY 04-05 Forecast	FY 05-06 Forecast	FY 06-07 Forecast	FY 07-08 Forecast
<b><u>BEGINNING WORKING CAPITAL</u></b>	<b>1,000,000</b>	<b>2,592,156</b>	<b>796,984</b>	<b>(914,040)</b>	<b>(4,006,356)</b>	<b>(8,480,565)</b>
Reappropriated Carryover	0	0	0	0	0	0
Uncommitted Carryover	1,000,000	2,592,156	796,984	(914,040)	(4,006,356)	(8,480,565)
<b><u>Library Levy Fund Sources</u></b>						
<b>TAXES</b>	<b>24,140,847</b>	<b>23,345,675</b>	<b>24,171,772</b>	<b>25,059,839</b>	<b>26,020,039</b>	<b>27,069,247</b>
<b>Property Taxes</b>						
Current Year	23,427,964	22,632,792	23,367,243	24,183,895	25,089,505	26,091,713
Prior Years	539,751	539,751	617,616	675,282	718,727	755,628
Other (Penalty/Interest)	173,132	173,132	186,913	200,662	211,807	221,906
<b>Total Property Taxes</b>	<b>24,140,847</b>	<b>23,345,675</b>	<b>24,171,772</b>	<b>25,059,839</b>	<b>26,020,039</b>	<b>27,069,247</b>
<b>INTERGOVERNMENTAL</b>	<b>903,032</b>	<b>903,032</b>	<b>823,089</b>	<b>846,135</b>	<b>868,981</b>	<b>893,436</b>
Reciprocal Borrowing	305,000	305,000	313,540	322,319	331,022	340,952
LSTA Grants	495,670	495,670	509,549	523,816	537,959	552,484
Per Capita Grant	90,862	90,862	0	0	0	0
Other Intergovernmental	11,500	11,500	0	0	0	0
<b>FEES &amp; CHARGES</b>	<b>1,643,000</b>	<b>1,643,000</b>	<b>1,689,004</b>	<b>1,661,803</b>	<b>1,706,172</b>	<b>1,751,739</b>
Book Fines	1,200,000	1,200,000	1,233,600	1,268,141	1,302,381	1,337,545
Used Book Sales	200,000	200,000	205,600	211,357	217,063	222,924
Lost Book Charges	95,000	95,000	97,660	100,394	103,105	105,889
Other Fees & Charges	148,000	148,000	152,144	81,911	83,623	85,381
<b>INTEREST</b>	<b>100,000</b>	<b>100,000</b>	<b>102,800</b>	<b>105,678</b>	<b>108,532</b>	<b>111,462</b>
<b>FOUNDATION GRANTS/DONATIONS</b>	<b>868,200</b>	<b>868,200</b>	<b>892,510</b>	<b>917,500</b>	<b>942,272</b>	<b>967,714</b>
Oregon Community Foundation	690,000	690,000	709,320	729,181	748,869	769,088
Library Foundation	178,200	178,200	183,190	188,319	193,404	198,625
Other Donations	0	0	0	0	0	0
<b>CASH TRANSFERS</b>	<b>16,841,893</b>	<b>16,841,893</b>	<b>18,331,760</b>	<b>18,985,002</b>	<b>19,699,980</b>	<b>20,485,569</b>
General Fund	16,841,893	16,841,893	18,331,760	18,985,002	19,699,980	20,485,569
<b>MISCELLANEOUS REVENUE</b>	<b>139,500</b>	<b>139,500</b>	<b>133,640</b>	<b>137,382</b>	<b>141,091</b>	<b>144,901</b>
<b>Total Library Levy Fund Sources</b>	<b>44,636,472</b>	<b>43,841,300</b>	<b>46,144,574</b>	<b>47,713,339</b>	<b>49,487,068</b>	<b>51,424,068</b>

# Library Levy Fund Forecast

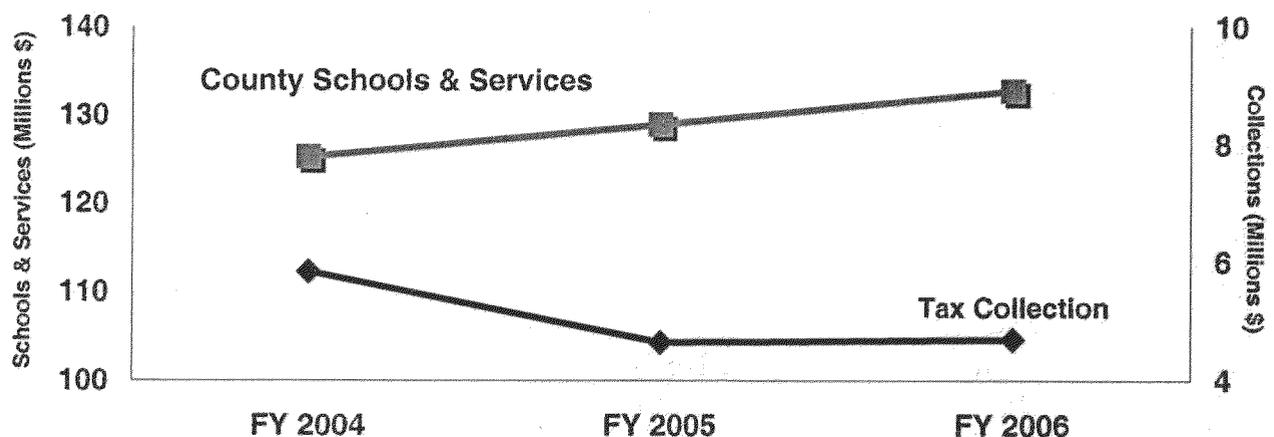
## Local Option @ \$.7550 per \$1,000 Expires in FY 07-08

	FY 03-04 Adopted	FY 03-04 CYE	FY 04-05 Forecast	FY 05-06 Forecast	FY 06-07 Forecast	FY 07-08 Forecast
<b><u>Library Levy Fund Uses</u></b>						
<b>LIBRARY</b>	<b>45,528,952</b>	<b>45,528,952</b>	<b>47,855,598</b>	<b>50,805,656</b>	<b>53,961,276</b>	<b>56,559,085</b>
Current Service Level	45,528,952	45,528,952	47,855,598	50,116,595	52,541,812	55,097,037
Ongoing Commitments	0	0	0	689,060	1,419,464	1,462,048
<b>Total Library Levy Fund Uses</b>	<b>45,528,952</b>	<b>45,528,952</b>	<b>47,855,598</b>	<b>50,805,656</b>	<b>53,961,276</b>	<b>56,559,085</b>
<b>Available Contingency Account</b>	<b>107,520</b>	<b>107,520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess/(Deficit)</b>						
<b>Sources Over Uses</b>	<b>(1,000,000)</b>	<b>(1,795,172)</b>	<b>(1,711,024)</b>	<b>(3,092,316)</b>	<b>(4,474,208)</b>	<b>(5,135,017)</b>
<b>Ending Working Capital</b>	<b>0</b>	<b>796,984</b>	<b>(914,040)</b>	<b>(4,006,356)</b>	<b>(8,480,565)</b>	<b>(13,615,582)</b>
Uncommitted Carryover	0	796,984	(914,040)	(4,006,356)	(8,480,565)	(13,615,582)
Reserve	0	0	0	0	0	0
<b>Total Requirements</b>	<b>45,636,472</b>	<b>46,433,456</b>	<b>46,941,558</b>	<b>46,799,299</b>	<b>45,480,711</b>	<b>42,943,504</b>
% Forecast Revenue Growth		6.99%	5.25%	3.40%	3.72%	3.91%
% Forecast Expenditure Growth		12.01%	5.11%	6.16%	6.21%	4.81%

## MULTNOMAH COUNTY, OREGON ITAX Administration Estimate

		FY 2004	FY 2005	FY 2006	FY 2007
Tax Consulting		270,000	175,000	180,250	
SEAC Contract		50,000	51,500	53,045	
Other professional services		25,000	25,750	26,523	
City of Portland Contract(operations)		3,500,000	3,500,000	3,500,000	1,000,000
City of Portland Contract one-time-only		1,100,000			
<b>Total Contractual Services</b>		<b>4,945,000</b>	<b>3,752,250</b>	<b>3,759,818</b>	<b>1,000,000</b>
	<b>FTE</b>				
Administrator	0.50	49,692	52,718	55,929	
Assistant Administrator	0.70	45,900	58,435	61,993	65,769
Information Director	1.00	40,146	49,862	52,899	
Auditor's Office Staff	2.00	87,000	92,298	97,919	
Business Information Technician	1.00	35,875	44,558	47,271	
Salary Related Costs		74,144	85,400	90,601	18,856
Insurance (Med increase 15% FY05, then 10%)		53,709	61,791	67,347	10,988
<b>Total Personal Services</b>	<b>5.20</b>	<b>386,467</b>	<b>445,062</b>	<b>473,959</b>	<b>95,612</b>
Elections Cost*		100,000			
Auditor's Office		6,625	6,824	7,028	
Taxpayer mailings		255,000	272,950	281,139	
Business mailings		90,000	92,700	95,481	
Other communications/public information		40,000	61,800	63,654	
Office setup and supplies for Information staff		15,000	15,450	15,914	16,391
<b>Total M&amp;S</b>		<b>506,625</b>	<b>449,724</b>	<b>463,215</b>	<b>16,391</b>
<b>Total Estimated Cost</b>		<b>5,838,092</b>	<b>4,647,036</b>	<b>4,696,992</b>	<b>1,112,003</b>

### Annual Expected ITAX Expenditures Over Life of Tax



**Personal Income Tax Team  
Public Education Activities/Schedule  
Prepared 10/16/03**

August 29

**Presentation to Oregon Association of Minority Entrepreneurs**

**Press release issued on County beginning payroll withholding**

Sept. 10

**Represented county's position on KATU-TV taping of town hall meeting on state revenue plan. Show ran on Sept. 14**

Sept. 15

**September mailing sent to initial 40,000 addresses. More than 300,000 mailed over next two weeks.**

**Press release issued to preview mailing**

**FOX News story on 10pm news on mailing**

**Presentation to Oregon Tax Consultants/Clackamas Chapter**

Sept. 16

**KATU-TV story on mailing/implementation of tax**

**KEX radio story on mailing/implementation of tax**

Sept. 17

**Presentation to the Portland Metro Payroll Association**

Sept. 18

**Presentation to Society of Engineering Administrators**

Sept. 19

**Presentation to meeting of school administrators about ITAX**

**Press release issued on County updating schools on ITAX implementation**

Sept. 22

**OPB story about mailing/implementation of tax**

**Press release issued on employer outreach efforts (brief ran in Oregonian Metro section on Sept. 24**

Sept. 23

**Presentation to Social Security Administration event at Portland Community College**

**KXL radio story about status of tax collections**

Sept. 24

**KOIN-TV story about early payment options**

Sept. 25

**Updated ITAX portion of County website goes live  
KEX radio story on early payment options**

Sept. 29

**KGW-TV story on mailing, tax implementation and public reaction**

Oct. 6

**Presentation to Caleroga Terrace assisted living facility**

Oct. 14

**Presentation to Portland Chapter of Oregon Tax Consultants**

Oct. 15

**Appearance on 30-minute public affairs show on ITAX on KNMT – TV24**

**Upcoming Scheduled Events (Others pending. This is what's firm)**

Oct. 16

**Withholding information visit to Wacker Siltronic**

Oct. 17

**Withholding conference call with Kaiser Permanente**

Oct. 21

**Briefing to Gresham City Council on ITAX**

Oct. 23

**Presentation to East County 4 Cities Forum**

Week of Oct. 27

**Mailing of employer withholding quick reference guide to between 35,000 and 40,000 employers**

**Planned announcement of membership for the School Efficiency and Quality Advisory Council**

Week of Nov. 3

**Last week of Outdoor School – earned media opportunity to highlight use of money**

Week of Nov. 17

**Planned run of public service advertisements on preparation for ITAX**

Nov. 19

**Presentation to Gresham Rotary Club**

# Multnomah County's Personal Income Tax: *Forecast of Liabilities: Tax Years 2003-2005*

*ECONorthwest • Portland, Oregon*  
*<www.econw.com>*

October 3, 2003

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## Introduction

The Multnomah County Personal Income Tax (PIT) is a three-year tax on the incomes of Multnomah County residents. The PIT is 1.25 percent of state taxable income after an additional county exemption. The county exemption is \$5,000 for joint returns, and \$2,500 for other returns.

The purpose of this memorandum is to report the results of a model-based forecast of the PIT taxpayer liabilities and County revenues. The model forecasts the tax liabilities of subject taxpayers and estimates the portion of those tax liabilities that will actually be accrued as revenue to the County.

In addition to significant evasion, we expect that an additional, significant proportion of first-year liabilities will be paid late due to ignorance and confusion about the new tax. We also expect significant avoidance behavior. We do not attempt to estimate the pattern of cash flows of late payments. Hence, County revenue accrual estimates in any given period include payments that may be made in a later period.

## Estimating 2001 PIT Liabilities and Revenues

The forecasting process begins with an estimate of what 2001 PIT liabilities would have been had the PIT been in place. The steps in this process are as follows:

1. The relevant tax rate and exemption rules of the PIT were examined. We determined that it is not appropriate to assume that the exempted amount is the exemption amount times the number of returns because filers with state taxable income less than the exemption amount will not use up their full exemption. To accommodate this with data that were available, we treated each category of Adjusted Gross Income (AGI) separately. The Oregon Department of Revenue (ODOR) uses 19 categories of AGI.
2. From ODOR, we obtained the number of returns and state taxable income, statewide and for Multnomah County alone, for each AGI category. We also obtained the number of joint and other returns for each AGI category statewide. These latter data were not separately available for Multnomah County.
3. We assumed that, for each AGI category, the proportion of returns that were joint returns was the same in Multnomah County as Statewide. Using that assumption we estimated the numbers of joint and other returns for each AGI category in Multnomah County in 2001. Table 1, below, shows the data obtained from ODOR and our estimates of the number of joint and other returns from Multnomah County.

Table 1: Numbers of 2001 Oregon Personal Income Tax Returns

AGI	Multnomah Returns	State Returns	State Joint	State Single	Estimated Multnomah Joint	Estimated Multnomah Single
< 0	2,945	22,034	10,263	11,771	1,372	1,573
0-5	27,261	178,849	25,722	153,127	3,921	23,340
5-10	27,666	159,213	24,449	134,764	4,248	23,418
10-15	27,116	146,783	33,580	113,203	6,203	20,913
15-20	27,365	138,202	38,562	99,640	7,636	19,729
20-25	24,883	120,865	38,166	82,699	7,857	17,026
25-30	22,627	104,653	36,778	67,875	7,952	14,675
30-35	20,237	92,981	37,759	55,222	8,218	12,019
35-40	17,214	81,452	39,347	42,105	8,316	8,898
40-45	15,028	72,249	39,636	32,613	8,244	6,784
45-50	12,910	63,881	38,770	25,111	7,835	5,075
50-60	21,043	107,038	74,297	32,741	14,606	6,437
60-70	16,273	83,713	66,199	17,514	12,868	3,405
70-80	12,502	62,946	52,630	10,316	10,453	2,049
80-90	9,383	45,551	39,274	6,277	8,090	1,293
90-100	6,630	32,045	28,080	3,965	5,810	820
100-250	20,996	95,656	84,705	10,951	18,592	2,404
250-500	2,664	11,329	9,956	1,373	2,341	323
500 +	1,057	4,373	3,725	648	900	157
All	315,800	1,623,813	721,898	901,915	145,462	170,338

Source: Oregon Department of Revenue website. Columns labeled "Estimated" were estimated by ECONorthwest.

4. The average taxable income for Multnomah County was calculated for each AGI category by dividing the Multnomah County taxable income by the number of returns from Multnomah County. We assumed that within any AGI category, the average taxable income for joint returns for that AGI category is the same as the average taxable income for other returns in the same AGI category. This assumption could be improved upon with additional data. It is likely that for many AGI categories, deductions will be higher for joint returns (joint filers are more likely have mortgage interest and property tax deductions) and it is also likely that the distributions of incomes within any category will be different, with joint returns having higher average AGI within the same AGI category. These two differences will at least partially cancel each other out, so our assumption of equal taxable income is unlikely to introduce significant forecast error.
5. For joint returns in each AGI category, PIT liability from joint returns was estimated as the average state taxable income for Multnomah County minus \$5,000<sup>1</sup>, times 1.25 percent. The same procedure was applied to other returns using an exemption amount of \$2,500. Table 2, below, shows the results of these calculations.

<sup>1</sup> This calculation is not allowed to be less than zero.

Table 2: Estimated Multnomah County PIT Liability for 2001

AGI	Multnomah Taxable (000)	Estimated Multnomah Joint	Estimated Multnomah Single	Average Multnomah Taxable	Multnomah Liability Joint	Multnomah Liability Single	Multnomah Liability
< 0	16	1,372	1,573	5	0	0	0
0-5	28,788	3,921	23,340	1,056	0	0	0
5-10	131,002	4,248	23,418	4,735	0	654,277	654,277
10-15	230,165	6,203	20,913	8,488	270,463	1,565,380	1,835,844
15-20	340,114	7,636	19,729	12,429	709,079	2,448,565	3,157,644
20-25	406,508	7,857	17,026	16,337	1,113,413	2,944,812	4,058,225
25-30	451,653	7,952	14,675	19,961	1,487,103	3,202,965	4,690,069
30-35	476,859	8,218	12,019	23,564	1,906,958	3,164,561	5,071,519
35-40	465,151	8,316	8,898	27,022	2,289,152	2,727,423	5,016,575
40-45	457,901	8,244	6,784	30,470	2,624,669	2,371,844	4,996,513
45-50	441,452	7,835	5,075	34,195	2,859,244	2,010,625	4,869,869
50-60	828,143	14,606	6,437	39,355	6,272,327	2,965,429	9,237,756
60-70	766,232	12,868	3,405	47,086	6,769,548	1,897,696	8,667,244
70-80	694,573	10,453	2,049	55,557	6,605,898	1,358,921	7,964,819
80-90	599,578	8,090	1,293	63,900	5,956,309	992,385	6,948,694
90-100	481,211	5,810	820	72,581	4,908,059	718,329	5,626,388
100-250	2,346,717	18,592	2,404	111,770	24,813,282	3,283,555	28,096,838
250-500	762,439	2,341	323	286,201	8,228,639	1,145,442	9,374,081
500 +	1,221,895	900	157	1,156,003	12,948,782	2,263,749	15,212,531
All	11,130,397	145,462	170,338	35,245	89,762,926	35,715,958	125,478,884

Source: Multnomah Taxable from Oregon Department of Revenue website, calculations by ECONorthwest.

As **Error! Reference source not found.** indicates, the estimation procedure yields the result that the Multnomah County PIT liability would have been about \$125.5 million for 2001, had the tax been in effect that year.

### Forecasting Liabilities and Revenues in Future Years

Using the simulation of the PIT for the tax year 2001, we established mechanisms for linking the PIT liabilities to the State's forecast of future state liabilities. That procedure involved the following assumptions:

1. In 2001, Multnomah County residents had a State Personal Income Tax liability of \$842.9 million. For Multnomah County residents, the ratio of County PIT liability to State PIT liability is 0.1489. We assumed that that ratio will remain constant into the future.
2. The ratio of State PIT liability by Multnomah County residents to total State PIT liability was examined for the years 1997 through 2001. (See Table 3.) Over that time period, the average ratio was 0.2210, with no consistent trend. We assumed that the ratio in future years will be the same as the average ratio over the last five years.

3. A forecast of total State PIT liability was obtained from the Oregon Department of Administrative Services, Office of Economic Analysis. This is the forecast used to project State revenues.
4. The forecast of statewide State PIT liability for each year is multiplied by 0.2210. This yields an estimate of the State PIT liability of Multnomah County residents. The estimated State PIT liability by Multnomah County residents for each year is then multiplied by 0.1489 to estimate Multnomah County PIT liability. Table 4 shows the State forecast and the results of those calculations for the Multnomah PIT liability.

**Table 3: Ratio of State PIT Liability by Multnomah County Residents to Total State PIT Liability**

Year	Multnomah SPIT Liability	State SPIT Liability	Ratio of Multnomah to State
1997	766,497	3,436,272	0.2231
1998	789,962	3,592,381	0.2199
1999	854,550	3,871,776	0.2207
2000	928,991	4,196,248	0.2214
2001	842,905	3,835,670	0.2198
<b>Average</b>			<b>0.2210</b>

Source: Oregon Department of Revenue website, calculations by ECONorthwest.

**Table 4: State forecast of State PIT Liabilities and Our Forecast of Multnomah County PIT Liability**

Year	State SPIT Liability	Multnomah SPIT Liability	Multnomah CPIT Liability
2003	3,853,439,000	851,465,892	126,753,299
2004	4,141,590,000	915,136,485	136,231,609
2005	4,544,579,000	1,004,181,981	149,487,349
2006	4,853,462,000	1,072,433,571	0
2007	5,177,827,000	1,144,106,104	0

Source: Oregon Department of Administrative Services, Office of Economic Analysis, calculations by ECONorthwest.

## Adjustments for Evasion and Avoidance

The Multnomah PIT incorporates few protections against evasion, and provides incentives for avoidance.<sup>2</sup> In addition, it is a new tax, and many taxpayers may fail to pay the tax out of simple confusion or frustration with compliance procedures. The weaknesses of the Multnomah PIT regarding evasion include the following:

1. There is no requirement that employers withhold estimated tax liability.
2. There is no procedure by which the State or Federal tax authorities can provide Multnomah County with information on State or Federal return data. Senate Bill 228, proposed in the 2003 legislature, may provide some assistance in this regard<sup>3</sup> although State tax information does not provide a perfect indicator of liability for the Multnomah PIT because of exemption features of the PIT.
3. For many filers, the size of the tax liability is small relative to the cost of compliance, causing some taxpayers to neglect to file out of frustration with the compliance burden of an additional return.
4. There is no history of filing compliance on which to base a cost-effective compliance audit process, even if SB228 or other measures become available.
5. The income and occupational characteristics of Oregon and Multnomah County filers suggests that there may be a high rate of non-compliance. IRS studies have determined that tax compliance is particularly poor among low income, blue collar, and self-employed filers. Filers who earn income as cash-transaction service providers are also low-compliance taxpayers. Compliance is greatest among high-income, professional wage earners. The range of compliance estimated by a recent IRS study was as low as 11 percent among cash-transaction service providers to 97 percent for high-income professionals.<sup>4</sup> Against this background, it is relevant to note that over sixty-two percent of Multnomah County returns in 2001 reported Adjusted Gross Incomes of \$40,000 or less, representing 23 percent of taxable income.

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<sup>2</sup> Evasion is unlawful failure to pay a tax liability owed. Avoidance is legal behavior that has the effect of reducing the taxpayer's exposure to the tax liability.

<sup>3</sup> Section 5 (2)s of SB228 states that tax return information may be shared by the state with ... "A municipal corporation of this state for purposes of assisting the municipal corporation in the administration of a tax of the municipal corporation that is imposed on or measured by income, wages or net earnings from self-employment. Any disclosure under this paragraph may be made only pursuant to a written agreement between the Department of Revenue and the municipal corporation that ensures the confidentiality of the information disclosed."

<sup>4</sup> See, for example: Adam Forest, *Occupation, Reputation, and Tax Compliance*, June 2002 (Pacific Lutheran University Working Paper); U.S. General Accounting Office. *Who's Not Filing Income Tax Returns? IRS Needs Better Ways to Find Them and Collect Their Taxes*. Washington: U.S. General Accounting Office, Doc. No. GGD-79-69, July 11, 1979; U.S. General Accounting Office. *Taxpayer Compliance: Reducing the Income Tax Gap*. Washington: U.S. General Accounting Office, Doc. No. GGD-95-176, 1995.

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In addition to intentional or accidental evasion, the Multnomah PIT provides an incentive for avoidance, i.e., changes in behavior to avoid or reduce obligations:

1. Households with multiple residences may change the locus of their residence for tax purposes.
2. Because the PIT is temporary, taxpayers have an incentive to delay realization of income until the PIT is removed.
3. New migrants to the region will have an incentive to avoid or delay locating in Multnomah County, and some existing residents planning to change residences, may seek to reside outside the county. Since approximately one-in-twelve households change location each year, significant avoidance behavior can occur without great cost to the taxpayer. The high proportion of retired individuals living in Clark County, rather than Oregon, is also testimony to the tax-rate sensitivity of certain populations.
4. Households renting their homes are highly mobile. The Portland region has a relatively high proportion of renter households, likely as a result of relatively high home prices and developer responses to minimum density requirements. Although the Multnomah PIT will not be the major element of renter location decisions, it is likely to be influential on some margin.

For all of these reasons, it is likely that the tax liability projections presented in Table 4 are optimistic. Unfortunately, there is no good information on the compliance with new, local income tax increments. All one can do is make some guesses based on the income distribution of Multnomah County filers and the fact that the PIT has little in the way of cost-effective compliance enforcement opportunities. After a review of the literature regarding tax amnesty and tax compliance statistics, assumptions about evasion rates were made by AGI stratum and filing status. These assumptions, and their effect on evaded liability are presented in Table 5 using 2001 AGI information to develop estimated evasion rates.

As Table 5 indicates, the tax evasion assumptions result in evasion of 7.4 percent of gross tax liability. We believe this is a minimum evasion estimate. Considering the conservatism of the evasion estimates and the additional risks of avoidance, it would be prudent to assume that the total evasion and avoidance rate may be at least 12 percent.

Applying the evasion and avoidance estimates to the gross liabilities in Table 6 yields the net liability estimates presented in Table 6.

**Table 5: Estimated Minimum Evasion of PIT Liability (Tax Year 2001)**

AGI	Average Liability Joint	Average Liability Single	Evasion Rate Joint	Evasion Rate Single	Evaded Liability	Percent Evaded
< 0	0	0	50%	50%	0	
0-5	0	0	50%	50%	0	
5-10	0	28	50%	50%	327,139	50.0%
10-15	44	75	50%	40%	761,384	41.5%
15-20	93	124	40%	30%	1,018,201	32.2%
20-25	142	173	30%	20%	922,986	22.7%
25-30	187	218	20%	10%	617,717	13.2%
30-35	232	263	10%	5%	348,924	6.9%
35-40	275	307	5%	5%	250,829	5.0%
40-45	318	350	5%	5%	249,826	5.0%
45-50	365	396	5%	5%	243,493	5.0%
50-60	429	461	5%	5%	461,888	5.0%
60-70	526	557	5%	5%	433,362	5.0%
70-80	632	663	5%	5%	398,241	5.0%
80-90	736	768	5%	5%	347,435	5.0%
90-100	845	876	5%	5%	281,319	5.0%
100-250	1,335	1,366	5%	5%	1,404,842	5.0%
250-500	3,515	3,546	5%	5%	468,704	5.0%
500 +	14,388	14,419	5%	5%	760,627	5.0%
All	617	210			9,296,916	7.4%

Source: ECONorthwest

**Table 6: PIT Liabilities After Evasion and Avoidance**

Year	SPIT Liability	Multnomah SPIT Liability	Multnomah CPIT Liability	After Low Evasion	After Evasion and Avoidance
2003	3,853,439,000	851,465,892	126,753,299	117,361,959	103,278,524
2004	4,141,590,000	915,136,485	136,231,609	126,138,008	111,001,447
2005	4,544,579,000	1,004,181,981	149,487,349	138,411,610	121,802,217
2006	4,853,462,000	1,072,433,571	0	0	0
2007	5,177,827,000	1,144,106,104	0	0	0

Source: ECONorthwest

### Forecast Qualifications

It must be emphasized that the Multnomah PIT estimates offered here are subject to the same qualifications as any forecast of the future. It relies on the State's forecast of income state revenues that, over the past three years, has proved to be optimistic in hindsight. It is difficult to forecast future economic variables and even more difficult to forecast tax revenues in a progressive income tax setting because of the high sensitivity

of such forecasts to underlying assumptions. In the Multnomah PIT, there is the addition important issues of evasion and avoidance. Since there is no empirical evidence specific to this new tax (or from like taxes in other states), the estimates are at best rough guesses. However, we are confident that the estimated pre-evasion liability is highly optimistic.

Finally, it should be noted that forecast presented here ignores the effect on Multnomah PIT liabilities of the State income tax surcharge endorsed by the legislature under HB2152. There is uncertainty regarding the effect of HB2152 on local revenue requirements. In addition, there is the possibility of a ballot challenge to the implementation of HB2152.

The implementation of HB2152 offers the prospect of reducing the need for the Multnomah PIT to the extent that enlarged State revenues offer school funding relief at the county level. However, the implementation of the State income tax surcharge in the State's recessionary condition may have offsetting, adverse effects on state and local economic activity. Because of these uncertainties, we have made no attempt to quantify the impact of HB2152. As a result, the projections presented herein should be seen as representations of the *maximum* Multnomah PIT tax liability.

*Carl Batten*  
*Randall Pozdena, PhD*

MULTNOMAH COUNTY, OREGON

SCHEDULE B

ITAX IF STATE SURTAX IS AFFIRMED

STATE FUNDS SCHOOLS AT \$5.2 Billion in FY 2004, 2005 and 2006 AND FUNDS COUNTY PROGRAMS AT \$4 MILLION

Commissioner Cruz's Proposal

	Allocation %	FY 2004			FY 2004		
		Adopted	FY 2004 Revised**	Difference	Admin Allocation	Revised Spread	Commissioner Cruz
Schools*	70.5%	93,000,000	79,895,455	(13,104,545)	(720,045)	(13,824,591)	(13,800,000)
County	24.2%	32,000,000	27,490,909	(4,509,091)	(266,318)	(4,775,409)	(3,800,000)
Collections	5.3%	7,000,000	6,013,636	(986,364)	-	-	(1,000,000)
<b>Total</b>	<b>100.0%</b>	<b>132,000,000</b>	<b>113,400,000</b>	<b>(18,600,000)</b>		<b>(18,600,000)</b>	<b>(18,600,000)</b>

\*FY 2004 adopted budget includes \$89M for schools; a supplemental budget is scheduled to bring budget in alignment with IGA @ \$93 m

\*\*Assumes revenue collection @ \$126,000,000 with 10% slippage factor

ECONorthwest Estimates	Schools		County		Total	
	Taxes Owed	Uncollected Taxes	Taxes Owed	Uncollected Taxes	Taxes Owed	Uncollected Taxes
Total Tax Collected 2004	\$ 89,065,000	\$ 12,600,000	\$ 36,935,000	\$ 126,000,000	\$ 126,000,000	\$ 12,600,000
Total Tax Collected 2005	\$ 92,627,600	\$ 6,552,000	\$ 38,412,400	\$ 131,040,000	\$ 131,040,000	\$ 6,552,000
Total Tax Collected 2006	\$ 96,332,704	\$ 6,814,080	\$ 39,948,896	\$ 136,281,600	\$ 136,281,600	\$ 6,814,080

Future Impact:	Schools	County	Total	Percent of Tax Reduction Per Year
State Fund increased from \$4.8 to \$5.2 @ \$245/ADMw (savings)	26,515,304	4,000,000	30,515,304	
Less Projected ITAX revenue collection shortfall	(13,800,000)	(4,800,000)	(18,600,000)	
<b>Potential Tax Reduction</b>	<b>(11,915,304)</b>		<b>(11,915,304)</b>	<b>9%</b>
<b>Amount Carryover For FY 2005</b>	<b>800,000</b>	<b>(800,000)</b>	<b>-</b>	
Delinquent Collection @ 45% on \$12.6 million	3,997,350	1,672,650	5,670,000	
Tax Collection in FY 2005 @ 95%	87,996,220	36,491,780	124,488,000	
Less FY 2005 Estimated Commitment	(68,000,000)	(36,000,000)	(104,000,000)	
<b>Potential Tax Reduction</b>	<b>(24,793,570)</b>	<b>(1,364,430)</b>	<b>(26,158,000)</b>	<b>20%</b>
<b>Amount Carryover For FY 2006</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Delinquent Collection @ 45% on \$12.6 million	3,997,350	1,672,650	5,670,000	
Delinquent Collection @ 45% on \$6.5 million	2,078,622	869,778	2,948,400	
Tax Collection in FY 2005 @ 95%	91,516,069	37,951,451	129,467,520	
Less FY 2006 Estimated Commitment	(69,000,000)	(36,500,000)	(105,500,000)	
<b>Potential Tax Reduction</b>	<b>(28,592,041)</b>	<b>(3,993,879)</b>	<b>(32,585,920)</b>	<b>24%</b>
<b>Amount Carryover For FY 2007</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	
Final Delinquent Collection on \$6.5 million	3,108,622	869,778	3,978,400	
Final Delinquent Collection on \$6.8 million	4,323,534	1,809,138	6,132,672	
<b>Potential Tax Reduction</b>	<b>(7,432,156)</b>	<b>(1,566,916)</b>	<b>(8,999,072)</b>	<b>7%</b>
Admin Close Out Costs		(1,112,000)	(1,112,000)	
<b>Balance To Be Refunded to Taxpayers</b>	<b>(0)</b>	<b>0</b>	<b>-</b>	

(\$xxx,xxx) Represents amount of potential tax reduction  
 \$xxx,xxx Represents amount reserved for following year programs

Total Potential Tax Reduction over three years **79,658,296**

MULTNOMAH COUNTY, OREGON

SCHEDULE A

ITAX IF STATE SURTAX IS REPEALED and STATE FUNDS SCHOOLS AT \$5.2 Billion in FY 2004

STATE FUNDS SCHOOLS AT \$4.8 Billion in FY 2005 AND 2006

Commissioner Cruz's Proposal

	Allocation %	FY 2004			FY 2004		
		Adopted	FY 2004 Revised**	Difference	Admin Allocation	Revised Spread	Commissioner Cruz
Schools*	70.5%	93,000,000	79,895,455	(13,104,545)	(720,045)	(13,824,591)	(13,800,000)
County	24.2%	32,000,000	27,490,909	(4,509,091)	(266,318)	(4,775,409)	(3,800,000)
Collections	5.3%	7,000,000	6,013,636	(986,364)	-	-	(1,000,000)
<b>Total</b>	<b>100.0%</b>	<b>132,000,000</b>	<b>113,400,000</b>	<b>(18,600,000)</b>		<b>(18,600,000)</b>	<b>(18,600,000)</b>

\*FY 2004 adopted budget includes \$89M for schools; a supplemental budget is scheduled to bring budget in alignment with IGA @ \$93 m

\*\*Assumes revenue collection @ \$126,000,000 with 10% slippage factor

ECONorthwest Estimates	Schools		County		Total		Percent of Tax Reduction Per Year
	Taxes Owed	Uncollected Taxes	Taxes Owed	Uncollected Taxes	Taxes Owed	Uncollected Taxes	
Total Tax Collected 2004	\$ 89,065,000	\$ 36,935,000	\$ 126,000,000	12,600,000			
Total Tax Collected 2005	\$ 92,627,600	\$ 38,412,400	\$ 131,040,000	6,552,000			
Total Tax Collected 2006	\$ 96,332,704	\$ 39,948,896	\$ 136,281,600	6,814,080			
<b>Future Impact:</b>	<b>Schools</b>		<b>County</b>		<b>Total</b>		
State Fund increased from \$4.8 to \$5.2 @ \$245/ADMw (savings)	26,515,304	-	26,515,304				
Less Projected ITAX revenue collection shortfall	(13,800,000)	(4,800,000)	(18,600,000)				
<b>Potential Tax Reduction</b>	<b>(7,915,304)</b>	<b>(4,800,000)</b>	<b>(12,715,304)</b>				<b>6%</b>
<b>Amount Carryover For FY 2005</b>	<b>4,800,000</b>	<b>(4,800,000)</b>	<b>0</b>				
Delinquent Collection @ 45% on \$12.6 million	3,997,350	1,672,650	5,670,000				
Tax Collection in FY 2005 @ 95%	87,996,220	36,491,780	124,488,000				
Less FY 2005 Estimated Commitment	(94,000,000)	(36,000,000)	(130,000,000)				
<b>Potential Tax Reduction</b>	<b>0</b>	<b>0</b>	<b>0</b>				<b>0%</b>
<b>Amount Carryover For FY 2006</b>	<b>2,793,570</b>	<b>(2,635,570)</b>	<b>158,000</b>				
Delinquent Collection @ 45% on \$12.6 million	3,997,350	1,672,650	5,670,000				
Delinquent Collection @ 45% on \$6.5 million	2,078,622	869,778	2,948,400				
Tax Collection in FY 2005 @ 95%	91,516,069	37,951,451	129,467,520				
Less FY 2006 Estimated Commitment	(95,000,000)	(36,500,000)	(131,500,000)				
<b>Potential Tax Reduction</b>	<b>(5,385,611)</b>	<b>(1,358,309)</b>	<b>(6,743,920)</b>				<b>5%</b>
<b>Amount Carryover For FY 2007</b>	<b>(0)</b>	<b>0</b>	<b>0</b>				
Final Delinquent Collection on \$6.5 million	3,108,622	869,778	3,978,400				
Final Delinquent Collection on \$6.8 million	4,323,534	1,809,138	6,132,672				
<b>Potential Tax Reduction</b>	<b>(7,432,156)</b>	<b>(1,566,916)</b>	<b>(8,999,072)</b>				<b>7%</b>
Admin Close Out Costs		(1,112,000)	(1,112,000)				
<b>Balance To Be Refunded to Taxpayers</b>	<b>(0)</b>	<b>0</b>	<b>0</b>				

(\$xxx,xxx) Represents amount of potential tax reduction  
 \$xxx,xxx Represents amount reserved for following year programs

Total Potential Tax Reduction over three years **23,658,296**

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 03-**

Multnomah County Temporary Personal Income Tax (ITAX) Spending Policy for County Schools, Human Services, Public Safety.

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

- a. On March 13, 2003, the Multnomah County Board of Commissioners passed Resolution 03-037 resolving, in part, to refer a Measure to the voters to impose a personal income tax.
- b. On May 20, 2003, the voters of the County passed a temporary three year personal income tax, Measure 26-48 "Measure," that will provide an estimated \$128,000,000 to \$135,000,000 each fiscal year in funding for County School Districts, County Programs, Auditing and Collection Costs.
- c. The personal income tax rate is 1.25% on Oregon taxable income after deducting for either single exemptions of \$2,500 or joint exemptions of \$5,000 and is levied on County residents.
- d. The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School and County programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.
- e. The personal income tax is due on April 15 beginning in year 2004 and ending in year 2006.
- f. It is expected that the majority of the tax receipts will be received by the County in April, May and June of each year.
- g. Funds from the personal income tax will be distributed to the School District and the County based on the Base Funding estimates in the table below:

	Base Funding Amount	Percent of Total
County Schools	\$93,327,900	70.5%
County Health & Human Service Programs	\$16,000,000	12.1%
County Public Safety Programs	\$16,000,000	12.1%
Administration	\$7,008,510	5.3%
Total	\$132,336,410	100.0%

- h. The Measure's Explanatory Statement included language that stated "If the State restores funding for county public schools, public safety, or human services during the next three years, the Board will consider immediate termination or reduction this tax".

- i. The County has established the State base funding amount for County Public Schools at \$4.8 billion a year, County Public Safety Programs and Health & Human Service Programs identified on Exhibit A and B at \$32 million a year and collection costs a \$7 million per year. These funding levels may be adjusted by the growth in the Portland Consumer Price Index All Urban Consumers (CPI-U).
- j. HB 5077 appropriates \$5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional \$100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by \$285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by \$414 million if the entire revenue package is referred and rejected.

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

- 1. That the school districts will receive the total of the Base Funding Amount for schools over the three fiscal years reduced by any State appropriation to the Department of Education that exceeds \$4.8 billion in each of the three fiscal years.
- 2. That the County programs will receive the total of the Base Funding Amount for County programs and collection costs over the three fiscal years.
- 3. The Board resolves that the following is the Multnomah County Spending Policy of ITAX funds for fiscal years 2003/2004, 2004/2005 and 2005/2006:
  - a. The County will reduce the ITAX if the State funds schools over the \$4.8 billion (adjusted by CPI-U) level in each of the three fiscal year.
  - b. The County will reduce the ITAX if the State funds County Public Safety Programs and County Health & Human Service Programs identified on Exhibit A and B (adjusted by CPI-U) over the total Base Funding Amounts in each of the three fiscal year.
  - c. The County will not increase the ITAX rate if ITAX collections do not meet the estimated collections of \$133 million (adjusted by CPI-U) in each fiscal year.
  - d. The County will reduce the ITAX if ITAX collections exceed \$133 million (adjusted by CPI-U) in each fiscal year.
  - e. The County will not fund any additional Public Safety or Health & Human Service programs with ITAX funds that are not identified on Exhibit A and B.
  - f. The ITAX funds will be accounted for over the three year ITAX period and the accumulative total funding base will not be shifted between Public Schools and County Programs.
  - g. The County may reserve ITAX funds to ensure that County Public Schools will receive their Base Funding in each of the three fiscal years.

- h. The County may reserve funds to ensure that County Public Safety and Health & Human Service Programs identified on EXHIBITS A and B receive their base funding in each of the three fiscal years.
- i. The County will review ITAX collections and State Funding levels by April 15<sup>th</sup> of each fiscal year and determine the appropriate action to take regarding the ITAX.

ADOPTED this                      day of                      2003.

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

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Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By \_\_\_\_\_  
Agnes Sowle, County Attorney

## State Disappropriation based on Referendum Passage

<i>Disappropriation based on 5077 (partial cut)</i>	<i>Partial Cut*</i>	<i>Service Area</i>
Department of Higher Education	\$ (7,515,480)	HED
Community College Support Fund	\$ (6,807,500)	HED
Health Services	\$ (154,121,800)	HHS
Seniors and People with Disabilities	\$ (12,798,100)	HHS
Department of Human Services: Children, Adults and Families	\$ (11,981,200)	HHS
State Commission on Children and Families	\$ (4,846,940)	HHS
Lottery Funds	\$ (3,812,200)	HHS
Community Human Services	\$ (54,460)	HHS
Community Corrections	\$ (17,808,420)	PS
Judicial Department Operations	\$ (13,015,940)	PS
Public Defense Services: Public Defense Contract Services	\$ (9,911,720)	PS
Department of Corrections Institutions and Correctional Programs	\$ (6,807,500)	PS
Oregon Youth Authority Operations	\$ (5,827,220)	PS
Oregon State Police Forensic Services and State Medical Examiner	\$ (3,921,120)	PS
Department of Justice: District Attorneys and their Deputies	\$ (762,440)	PS
State School Fund	\$ (284,607,960)	SSF
<b>Total</b>	<b>\$ (544,600,000)</b>	

<i>Service Category</i>	<i>Partial HB5077 Cut</i>	<i>%</i>
Department of Higher Education (HED)	\$ (14,322,980)	3%
Health and Human Services (HHS)	\$ (187,614,700)	34%
Public Safety (PS)	\$ (58,054,360)	11%
State School Fund (SSF)	\$ (284,607,960)	52%
<b>Total</b>	<b>\$ (544,600,000)</b>	<b>100%</b>

\* HB5077 states all cuts to take place as of May 1, 2004 (barring any legislative changes).



- It is necessary to amend Ordinance 1012 to clarify the definition of Resident, make it similar to the definition of resident in ORS 316.027 and enable the County to collect the income tax from part-year county residents.

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

None

**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)**

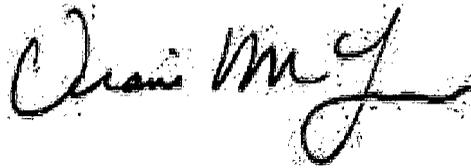
**4. Explain any legal and/or policy issues.**

Meets the County's legal requirements and is consistent with County policies

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

None.

**Required Signatures:**



**Department/Agency Director:**

**Date: 10/08/03**

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**

ITAX Talking Points for Oct 16<sup>th</sup> (Ordinance R-4, Adopt Admin Rules R-5, and IGA R-6)  
Dave Boyer

1. Request the Board approve the first reading of an Ordinance to amend the definition of County's Personal Income Tax definition of Resident.
  - Shortly after the May election we were aware that we needed to modify the definition of resident. This change does not alter the intent of Ballot Measure 26-48 but clarifies that the tax payer living in Multnomah County is a resident no matter where they file their return and defines a part year resident.
2. We are recommending that the Board adopt the Administrative Rules related to the County Personal Income Tax.
  - The ITAX Ordinance authorizes the Administrator to adopt rules but since this is a new tax we thought it would be appropriate for the Board to adopt the first set of Admin rules. The rules include definitions, references to Oregon Revised Statutes and Oregon Administrative Rules, rules for tax payers to follow and various other ITAX provisions.
  - Some of the more significant provisions in the rules include:
    - Effective Date, Tax rate, taxable income, due date
    - Definition of County exemptions for single and joint filers. The definitions follow Federal and State guidelines for joint tax filers, head of household and single filers, etc.
    - County's intent is to follow Oregon tax laws
    - Confidentiality of tax information
    - Definition of resident that is included in the Ordinance we just discussed. Rule include examples that taxpayers can use as a guideline
    - Appeal rights and process
    - Penalties and Interest for non compliance
    - Rules that apply to employers that provide deductions for their employees
    - Refunds of a portion of the taxes of the four school districts (lake Oswego, Beaverton, Hillsboro and Scappoose) that have headquarters outside of Multnomah County and portions of their school district boundaries inside the Multnomah County. What the rules state is that the school portion of the tax will be refunded to property owners that pay and are current on their property tax payments. The tax portion for County Public Safety, Health and Human Service and Collections is not refundable.

- Future Administrative rules will be adopted by the Tax Administrator with notification to the Board. Don't expect any major additions to the ones included in the document today.
  - These rules were developed by County and City staff and I need to especially thank Satish Nath, Doug Locke and Honora Whitaker-Mead from the County and Scott Carter, Ron Hanson and Terri Williams from the City for putting these together.
3. Discussion on the nine draft Intergovernmental Agreements with the Schools.
- The agreement were reviewed by all nine School Business Officials, Superintendents and with some of the School Board members.
  - Chair Linn, Kathy Turner and Finance and Budget staff have attended several meetings with the schools to review these agreements and discuss other ITAX information with the intent to keep all the parties informed.
  - The Agreements include:
    - The initial base funding between the schools and the County
      - ◆ \$approx \$93 million to schools
      - ◆ \$32 million to County Public Safety and Health& Human Service
      - ◆ \$7 million to collection
    - The actual distribution amount to each school and that the distribution formula may be changed in future years.
    - Distributions will be made on actual collections and if collections don't meet expectations the County is not required to make up the difference.
    - The schools need to work with the County whenever the State changes the school funding level and that the intent of the Agreement is that the Districts would receive their entire proportional share over the three year period less any State funding over the \$4.8 billion amount.
    - The County may reduce future tax rates, refund taxes, or place taxes in reserve or do a combination if tax collections exceed either projections or State funding is over \$4.8 billion in a given year.
    - Includes what the schools can spend their funds on. This is the same language that was in the Ballot Measure explanatory language.
    - Includes the reporting requirements, both plan and actual, of the school district to the School Efficiency Advisory Council
    - County auditor to do performance audits and that the schools will assist them.

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. \_\_\_\_\_

Amending Ordinance 1012 Imposing Temporary Income Tax for Public Schools, Public Safety and Human Services to Update and Clarify Definitions

(Language ~~stricken~~ is deleted; double-underlined language is new.)

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

- a. On May 20, 2003, Multnomah County voters approved Measure 26-48 imposing a three-year 1.25% income tax for county schools, health and senior care and public safety.
- b. On June 19, 2003, by Ordinance 1012, the Board adopted the voter-approved Measure.
- c. It is necessary to amend Ordinance 1012 to update the Administrator's title and clarify the definition of Resident, making it similar to the definition of resident in ORS 316.027 and enabling the County to collect the income tax from part-year county residents.

**Multnomah County Ordains as follows:**

Section 1. Definitions of Ordinance 1012 is amended to read as follows:

**SECTION 1. DEFINITIONS.**

For the purpose of this ordinance, the following definitions apply unless the context requires a different meaning.

**ADMINISTRATOR.** The Multnomah County Chief Financial Officer ~~Finance Director~~.

**RESIDENT.** A. ~~An individual who files a resident Oregon income tax return from Multnomah County.~~ A. For purposes of this Ordinance, unless the context requires otherwise:

(1) "Resident" or "resident of this county" means:

(a) An individual who is domiciled in Multnomah County unless the individual:

(i) Maintains no permanent place of abode in this county;

(ii) Does maintain a permanent place of abode elsewhere; and

(iii) Spends in the aggregate not more than 30 days in the taxable year in this county; or

(b) An individual who is not domiciled in this county but maintains a permanent place of abode in this county and spends in the aggregate more than 200 days of the taxable year in this county unless the individual proves that the individual is in the county only for a temporary or transitory purpose.

(2) "Resident" or "resident of this county" does not include:

(a) An individual who is a qualified individual under section 911(d)(1) of the Internal Revenue Code for the tax year;

(b) A spouse of a qualified individual under section 911(d)(1) of the Internal Revenue Code, if the spouse has a principal place of abode for the tax year that is not located in this county; or

(c) A resident alien under section 7701(b) of the Internal Revenue Code who would be considered a qualified individual under section 911(d)(1) of the Internal Revenue Code if the resident alien were a citizen of the United States.

B. For purposes of subsection A.(1)(b) of this section, a fraction of a calendar day shall be counted as a whole day.

**TAXABLE INCOME.** Taxable income under Oregon law.

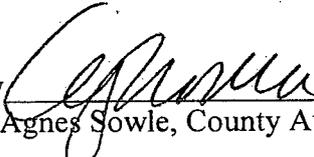
FIRST READING: October 16, 2003  
SECOND READING AND ADOPTION: October 23, 2003

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
Agnes Sowle, County Attorney



- The Resolution defines the various Administrative rules that are needed to collect the tax.

3. Explain the fiscal impact (current year and ongoing).  
None.

**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:

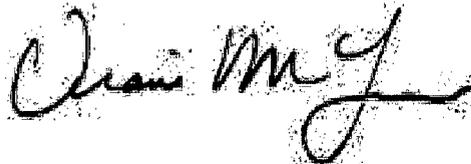
- ❖ What revenue is being changed and why?
- ❖ What budgets are increased/decreased?
- ❖ What do the changes accomplish?
- ❖ Do any personnel actions result from this budget modification? Explain.
- ❖ Is the revenue one-time-only in nature?
- ❖ If a grant, what period does the grant cover?
- ❖ When the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

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

4. Explain any legal and/or policy issues.  
Meets the County's legal requirements and is consistent with County policies

5. Explain any citizen and/or other government participation that has or will take place.  
None.

**Required Signatures:**



**Department/Agency Director:**

**Date: 10/08/03**

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**

ITAX Talking Points for Oct 16<sup>th</sup> (Ordinance R-4, Adopt Admin Rules R-5, and IGA R-6)  
Dave Boyer

1. Request the Board approve the first reading of an Ordinance to amend the definition of County's Personal Income Tax definition of Resident.
  - Shortly after the May election we were aware that we needed to modify the definition of resident. This change does not alter the intent of Ballot Measure 26-48 but clarifies that the tax payer living in Multnomah County is a resident no matter where they file their return and defines a part year resident.
2. We are recommending that the Board adopt the Administrative Rules related to the County Personal Income Tax.
  - The ITAX Ordinance authorizes the Administrator to adopt rules but since this is a new tax we thought it would be appropriate for the Board to adopt the first set of Admin rules. The rules include definitions, references to Oregon Revised Statutes and Oregon Administrative Rules, rules for tax payers to follow and various other ITAX provisions.
  - Some of the more significant provisions in the rules include:
    - Effective Date, Tax rate, taxable income, due date
    - Definition of County exemptions for single and joint filers. The definitions follow Federal and State guidelines for joint tax filers, head of household and single filers, etc.
    - County's intent is to follow Oregon tax laws
    - Confidentiality of tax information
    - Definition of resident that is included in the Ordinance we just discussed. Rule include examples that taxpayers can use as a guideline
    - Appeal rights and process
    - Penalties and Interest for non compliance
    - Rules that apply to employers that provide deductions for their employees
    - Refunds of a portion of the taxes of the four school districts (lake Oswego, Beaverton, Hillsboro and Scappoose) that have headquarters outside of Multnomah County and portions of their school district boundaries inside the Multnomah County. What the rules state is that the school portion of the tax will be refunded to property owners that pay and are current on their property tax payments. The tax portion for County Public Safety, Health and Human Service and Collections is not refundable.

- Future Administrative rules will be adopted by the Tax Administrator with notification to the Board. Don't expect any major additions to the ones included in the document today.
  - These rules were developed by County and City staff and I need to especially thank Satish Nath, Doug Locke and Honora Whitaker-Mead from the County and Scott Carter, Ron Hanson and Terri Williams from the City for putting these together.
3. Discussion on the nine draft Intergovernmental Agreements with the Schools.
- The agreement were reviewed by all nine School Business Officials, Superintendents and with some of the School Board members.
  - Chair Linn, Kathy Turner and Finance and Budget staff have attended several meetings with the schools to review these agreements and discuss other ITAX information with the intent to keep all the parties informed.
  - The Agreements include:
    - The initial base funding between the schools and the County
      - ◆ \$approx \$93 million to schools
      - ◆ \$32 million to County Public Safety and Health& Human Service
      - ◆ \$7 million to collection
    - The actual distribution amount to each school and that the distribution formula may be changed in future years.
    - Distributions will be made on actual collections and if collections don't meet expectations the County is not required to make up the difference.
    - The schools need to work with the County whenever the State changes the school funding level and that the intent of the Agreement is that the Districts would receive their entire proportional share over the three year period less any State funding over the \$4.8 billion amount.
    - The County may reduce future tax rates, refund taxes, or place taxes in reserve or do a combination if tax collections exceed either projections or State funding is over \$4.8 billion in a given year.
    - Includes what the schools can spend their funds on. This is the same language that was in the Ballot Measure explanatory language.
    - Includes the reporting requirements, both plan and actual, of the school district to the School Efficiency Advisory Council
    - County auditor to do performance audits and that the schools will assist them.

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. \_\_\_\_\_

Adopting Administrative Rules to Implement Personal Income Tax

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

- a. On May 20, 2003, Multnomah County voters approved Measure 26-48 establishing a three-year personal income tax.
- b. Measure 26-48 authorizes the Administrator to adopt administrative rules implementing the personal income tax.
- c. The Administrator developed proposed rules implementing the tax.
- d. Measure 26-48 authorizes the Administrator to adopt these rules directly. The Board reaffirms the Administrator's authority to adopt rules without subsequent Board adoption.
- e. However, because of the high level of public interest in these rules and because these are the first rules established under Measure 26-48, the Board is formally adopting the attached rules.

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

1. The Board adopts the attached Multnomah County Administrative Rules to implement the Personal Income Tax.

Adopted this 16th day of October, 2003.

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

---

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By  \_\_\_\_\_  
Agnes Sowle, County Attorney

***ITAX Administrative Rules  
for the  
Multnomah County Personal Income Tax***



**MULTNOMAH  
COUNTY**

**2003**

P.O. Box 279  
Portland, OR 97207 - 0279  
(503) 988-ITAX (503) 988-4829

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**§ 11-600 Title**

The rules contained in this subchapter are to administer the Multnomah County Personal Income Tax, hereinafter referred to as the ITAX. This subchapter may be known and cited as the ITAX Administrative Rules.

**§ 11-601 Effective Date**

The ITAX shall be in effect for taxable years beginning during years 2003, 2004 and 2005. For calendar year taxpayers, this is taxable years beginning 01/01/2003 through taxable year ending 12/31/2005.

**§ 11-602 Conformity to State Income Tax Laws**

The policy of Multnomah County is to follow the state of Oregon laws and regulations adopted by the Department of Revenue relating to personal income tax. The ITAX shall be construed in conformity with such laws and regulations imposing taxes on or measured by net income. Should a question arise under the ITAX on which this subchapter is silent, the Administrator may look to the laws of the state for guidance in resolving the question, provided that the determination under state law is not in conflict with any provision of this subchapter or the state law is otherwise inapplicable.

**§ 11-603 Adoption of Oregon Revised Statutes and Oregon Administrative Rules by Reference**

The Administrator and the Multnomah County Board of Commissioners may adopt Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR) by reference. To the extent necessary, references in an ORS or an OAR to the State of Oregon or its agencies will be deemed substituted references for Multnomah County and its corresponding agencies.

**§ 11-604 Administrative Authority.**

The Administrator may implement procedures, forms, guides and written policies for administering the provisions of the ITAX.

**§ 11-605 Definitions**

For the purpose of this subchapter, the terms used in this subchapter shall be defined as provided in this subchapter, unless the context requires otherwise.

**ADMINISTRATOR.** The Multnomah County Chief Financial Officer shall be the Administrator of the ITAX. Any designee of the Administrator shall act as the agent of the Administrator to enforce the ITAX and administrative rules as contained in this subchapter.

**DOMICILE.** "Domicile" is that place where a person has a true, fixed and permanent home, and principal establishment, and to which whenever that person is absent, he or she has the intention of returning. Actual residence is not necessarily the domicile of a person. A person may have more than one residence but not more than one domicile. Among other factors indicating domicile may be where the person is registered to vote, receives mail, where their automobile is registered and where their children attend school.

**FILING DATE.** The postmark date affixed by the United States postal service if mailed or the date stamp if delivered by hand or sent by facsimile.

**NONRESIDENT.** A "nonresident" means an individual who is not a resident of Multnomah County.

**PART-YEAR RESIDENT.** "Part-year resident" means a taxpayer who changes status during a tax year from resident to nonresident or from nonresident to resident.

**RESIDENCY FRACTION.** "Residency fraction" shall be the fraction of the year that a part-year resident is subject to the ITAX.

**RESIDENT.** "Resident" shall generally be defined as a taxpayer domiciled within Multnomah County for any portion of the taxable year. ORS 316.027 and OAR 150-316.027 are hereby adopted and shall control when residency questions arise.

**TAXPAYER.** "Taxpayer" means any natural person or married couple filing a joint return whose income in whole or in part is subject to the ITAX.

**TAX YEAR.** The taxable year of a person for federal or state income tax purposes.

#### **§ 11-606 Ownership of Taxpayer Information.**

Multnomah County shall be the sole owner of all taxpayer information under the authority of this subchapter. The Administrator shall have access to all taxpayer information at all times.

#### **§ 11-607 Confidentiality.**

Except as provided in this subchapter or otherwise required by law, it shall be unlawful for the Administrator, or any elected official, employee, or agent of the county, or for any person who has acquired information pursuant to § 11-608 (A) and (C) of this subchapter to divulge, release, or make known in any manner any financial information or social security numbers submitted or disclosed to the county under the terms of the ITAX Rules. Nothing in this section shall be construed to prohibit the disclosure of general statistics in a form that would prevent the identification of financial information or social security numbers regarding an individual taxpayer.

#### **§ 11-608 Persons to Whom Information may be Furnished.**

(A)(1) The Administrator may disclose and give access to information described in § 11-607 of this subchapter to an authorized representative of the Internal Revenue Service, Oregon Department of Revenue, or of any local government of the state of Oregon imposing taxes upon or measured by gross receipts or net income, for the following purposes:

- (a) To inspect the tax return of any taxpayer;
- (b) To obtain an abstract or copy of the tax return;
- (c) To obtain information concerning any item contained in any return;

- (d) To obtain information of any financial audit of the tax returns of any taxpayer; or
  - (e) To maintain compliance with State or Federal Law (such as providing social security numbers to the Internal Revenue Service with 1099G filings for refunds issued).
- (2) Such disclosure and access shall be granted only if the laws, regulations or practices of such other jurisdiction maintain the confidentiality of such information at least to the extent provided by the ITAX Rules.
- (B) Upon request of a taxpayer, or authorized representative, the Administrator shall provide copies of any tax return information filed by the taxpayer in the Administrator's possession.
- (C) The division may also disclose and give access to information described in § 11-607 of this subchapter to:
- (1) The County Attorney, to the extent the division deems disclosure or access necessary for the performance of the duties of advising or representing the division.
  - (2) Other county employees and agents, to the extent the division deems disclosure or access necessary for such employees or agents to perform their duties under contracts or agreements between the Administrator and any other department, division, agency or subdivision of the county relating to the administration of the ITAX.
- (D) All employees and agents of the county, prior to the performance of duties involving access to financial information submitted to the county under the terms of ITAX, shall be advised in writing of the provision of § 11-699 of this chapter relating to penalties for the violation of § 11-607 of this subchapter. Such employees and agents shall execute a certificate in a form prescribed by the Administrator, stating that the person has reviewed these provisions of law, has had them explained, and is aware of the penalties for the violation of § 11-607 of this subchapter.
- (E) Prior to any disclosures permitted by this section, all persons described in division (A) of this section, to whom disclosure or access to financial information is given, shall:
- (1) Be advised in writing of the provisions of § 11-699 of this chapter relating to penalties for the violation of § 11-607 of this chapter; and
  - (2) Execute a certificate in a form prescribed by the division, stating these provisions of law have been reviewed and they are aware of the penalties for the violation of § 11-699 of this chapter.

### **§ 11-609 Taxpayer Representation.**

No person shall be recognized as representing any taxpayer in regard to any matter relating to the tax of such taxpayer without written authorization of the taxpayer or unless the Administrator determines from other available information the person has authority to represent the taxpayer, such as signing the return as a paid preparer.

**§ 11-610 Examination of Books, Records or Persons.**

The Administrator may examine any books, papers, records, or memoranda, including state and federal income tax returns, to ascertain the correctness of any tax return or to make an estimate of any tax. The Administrator shall have the authority, after notice, to require verification of taxpayer information in order to carry out the provisions of this subchapter.

**§ 11-611 Deficiencies and Refunds.**

Deficiencies may be assessed and refunds granted any time within the period provided under ORS 314.410, 314.415, and 317.950. The Administrator may by agreement with the taxpayer extend such time periods to the same extent as provided by statute.

**§ 11-612 Changes to Federal or State Tax Returns.**

- (A) If a taxpayer's reported net income under applicable state laws imposing a tax on or measured by income is changed by the Federal Internal Revenue Service or the Oregon Department of Revenue, or amended by the taxpayer to correct an error in the original federal or state return, a report of such change shall be filed with the Administrator within 60 days after the date of the notice of the final determination of change or after an amended return is filed with the federal or state agencies. The report shall be accompanied by an amended tax return with respect to such income and by any additional tax, penalty, and interest due.
- (B) The Administrator may assess deficiencies and grant refunds resulting from changes to federal, state or business income tax returns within the time periods provided for in § 11-611 of this subchapter, treating the report of change in federal, state or business income tax returns as the filing of an amended tax return.
- (C) The Administrator may assess penalties and interest on the additional tax due as provided in §§ 11-623 and 11-624 of this subchapter or may refuse to grant a refund of taxes as a result of the amended return if the amended return is not filed with the Administrator within the time limits set forth in division (A) of this section.

**§ 11-613 Settlement Offers and Agreements**

The Administrator may, upon good and sufficient cause make settlement agreements with taxpayers in the recomputation of taxes payable or in the collection thereof. Such agreements shall be consistent with ORS §§ 305.150 and 305.155 and corresponding OARs. Applications for settlement offers will be provided by the Administrator to taxpayers proposing settlement offers.

**§ 11-614 Appeal Rights.**

- (A) Any determination of the Administrator may be protested by the taxpayer. Written notice of the protest must be received by the Administrator or designee within 30 days after the notice of determination was mailed or delivered to the taxpayer. The protest shall state the name and address of the taxpayer and an explanation of the grounds for the protest. The Administrator shall respond within 30 days after the protest is filed with the Administrator with either a revised determination or a final determination. The Administrator's determination shall include the reasons for the determination and state the time and manner for appealing the determination. The time to file a protest or the time for the Administrator's

response may be extended by the Administrator, for good cause. Requests for extensions of time must be received prior to the expiration of the original 30 day protest deadline. Written notice shall be given to the taxpayer if the Administrator's deadline is extended.

(B) Any final determination by the Administrator may be appealed by the taxpayer to the Multnomah County Board of Commissioners. Written notice of the appeal must be received by the Administrator within 30 days after the final determination was mailed or delivered to the appellant. The notice of appeal shall state the name and address of the appellant and include a copy of the final determination.

(C) Within 90 days after the final determination was mailed or delivered to the tax filer, the appellant shall file with the Multnomah County Board of Commissioners a written statement containing:

- (1) The reasons the Administrator's determination is incorrect; and
- (2) What the correct determination should be.

Failure to file such a written statement within the time permitted shall be deemed a waiver of any objections, and the appeal shall be dismissed.

(D) Within 150 days after the final determination was mailed or delivered to the taxpayer, the Administrator shall file with the Multnomah County Board of Commissioners a written response to the appellant's statement. A copy of the Administrator's response shall be promptly mailed to the address provided by the appellant.

(E) The appellant shall be given not less than 7 days prior written notice of the hearing date and location. The appellant and the Administrator shall have the opportunity to present relevant testimony and oral argument.

(F) The decision of the Multnomah County Board of Commissioners shall be final and no further administrative appeal shall be provided.

## **§ 11-615 Individuals Required to File Tax Returns**

(A) Every resident of Multnomah County who is required to file an Oregon income tax return for the taxable year is required to file an ITAX return.

Nothing contained in this section shall preclude the Administrator from requiring any individual to file a return when, in the judgment of the Administrator, a return should be filed.

(B) The return to be filed shall be a one page Form MC TR. The Administrator will release the form to the public by December 15<sup>th</sup> of the taxable year. Substitute forms (such as created by tax software) shall be accepted provided the forms include identical information in comparable format as provided on Form MC TR.

(1) Unless requested by the Administrator, no copy of the federal or state of Oregon return is required to be filed with Form MC TR. If ITAX has been withheld from wages, a copy of Form W-2 is required to be filed with the ITAX return unless otherwise notified by the Administrator.

(C) A husband and wife shall make a joint return with respect to the ITAX even though one of the spouses has neither gross income nor deductions, except that:

- (1) No joint return shall be made if the spouses are not permitted to file a joint Oregon income tax return.
- (2) If the Oregon income tax liability is determined on a separate Oregon return, their ITAX liability shall be determined on separate returns.
- (3) If the spouses file a joint return their tax liabilities shall be joint and several. In addition, the following OARs are hereby adopted.
  - (a) 150-316.368 Petitioning Administrator to Equally Split Joint Liability
  - (b) 150-316.369 Innocent Spouse, Separation of Liability, and Equitable Relief Provisions

## **§ 11-616 Social Security Numbers**

Pursuant to the authority provided by ORS 305.100 and 42 USC §405, tax returns, refund claims, applications, registrations, records, requests for information, reports, and other items of a similar nature filed with Multnomah County shall state the social security number or numbers of the individual taxpayer as required by the item being filed. Social security numbers are used by the Administrator and his agent as a part of providing expeditious and practicable processing systems in the administration of the laws by the Administrator, including (but not limited to) such matters as the issuance of tax refunds, allocation or application of incoming tax payments and other matters of a similar nature. The Administrator may require a taxpayer to provide a copy of the taxpayer's social security card.

According to § 11-607 social security numbers shall be confidential information. Disclosure of social security numbers resulting in a breach of confidentiality will result in penalties pursuant to § 11-699.

## **§ 11-617 Return Due Date; Extensions**

- (A) Tax returns shall be on forms provided or approved by the Administrator. All tax returns shall be filed, together with the specified tax by the fifteenth day of the fourth month following the end of the taxpayer's tax year. If the due date falls on a weekend or holiday, the due date shall be the first business day following the weekend or holiday.
- (B) The Administrator shall, when requested, grant extensions for filing returns. An extension will be automatically granted for six months beyond the initial due date. The Administrator will honor federal and state extensions. An extension does not extend the time to pay the tax. Payments made after the due date may be subject to interest and penalties as provided in §§ 11-623 and 11-624 of this subchapter.
- (C) The tax return shall contain a written declaration, verified by the taxpayer, to the effect that the statements made therein are true.
- (D) The Administrator shall prepare blank tax returns and make them available upon request. Failure to receive or secure a form shall not relieve any person from the obligation to pay the ITAX.

### § 11-618 Oregon Taxable Income Defined

**OREGON TAXABLE INCOME** shall be taxable income as reported or as reportable to the state of Oregon for personal income tax purposes before any credits or exemptions

### § 11-619 Income Exemption Defined

There shall be allowed an additional **INCOME EXEMPTION** after Oregon taxable income. This exemption shall be \$2,500.00 for tax payers whose filing status on Oregon tax returns is single or married filing separately. This exemption shall be \$5,000.00 for tax payers whose filing status on Oregon tax returns is married filing jointly, head of household or qualifying widow(er). If a married couple is filing their Oregon tax return as a non-resident, with only one spouse's income being reported as Oregon Taxable Income the exemption shall be limited to \$2,500.00 as this return will be deemed to be filed as married filing separately for the income exemption purposes.

### § 11-620 Multnomah Adjusted Income Defined

**MULTNOMAH ADJUSTED INCOME** shall be defined as Oregon taxable income less the income exemption allowed by this subchapter.

### § 11-621 Proration of Multnomah Adjusted Income for Part-Year Residents

If a taxpayer is a part-year resident of Multnomah County for the tax year at issue, the Multnomah Adjusted Income shall be prorated based upon the number of days of residency within Multnomah County within the taxable year. If only one spouse resided in Multnomah County and a joint Oregon Form 40, 40S (short form) or 40P (partial year) has been filed, proration shall be based upon the average number of days of residency of both spouses. If only one spouse resided in Multnomah County and a joint Oregon non-resident return (40N) was filed, proration shall be based upon the number of days the resident spouse was a resident of Multnomah County.

Proration shall be computed as a fraction rounded to two decimal points. This fraction is then to be applied against Multnomah Adjusted Income to determine Multnomah Taxable Income.

Example 1: Ron maintains a home in Multnomah County and works in Multnomah County. He purchased a summer home in Palm Springs, California and each year thereafter spent about three or four months in that state. He continued to spend six or seven months of each year in Multnomah County. He continued to maintain his home and his social, club and business connections in Multnomah County, but established his bank account in California. The months not spent in California or Multnomah County he spent traveling in other states or countries. Ron is domiciled in Multnomah County and is taxed as a resident of Multnomah County because he has not demonstrated intent to abandon his Multnomah County domicile nor has he shown an intent to make California his permanent home. No proration of Multnomah Adjusted Income is allowed.

Example 2: John Smith changed his permanent residence to a location outside of Multnomah County on April 1, 2003. With his original move, he had no intention of moving back to Multnomah County, however, on December 1, 2003 he changed residency by moving back into Multnomah County. The sum of days of residency in Multnomah County during the year was 121. If, on a full year basis, Mr. Smith would have paid tax of \$600.00, proration results in a tax of \$200.00 ( $121/365=.33$ ;  $\$600 \times .33 = \$200$ )

Example 3: John Smith and Mary Smith are married filing a joint Oregon return. Mr. and Mrs. Smith have a residence in Benton County. On July 2, 2003 John Smith moved to Multnomah County because of a permanent job offer. Both spouses visit each other on weekends but spouses consider their separate residences to be their permanent residence. Mr Smith's sum of days of residency in Multnomah County during the year was 183. If, on a full year basis, Mr. and Mrs. Smith would have paid tax of \$1,000.00, proration results in a tax of \$250.00 ( $183/730=.25$ ;  $\$1,000.00 \times .25=\$250$ ).

Example 4: Rob Roy is a full-time student attending college in California. He pays out-of-state tuition and returns to his parents home in Multnomah County every summer where he works a summer job. He also works a part-time job in California. Mr. Roy's stay in California is for a temporary or transitory purpose, therefore, Mr. Roy is a resident of Multnomah County and no proration of Multnomah Adjusted Income is allowed.

Example 5: Linda May is a full-time student attending college in Multnomah County. Her parents live in Eugene where Ms. May graduated from high school. Ms. May stays in Multnomah County throughout the year, attending summer classes and working at a part-time job in Multnomah County. Ms. May regularly visits her parents and intends to return to Eugene upon graduation. Ms. May is not a resident of Multnomah County as her stay in Multnomah County is for a temporary or transitory purpose. Since Ms. May is not a resident, no Multnomah County ITAX return is due.

Taxpayers may petition the Administrator for use of alternate methods to allocate or apportion incomes earned while not domiciled within Multnomah County. The Administrator may, upon good and sufficient cause, accept or deny such petitions.

### **§ 11-622 Multnomah Taxable Income Defined**

**MULTNOMAH TAXABLE INCOME** shall be defined as Multnomah Adjusted Income after any proration for residency outside of Multnomah County.

### **§ 11-623 Interest**

- (A) Interest shall be collected on any unpaid tax at the current rate of simple interest established by the Oregon Department of Revenue per month or fraction thereof, computed from the original due date of the tax to the fifteenth day of the month following the date of payment.
- (B) Interest at the rate established in § 11-623 (A) shall be payable on any overpayments of tax. Such interest shall be computed as beginning 45 days after the later of the due date or the date paid.
- (C) The Administrator may waive or reduce interest for good cause. The Administrator may look to ORS 305.145 and OAR 150-305.145 for guidance in the waiver of interest. Additionally, in consideration of interest waivers for taxable year 2003, the Administrator may consider the fact that taxable year 2003 is the initial year of the ITAX.

### **§ 11-624 Penalties**

(A) A penalty shall be assessed if a person:

- (1) Fails to file a tax return or extension request by the time required under § 11-617 (A); or

(2) Fails to pay at least 90% of the tax by the time by the time required under § 11-617 (A); or

(3) Fails to file or pay payroll taxes withheld at the time required under § 11-631 (A).

(B) The penalty under § 11-624 (A) shall be calculated as:

(1) 5% of the balance of the tax paid after the original due date if the failure is for a period less than or equal to 3 months.

(2) An additional 20% of the balance of the tax paid after the original due date if the failure is for a period greater than 3 months.

(C) The Administrator may waive or reduce any penalty for good cause. The Administrator may look to ORS 305.145 and OAR 150-305.145 for guidance in the waiver of penalty. Additionally, in consideration of penalty waivers for taxable year 2003, the Administrator may consider the fact that taxable year 2003 is the initial year of the ITAX.

## **§ 11-625 Tax Rate**

A tax is imposed for each taxable year on Multnomah Taxable Income as defined in § 11-622 on every resident of Multnomah County. The amount of tax is 1.25% of the Multnomah Taxable Income as defined in § 11-622.

The County Board of Commissioners has established a base level of funding, using the revenue from the Multnomah County income tax, for county public schools, public safety, human services and administration. For the taxable year 2003 this base funding amount is \$132 million dollars. The base figure includes \$93 million for public schools, \$16 million for health and human services, \$16 million for public safety and \$7 million for collections and audits. For the taxable years 2004 and 2005 the base funding level will be increased by the change in the consumer price index for Portland-Salem, OR-WA, as published in by the US Bureau of Labor Statistics.

## **§ 11-626 Tax as Debt; Collection**

The ITAX due per this subchapter and any interest and penalties subsequently assessed thereon shall become, from the time such liability is incurred, a personal debt, due Multnomah County, from the person or persons liable for the debt. The Administrator may pursue collection of this debt through all legal and available means.

## **§ 11-627 Overpayments of ITAX**

(A) Overpayments of ITAX shall be applied in the following manner:

(1) Overpayments will first be applied against any outstanding balances due from prior years (with the net overpayment, if any, to be refunded).

(2) If it is determined that prior ITAX returns were due but have not yet been filed, overpayments shall be transferred to the prior year(s) yet to be filed.

- (3) If it is determined that no outstanding balances are due and no prior returns are outstanding, all overpayments shall be refunded. No overpayments will be applied as a credit forward.

## **§ 11-628 Payment of Estimated ITAX**

- (A) No payment of estimated tax is required. However, quarterly estimated tax payments or other prepayments of the tax may be made using Form MC ES. Form MC ES for any taxable year other than 2003 shall be released by January 31<sup>st</sup> by the Administrator.
- (B) Estimated tax payments made for future due dates (as defined in § 11-617) cannot be used to pay additional tax liabilities for prior or currently due tax years regardless of whether the return is created by the taxpayer filing an amended return or by adjustment of the return by the Administrator.
- (C) Allocation of Joint Estimated Tax Payments

The provisions of OAR 150-316.567 are hereby adopted.

## **§ 11-629 Withholding ITAX on Wages**

- (A) Employers are not required to withhold ITAX from the wages of their employees. They are authorized to voluntarily withhold under the provisions of ORS 652.610 provided:
- (1) The withholding is authorized in writing by the employee and recorded in the employer's payroll system.
  - (2) An itemized statement is furnished to the employee at the time of the payment of wages, salary or commission. The statement may be part of the check, draft or other instrument of payment or may be delivered separately from such instrument. The statement should sufficiently itemize the amount of Multnomah County income tax withheld.

### **(B) Personal Liability of Responsible Officers or Employees**

If an employer fails to remit to Multnomah County amounts that have been withheld under this section, responsible officers and employees of the employer will be personally responsible for the amounts that were withheld but not remitted. A responsible officer or employee is defined in 150-316.162(4) which is hereby adopted.

### **(C) Credit for Tax Withheld**

The provisions of OAR 150-316.187-(A) are hereby adopted.

## **§ 11-630 Permitted Withholding Methods**

- (A) The following are permitted methods of withholding Multnomah County income tax from the wages of employees, provided the employee has authorized the method of withholding.
- (1) Withholding tables as published by the Administrator.

- (2) A flat rate.
- (3) An authorized amount per pay period.
- (4) A combination of permitted methods if authorized by the employee.

All withholding is on a cash basis and must be reported on a cash basis.

## **§ 11-631 Schedule for Payment and Reporting of Withheld ITAX.**

- (A) An employer who chooses to withhold the ITAX from employee payroll shall forward the withheld amounts quarterly to the Administrator as follows:
  - (1) For amounts withheld from payrolls between January 1 and March 31, the due date shall be the last day of the following month (April 30);
  - (2) For amounts withheld from payrolls between April 1 and June 30, the due date shall be the last day of the following month (July 31);
  - (3) For amounts withheld from payrolls between July 1 and September 30, the due date shall be the last day of the following month (October 31);
  - (4) For amounts withheld from payrolls between October 1 and December 31, the due date shall be the last day of the following month (January 31);
- (B) Any payments filed or received after the due dates may be subject to penalty and interest as provided in §§ 11-623 and 11-624 of this chapter.
- (C) Form MC PC will be required to be filed with the quarterly payments of withheld ITAX. Form MC PC for any year other than 2003 shall be released by January 31<sup>st</sup> by the Administrator. This form will also operate as the employer registration. No separate registration is required.
- (D) Electronic Funds Transfer (Reserved)

## **§ 11-632 Withholding Reconciliation By Employer For Payment Of Withheld ITAX.**

- (A) On or before the last day of March following any calendar year in which payroll withholdings have been made by any employer, such employer shall file with the Administrator a Form MC WR. Form MC WR for any year other than 2003 shall be released by January 31<sup>st</sup> by the Administrator. The form shall reconcile taxes withheld and taxes remitted. The form shall include detailed information regarding each employee for whom ITAX has been withheld, specifying the taxes withheld, the employee's name and the employee's Social Security Number.

(B) *ELECTRONIC DATA EXCHANGE*. The Administrator will allow the data required on Form MC WR to be submitted in a standard electronic format as follows:

(1) *WHERE TO FILE*. The electronic data file and accompanying coversheet should not be sent to the regular post office box. The electronic file should be mailed or sent by courier to:

Multnomah County – ITAX  
Attn: Personal Income Tax Supervisor  
111 SW Columbia, Suite 600  
Portland, OR 97201–5814

(3) *COVERSHEET*. The data file should be accompanied by a coversheet which indicates the following information:

- Business Name
- Federal EIN
- Contact Person
- Business Street Address
- City
- State
- Postal Code
- Telephone number

If you are a payroll service filing on behalf of more than one Multnomah County employer, only a single paper coversheet is required which identifies the transmitter and contact information (contact person, address and phone number).

(4) *DATA FILE INSTRUCTIONS*. An electronically based file must be transmitted on one of two media: 3.5 inch 1.44 HD diskette (IBM/MS-DOS formatted) or CD-ROM (IBM/MS-DOS formatted). In the event that there are errors in reading the submitted file, the file will be rejected and returned to the transmitter for correction.

(5) *MMREF-1*. (Preferred) Most employers and payroll service companies use the MMREF-1 standard (SSA standard) to transmit their W-2 information. This will be the preferred method to receive W-2 Reconciliation for the Multnomah County ITAX.

Some employers have experienced difficulty using the LOCALITY field in the MMREF-1 file due to constraints in the software configuration for 2003. Please confirm that the LOCALITY field is populating correctly prior to sending the MMREF-1.

(6) *DAT FILE*. (Alternative) The Administrator will publish in the *Employer Handbook for the Multnomah County Personal Income Tax* an alternative electronic format that may be used.

## § 11-633 Refunds for Residents in Out of County School Districts

The portion of the ITAX dedicated to school funding will only be used to fund in county public school districts. A resident who resides within Multnomah County and within the boundary of the Lake Oswego School District, Hillsboro School District, Beaverton School District or Scappoose School District (herein

↑ DELETED

referred to as out of county school district), and also pays property taxes within any of these districts will receive a partial refund of the ITAX that is reported and paid with the annual filing of the taxpayer's ITAX return.

An in county public school district is a district whose headquarters are located within Multnomah County. An out of county public school district is a district whose headquarters are located outside of Multnomah County.

The refund provided for in this subsection will not exceed the proportion of the ITAX that is used to fund in county school districts. The Administrator will determine the proportion of the ITAX used to fund in county school districts after April 15<sup>th</sup> of each taxable year.

The refund computed under this subsection will only be paid to resident taxpayers who are current on their property tax statements.

### **§ 11-634 Final Tax Return(s) of Deceased Taxpayer**

The provisions of OAR 150-316.387 (1) and (4) are hereby adopted.

### **§ 11-699 Breach of Confidentiality; Violation**

Violation of §§ 11-607 or 11-608 is a Class C felony. Violation of §§ 11-607 or 11-608 is punishable, upon conviction thereof, by a fine not exceeding \$100,000 or by imprisonment for a period not exceeding 5 years, or by both fine and imprisonment. In addition, any county employee convicted for violation of §§ 11-607 or 11-608 shall be dismissed from employment and shall be barred from employment for a period of five years thereafter. Any agent of the county shall, upon conviction, be ineligible for participation in any county contract for a period of five years thereafter.

#1

MULTNOMAH COUNTY BOARD OF COMMISSIONERS  
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

\*\*\*This form is a public record\*\*\*

MEETING DATE: 10-16-03

SUBJECT: R-586 ITAX ADMIN RULES  
Resolution

AGENDA NUMBER OR TOPIC: R-586

FOR: \_\_\_\_\_ AGAINST: X THE ABOVE AGENDA ITEM

NAME: Julie Cleveland

ADDRESS: 27448 NW St. Helens Rd #300

CITY/STATE/ZIP: Scappoose OR 97056

PHONE: \_\_\_\_\_ DAYS: 503-543-3206 EVES: \_\_\_\_\_

EMAIL: on file FAX: \_\_\_\_\_

SPECIFIC ISSUE: \_\_\_\_\_

WRITTEN TESTIMONY: Deb, I will give you a copy  
of my speech after I am done  
for your records.  
Julie

**IF YOU WISH TO ADDRESS THE BOARD:**

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

**IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:**

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#2

MULTNOMAH COUNTY BOARD OF COMMISSIONERS  
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk  
\*\*\*This form is a public record\*\*\*

MEETING DATE: 10-16-03

SUBJECT: PROPOSED ORDINANCE AMENDING 1012

R-5  
AGENDA NUMBER OR TOPIC: R-6

FOR: \_\_\_\_\_ AGAINST: X THE ABOVE AGENDA ITEM

NAME: DIANE KUNKEL

ADDRESS: 21024 NW GILLIHAN RD

CITY/STATE/ZIP: PORTLAND OR 97231

PHONE: \_\_\_\_\_ DAYS: 503-621-3909 EVES: SAME

EMAIL: \_\_\_\_\_ FAX: \_\_\_\_\_

SPECIFIC ISSUE: \_\_\_\_\_

WRITTEN TESTIMONY: \_\_\_\_\_

**IF YOU WISH TO ADDRESS THE BOARD:**

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

**IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:**

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 03-145**

Adopting Administrative Rules to Implement Personal Income Tax

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

- a. On May 20, 2003, Multnomah County voters approved Measure 26-48 establishing a three-year personal income tax.
- b. Measure 26-48 authorizes the Administrator to adopt administrative rules implementing the personal income tax.
- c. The Administrator developed proposed rules implementing the tax.
- d. Measure 26-48 authorizes the Administrator to adopt these rules directly. The Board reaffirms the Administrator's authority to adopt rules without subsequent Board adoption.
- e. However, because of the high level of public interest in these rules and because these are the first rules established under Measure 26-48, the Board is formally adopting the attached rules.

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

1. The Board adopts the attached Multnomah County Administrative Rules to implement the Personal Income Tax.

ADOPTED this 16th day of October, 2003.



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

\_\_\_\_\_  
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
\_\_\_\_\_  
Agnes Sowle, County Attorney

***ITAX Administrative Rules  
for the  
Multnomah County Personal Income Tax***



**MULTNOMAH  
COUNTY**

**2003**

**P.O. Box 279  
Portland, OR 97207 - 0279  
(503) 988-ITAX (503) 988-4829**

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**§ 11-600 Title**

The rules contained in this subchapter are to administer the Multnomah County Personal Income Tax, hereinafter referred to as the ITAX. This subchapter may be known and cited as the ITAX Administrative Rules.

**§ 11-601 Effective Date**

The ITAX shall be in effect for taxable years beginning during years 2003, 2004 and 2005. For calendar year taxpayers, this is taxable years beginning 01/01/2003 through taxable year ending 12/31/2005.

**§ 11-602 Conformity to State Income Tax Laws**

The policy of Multnomah County is to follow the state of Oregon laws and regulations adopted by the Department of Revenue relating to personal income tax. The ITAX shall be construed in conformity with such laws and regulations imposing taxes on or measured by net income. Should a question arise under the ITAX on which this subchapter is silent, the Administrator may look to the laws of the state for guidance in resolving the question, provided that the determination under state law is not in conflict with any provision of this subchapter or the state law is otherwise inapplicable.

**§ 11-603 Adoption of Oregon Revised Statutes and Oregon Administrative Rules by Reference**

The Administrator and the Multnomah County Board of Commissioners may adopt Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR) by reference. To the extent necessary, references in an ORS or an OAR to the State of Oregon or its agencies will be deemed substituted references for Multnomah County and its corresponding agencies.

**§ 11-604 Administrative Authority.**

The Administrator may implement procedures, forms, guides and written policies for administering the provisions of the ITAX.

**§ 11-605 Definitions**

For the purpose of this subchapter, the terms used in this subchapter shall be defined as provided in this subchapter, unless the context requires otherwise.

**ADMINISTRATOR.** The Multnomah County Chief Financial Officer shall be the Administrator of the ITAX. Any designee of the Administrator shall act as the agent of the Administrator to enforce the ITAX and administrative rules as contained in this subchapter.

**DOMICILE.** "Domicile" is that place where a person has a true, fixed and permanent home, and principal establishment, and to which whenever that person is absent, he or she has the intention of returning. Actual residence is not necessarily the domicile of a person. A person may have more than one residence but not more than one domicile. Among other factors indicating domicile may be where the person is registered to vote, receives mail, where their automobile is registered and where their children attend school.

**FILING DATE.** The postmark date affixed by the United States postal service if mailed or the date stamp if delivered by hand or sent by facsimile.

**NONRESIDENT.** A "nonresident" means an individual who is not a resident of Multnomah County.

**PART-YEAR RESIDENT.** "Part-year resident" means a taxpayer who changes status during a tax year from resident to nonresident or from nonresident to resident.

**RESIDENCY FRACTION.** "Residency fraction" shall be the fraction of the year that a part-year resident is subject to the ITAX.

**RESIDENT.** "Resident" shall generally be defined as a taxpayer domiciled within Multnomah County for any portion of the taxable year. ORS 316.027 and OAR 150-316.027 are hereby adopted and shall control when residency questions arise.

**TAXPAYER.** "Taxpayer" means any natural person or married couple filing a joint return whose income in whole or in part is subject to the ITAX.

**TAX YEAR.** The taxable year of a person for federal or state income tax purposes.

## **§ 11-606 Ownership of Taxpayer Information.**

Multnomah County shall be the sole owner of all taxpayer information under the authority of this subchapter. The Administrator shall have access to all taxpayer information at all times.

## **§ 11-607 Confidentiality.**

Except as provided in this subchapter or otherwise required by law, it shall be unlawful for the Administrator, or any elected official, employee, or agent of the county, or for any person who has acquired information pursuant to § 11-608 (A) and (C) of this subchapter to divulge, release, or make known in any manner any financial information or social security numbers submitted or disclosed to the county under the terms of the ITAX Rules. Nothing in this section shall be construed to prohibit the disclosure of general statistics in a form that would prevent the identification of financial information or social security numbers regarding an individual taxpayer.

## **§ 11-608 Persons to Whom Information may be Furnished.**

(A)(1) The Administrator may disclose and give access to information described in § 11-607 of this subchapter to an authorized representative of the Internal Revenue Service, Oregon Department of Revenue, or of any local government of the state of Oregon imposing taxes upon or measured by gross receipts or net income, for the following purposes:

- (a) To inspect the tax return of any taxpayer;
- (b) To obtain an abstract or copy of the tax return;
- (c) To obtain information concerning any item contained in any return;

- (d) To obtain information of any financial audit of the tax returns of any taxpayer; or
  - (e) To maintain compliance with State or Federal Law (such as providing social security numbers to the Internal Revenue Service with 1099G filings for refunds issued).
- (2) Such disclosure and access shall be granted only if the laws, regulations or practices of such other jurisdiction maintain the confidentiality of such information at least to the extent provided by the ITAX Rules.
- (B) Upon request of a taxpayer, or authorized representative, the Administrator shall provide copies of any tax return information filed by the taxpayer in the Administrator's possession.
- (C) The division may also disclose and give access to information described in § 11-607 of this subchapter to:
- (1) The County Attorney, to the extent the division deems disclosure or access necessary for the performance of the duties of advising or representing the division.
  - (2) Other county employees and agents, to the extent the division deems disclosure or access necessary for such employees or agents to perform their duties under contracts or agreements between the Administrator and any other department, division, agency or subdivision of the county relating to the administration of the ITAX.
- (D) All employees and agents of the county, prior to the performance of duties involving access to financial information submitted to the county under the terms of ITAX, shall be advised in writing of the provision of § 11-699 of this chapter relating to penalties for the violation of § 11-607 of this subchapter. Such employees and agents shall execute a certificate in a form prescribed by the Administrator, stating that the person has reviewed these provisions of law, has had them explained, and is aware of the penalties for the violation of § 11-607 of this subchapter.
- (E) Prior to any disclosures permitted by this section, all persons described in division (A) of this section, to whom disclosure or access to financial information is given, shall:
- (1) Be advised in writing of the provisions of § 11-699 of this chapter relating to penalties for the violation of § 11-607 of this chapter; and
  - (2) Execute a certificate in a form prescribed by the division, stating these provisions of law have been reviewed and they are aware of the penalties for the violation of § 11-699 of this chapter.

### **§ 11-609 Taxpayer Representation.**

No person shall be recognized as representing any taxpayer in regard to any matter relating to the tax of such taxpayer without written authorization of the taxpayer or unless the Administrator determines from other available information the person has authority to represent the taxpayer, such as signing the return as a paid preparer.

**§ 11-610 Examination of Books, Records or Persons.**

The Administrator may examine any books, papers, records, or memoranda, including state and federal income tax returns, to ascertain the correctness of any tax return or to make an estimate of any tax. The Administrator shall have the authority, after notice, to require verification of taxpayer information in order to carry out the provisions of this subchapter.

**§ 11-611 Deficiencies and Refunds.**

Deficiencies may be assessed and refunds granted any time within the period provided under ORS 314.410, 314.415, and 317.950. The Administrator may by agreement with the taxpayer extend such time periods to the same extent as provided by statute.

**§ 11-612 Changes to Federal or State Tax Returns.**

- (A) If a taxpayer's reported net income under applicable state laws imposing a tax on or measured by income is changed by the Federal Internal Revenue Service or the Oregon Department of Revenue, or amended by the taxpayer to correct an error in the original federal or state return, a report of such change shall be filed with the Administrator within 60 days after the date of the notice of the final determination of change or after an amended return is filed with the federal or state agencies. The report shall be accompanied by an amended tax return with respect to such income and by any additional tax, penalty, and interest due.
- (B) The Administrator may assess deficiencies and grant refunds resulting from changes to federal, state or business income tax returns within the time periods provided for in § 11-611 of this subchapter, treating the report of change in federal, state or business income tax returns as the filing of an amended tax return.
- (C) The Administrator may assess penalties and interest on the additional tax due as provided in §§ 11-623 and 11-624 of this subchapter or may refuse to grant a refund of taxes as a result of the amended return if the amended return is not filed with the Administrator within the time limits set forth in division (A) of this section.

**§ 11-613 Settlement Offers and Agreements**

The Administrator may, upon good and sufficient cause make settlement agreements with taxpayers in the recomputation of taxes payable or in the collection thereof. Such agreements shall be consistent with ORS §§ 305.150 and 305.155 and corresponding OARs. Applications for settlement offers will be provided by the Administrator to taxpayers proposing settlement offers.

**§ 11-614 Appeal Rights.**

- (A) Any determination of the Administrator may be protested by the taxpayer. Written notice of the protest must be received by the Administrator or designee within 30 days after the notice of determination was mailed or delivered to the taxpayer. The protest shall state the name and address of the taxpayer and an explanation of the grounds for the protest. The Administrator shall respond within 30 days after the protest is filed with the Administrator with either a revised determination or a final determination. The Administrator's determination shall include the reasons for the determination and state the time and manner for appealing the determination. The time to file a protest or the time for the Administrator's

response may be extended by the Administrator, for good cause. Requests for extensions of time must be received prior to the expiration of the original 30 day protest deadline. Written notice shall be given to the taxpayer if the Administrator's deadline is extended.

(B) Any final determination by the Administrator may be appealed by the taxpayer to the Multnomah County Board of Commissioners. Written notice of the appeal must be received by the Administrator within 30 days after the final determination was mailed or delivered to the appellant. The notice of appeal shall state the name and address of the appellant and include a copy of the final determination.

(C) Within 90 days after the final determination was mailed or delivered to the tax filer, the appellant shall file with the Multnomah County Board of Commissioners a written statement containing:

- (1) The reasons the Administrator's determination is incorrect; and
- (2) What the correct determination should be.

Failure to file such a written statement within the time permitted shall be deemed a waiver of any objections, and the appeal shall be dismissed.

(D) Within 150 days after the final determination was mailed or delivered to the taxpayer, the Administrator shall file with the Multnomah County Board of Commissioners a written response to the appellant's statement. A copy of the Administrator's response shall be promptly mailed to the address provided by the appellant.

(E) The appellant shall be given not less than 7 days prior written notice of the hearing date and location. The appellant and the Administrator shall have the opportunity to present relevant testimony and oral argument.

(F) The decision of the Multnomah County Board of Commissioners shall be final and no further administrative appeal shall be provided.

## **§ 11-615 Individuals Required to File Tax Returns**

(A) Every resident of Multnomah County who is required to file an Oregon income tax return for the taxable year is required to file an ITAX return.

Nothing contained in this section shall preclude the Administrator from requiring any individual to file a return when, in the judgment of the Administrator, a return should be filed.

(B) The return to be filed shall be a one page Form MC TR. The Administrator will release the form to the public by December 15<sup>th</sup> of the taxable year. Substitute forms (such as created by tax software) shall be accepted provided the forms include identical information in comparable format as provided on Form MC TR.

(1) Unless requested by the Administrator, no copy of the federal or state of Oregon return is required to be filed with Form MC TR. If ITAX has been withheld from wages, a copy of Form W-2 is required to be filed with the ITAX return unless otherwise notified by the Administrator.

(C) A husband and wife shall make a joint return with respect to the ITAX even though one of the spouses has neither gross income nor deductions, except that:

- (1) No joint return shall be made if the spouses are not permitted to file a joint Oregon income tax return.
- (2) If the Oregon income tax liability is determined on a separate Oregon return, their ITAX liability shall be determined on separate returns.
- (3) If the spouses file a joint return their tax liabilities shall be joint and several. In addition, the following OARs are hereby adopted.
  - (a) 150-316.368 Petitioning Administrator to Equally Split Joint Liability
  - (b) 150-316.369 Innocent Spouse, Separation of Liability, and Equitable Relief Provisions

## **§ 11-616 Social Security Numbers**

Pursuant to the authority provided by ORS 305.100 and 42 USC §405, tax returns, refund claims, applications, registrations, records, requests for information, reports, and other items of a similar nature filed with Multnomah County shall state the social security number or numbers of the individual taxpayer as required by the item being filed. Social security numbers are used by the Administrator and his agent as a part of providing expeditious and practicable processing systems in the administration of the laws by the Administrator, including (but not limited to) such matters as the issuance of tax refunds, allocation or application of incoming tax payments and other matters of a similar nature. The Administrator may require a taxpayer to provide a copy of the taxpayer's social security card.

According to § 11-607 social security numbers shall be confidential information. Disclosure of social security numbers resulting in a breach of confidentiality will result in penalties pursuant to § 11-699.

## **§ 11-617 Return Due Date; Extensions**

- (A) Tax returns shall be on forms provided or approved by the Administrator. All tax returns shall be filed, together with the specified tax by the fifteenth day of the fourth month following the end of the taxpayer's tax year. If the due date falls on a weekend or holiday, the due date shall be the first business day following the weekend or holiday.
- (B) The Administrator shall, when requested, grant extensions for filing returns. An extension will be automatically granted for six months beyond the initial due date. The Administrator will honor federal and state extensions. An extension does not extend the time to pay the tax. Payments made after the due date may be subject to interest and penalties as provided in §§ 11-623 and 11-624 of this subchapter.
- (C) The tax return shall contain a written declaration, verified by the taxpayer, to the effect that the statements made therein are true.
- (D) The Administrator shall prepare blank tax returns and make them available upon request. Failure to receive or secure a form shall not relieve any person from the obligation to pay the ITAX.

**§ 11-618 Oregon Taxable Income Defined**

**OREGON TAXABLE INCOME** shall be taxable income as reported or as reportable to the state of Oregon for personal income tax purposes before any credits or exemptions

**§ 11-619 Income Exemption Defined**

There shall be allowed an additional **INCOME EXEMPTION** after Oregon taxable income. This exemption shall be \$2,500.00 for tax payers whose filing status on Oregon tax returns is single or married filing separately. This exemption shall be \$5,000.00 for tax payers whose filing status on Oregon tax returns is married filing jointly, head of household or qualifying widow(er). If a married couple is filing their Oregon tax return as a non-resident, with only one spouse's income being reported as Oregon Taxable Income the exemption shall be limited to \$2,500.00 as this return will be deemed to be filed as married filing separately for the income exemption purposes.

**§ 11-620 Multnomah Adjusted Income Defined**

**MULTNOMAH ADJUSTED INCOME** shall be defined as Oregon taxable income less the income exemption allowed by this subchapter.

**§ 11-621 Proration of Multnomah Adjusted Income for Part-Year Residents**

If a taxpayer is a part-year resident of Multnomah County for the tax year at issue, the Multnomah Adjusted Income shall be prorated based upon the number of days of residency within Multnomah County within the taxable year. If only one spouse resided in Multnomah County and a joint Oregon Form 40, 40S (short form) or 40P (partial year) has been filed, proration shall be based upon the average number of days of residency of both spouses. If only one spouse resided in Multnomah County and a joint Oregon non-resident return (40N) was filed, proration shall be based upon the number of days the resident spouse was a resident of Multnomah County.

Proration shall be computed as a fraction rounded to two decimal points. This fraction is then to be applied against Multnomah Adjusted Income to determine Multnomah Taxable Income.

Example 1: Ron maintains a home in Multnomah County and works in Multnomah County. He purchased a summer home in Palm Springs, California and each year thereafter spent about three or four months in that state. He continued to spend six or seven months of each year in Multnomah County. He continued to maintain his home and his social, club and business connections in Multnomah County, but established his bank account in California. The months not spent in California or Multnomah County he spent traveling in other states or countries. Ron is domiciled in Multnomah County and is taxed as a resident of Multnomah County because he has not demonstrated intent to abandon his Multnomah County domicile nor has he shown an intent to make California his permanent home. No proration of Multnomah Adjusted Income is allowed.

Example 2: John Smith changed his permanent residence to a location outside of Multnomah County on April 1, 2003. With his original move, he had no intention of moving back to Multnomah County, however, on December 1, 2003 he changed residency by moving back into Multnomah County. The sum of days of residency in Multnomah County during the year was 121. If, on a full year basis, Mr. Smith would have paid tax of \$600.00, proration results in a tax of \$200.00 ( $121/365=.33$ ;  $\$600 \times .33 = \$200$ )

Example 3: John Smith and Mary Smith are married filing a joint Oregon return. Mr. and Mrs. Smith have a residence in Benton County. On July 2, 2003 John Smith moved to Multnomah County because of a permanent job offer. Both spouses visit each other on weekends but spouses consider their separate residences to be their permanent residence. Mr Smith's sum of days of residency in Multnomah County during the year was 183. If, on a full year basis, Mr. and Mrs. Smith would have paid tax of \$1,000.00, proration results in a tax of \$250.00 ( $183/730=.25$ ;  $\$1,000.00 \times .25=\$250$ ).

Example 4: Rob Roy is a full-time student attending college in California. He pays out-of-state tuition and returns to his parents home in Multnomah County every summer where he works a summer job. He also works a part-time job in California. Mr. Roy's stay in California is for a temporary or transitory purpose, therefore, Mr. Roy is a resident of Multnomah County and no proration of Multnomah Adjusted Income is allowed.

Example 5: Linda May is a full-time student attending college in Multnomah County. Her parents live in Eugene where Ms. May graduated from high school. Ms. May stays in Multnomah County throughout the year, attending summer classes and working at a part-time job in Multnomah County. Ms. May regularly visits her parents and intends to return to Eugene upon graduation. Ms. May is not a resident of Multnomah County as her stay in Multnomah County is for a temporary or transitory purpose. Since Ms. May is not a resident, no Multnomah County ITAX return is due.

Taxpayers may petition the Administrator for use of alternate methods to allocate or apportion incomes earned while not domiciled within Multnomah County. The Administrator may, upon good and sufficient cause, accept or deny such petitions.

#### **§ 11-622 Multnomah Taxable Income Defined**

**MULTNOMAH TAXABLE INCOME** shall be defined as Multnomah Adjusted Income after any proration for residency outside of Multnomah County.

#### **§ 11-623 Interest**

- (A) Interest shall be collected on any unpaid tax at the current rate of simple interest established by the Oregon Department of Revenue per month or fraction thereof, computed from the original due date of the tax to the fifteenth day of the month following the date of payment.
- (B) Interest at the rate established in § 11-623 (A) shall be payable on any overpayments of tax. Such interest shall be computed as beginning 45 days after the later of the due date or the date paid.
- (C) The Administrator may waive or reduce interest for good cause. The Administrator may look to ORS 305.145 and OAR 150-305.145 for guidance in the waiver of interest. Additionally, in consideration of interest waivers for taxable year 2003, the Administrator may consider the fact that taxable year 2003 is the initial year of the ITAX.

#### **§ 11-624 Penalties**

(A) A penalty shall be assessed if a person:

- (1) Fails to file a tax return or extension request by the time required under § 11-617 (A); or

(2) Fails to pay at least 90% of the tax by the time by the time required under § 11-617 (A); or

(3) Fails to file or pay payroll taxes withheld at the time required under § 11-631 (A).

(B) The penalty under § 11-624 (A) shall be calculated as:

(1) 5% of the balance of the tax paid after the original due date if the failure is for a period less than or equal to 3 months.

(2) An additional 20% of the balance of the tax paid after the original due date if the failure is for a period greater than 3 months.

(C) The Administrator may waive or reduce any penalty for good cause. The Administrator may look to ORS 305.145 and OAR 150-305.145 for guidance in the waiver of penalty. Additionally, in consideration of penalty waivers for taxable year 2003, the Administrator may consider the fact that taxable year 2003 is the initial year of the ITAX.

## **§ 11-625 Tax Rate**

A tax is imposed for each taxable year on Multnomah Taxable Income as defined in § 11-622 on every resident of Multnomah County. The amount of tax is 1.25% of the Multnomah Taxable Income as defined in § 11-622.

The County Board of Commissioners has established a base level of funding, using the revenue from the Multnomah County income tax, for county public schools, public safety, human services and administration. For the taxable year 2003 this base funding amount is \$132 million dollars. The base figure includes \$93 million for public schools, \$16 million for health and human services, \$16 million for public safety and \$7 million for collections and audits. For the taxable years 2004 and 2005 the base funding level will be increased by the change in the consumer price index for Portland-Salem, OR-WA, as published in by the US Bureau of Labor Statistics.

## **§ 11-626 Tax as Debt; Collection**

The ITAX due per this subchapter and any interest and penalties subsequently assessed thereon shall become, from the time such liability is incurred, a personal debt, due Multnomah County, from the person or persons liable for the debt. The Administrator may pursue collection of this debt through all legal and available means.

## **§ 11-627 Overpayments of ITAX**

(A) Overpayments of ITAX shall be applied in the following manner:

(1) Overpayments will first be applied against any outstanding balances due from prior years (with the net overpayment, if any, to be refunded).

(2) If it is determined that prior ITAX returns were due but have not yet been filed, overpayments shall be transferred to the prior year(s) yet to be filed.

- (3) If it is determined that no outstanding balances are due and no prior returns are outstanding, all overpayments shall be refunded. No overpayments will be applied as a credit forward.

## **§ 11-628 Payment of Estimated ITAX**

- (A) No payment of estimated tax is required. However, quarterly estimated tax payments or other prepayments of the tax may be made using Form MC ES. Form MC ES for any taxable year other than 2003 shall be released by January 31<sup>st</sup> by the Administrator.
- (B) Estimated tax payments made for future due dates (as defined in § 11-617) cannot be used to pay additional tax liabilities for prior or currently due tax years regardless of whether the return is created by the taxpayer filing an amended return or by adjustment of the return by the Administrator.
- (C) Allocation of Joint Estimated Tax Payments

The provisions of OAR 150-316.567 are hereby adopted.

## **§ 11-629 Withholding ITAX on Wages**

- (A) Employers are not required to withhold ITAX from the wages of their employees. They are authorized to voluntarily withhold under the provisions of ORS 652.610 provided:
- (1) The withholding is authorized in writing by the employee and recorded in the employer's payroll system.
- (2) An itemized statement is furnished to the employee at the time of the payment of wages, salary or commission. The statement may be part of the check, draft or other instrument of payment or may be delivered separately from such instrument. The statement should sufficiently itemize the amount of Multnomah County income tax withheld.

## **(B) Personal Liability of Responsible Officers or Employees**

If an employer fails to remit to Multnomah County amounts that have been withheld under this section, responsible officers and employees of the employer will be personally responsible for the amounts that were withheld but not remitted. A responsible officer or employee is defined in 150-316.162(4) which is hereby adopted.

## **(C) Credit for Tax Withheld**

The provisions of OAR 150-316.187-(A) are hereby adopted.

## **§ 11-630 Permitted Withholding Methods**

- (A) The following are permitted methods of withholding Multnomah County income tax from the wages of employees, provided the employee has authorized the method of withholding.
- (1) Withholding tables as published by the Administrator.

- (2) A flat rate.
- (3) An authorized amount per pay period.
- (4) A combination of permitted methods if authorized by the employee.

All withholding is on a cash basis and must be reported on a cash basis.

## **§ 11-631 Schedule for Payment and Reporting of Withheld ITAX.**

(A) An employer who chooses to withhold the ITAX from employee payroll shall forward the withheld amounts quarterly to the Administrator as follows:

- (1) For amounts withheld from payrolls between January 1 and March 31, the due date shall be the last day of the following month (April 30);
- (2) For amounts withheld from payrolls between April 1 and June 30, the due date shall be the last day of the following month (July 31);
- (3) For amounts withheld from payrolls between July 1 and September 30, the due date shall be the last day of the following month (October 31);
- (4) For amounts withheld from payrolls between October 1 and December 31, the due date shall be the last day of the following month (January 31);

(B) Any payments filed or received after the due dates may be subject to penalty and interest as provided in §§ 11-623 and 11-624 of this chapter.

(C) Form MC PC will be required to be filed with the quarterly payments of withheld ITAX. Form MC PC for any year other than 2003 shall be released by January 31<sup>st</sup> by the Administrator. This form will also operate as the employer registration. No separate registration is required.

(D) Electronic Funds Transfer (Reserved)

## **§ 11-632 Withholding Reconciliation By Employer For Payment Of Withheld ITAX.**

(A) On or before the last day of March following any calendar year in which payroll withholdings have been made by any employer, such employer shall file with the Administrator a Form MC WR. Form MC WR for any year other than 2003 shall be released by January 31<sup>st</sup> by the Administrator. The form shall reconcile taxes withheld and taxes remitted. The form shall include detailed information regarding each employee for whom ITAX has been withheld, specifying the taxes withheld, the employee's name and the employee's Social Security Number.

(B) *ELECTRONIC DATA EXCHANGE*. The Administrator will allow the data required on Form MC WR to be submitted in a standard electronic format as follows:

(1) *WHERE TO FILE*. The electronic data file and accompanying coversheet should not be sent to the regular post office box. The electronic file should be mailed or sent by courier to:

Multnomah County – ITAX  
Attn: Personal Income Tax Supervisor  
111 SW Columbia, Suite 600  
Portland, OR 97201-5814

(3) *COVERSHEET*. The data file should be accompanied by a coversheet which indicates the following information:

- Business Name
- Federal EIN
- Contact Person
- Business Street Address
- City
- State
- Postal Code
- Telephone number

If you are a payroll service filing on behalf of more than one Multnomah County employer, only a single paper coversheet is required which identifies the transmitter and contact information (contact person, address and phone number).

(4) *DATA FILE INSTRUCTIONS*. An electronically based file must be transmitted on one of two media: 3.5 inch 1.44 HD diskette (IBM/MS-DOS formatted) or CD-ROM (IBM/MS-DOS formatted). In the event that there are errors in reading the submitted file, the file will be rejected and returned to the transmitter for correction.

(5) *MMREF-1*. (Preferred) Most employers and payroll service companies use the MMREF-1 standard (SSA standard) to transmit their W-2 information. This will be the preferred method to receive W-2 Reconciliation for the Multnomah County ITAX.

Some employers have experienced difficulty using the LOCALITY field in the MMREF-1 file due to constraints in the software configuration for 2003. Please confirm that the LOCALITY field is populating correctly prior to sending the MMREF-1.

(6) *DAT FILE*. (Alternative) The Administrator will publish in the *Employer Handbook for the Multnomah County Personal Income Tax* an alternative electronic format that may be used.

## **§ 11-634 Final Tax Return(s) of Deceased Taxpayer**

The provisions of OAR 150-316.387 (1) and (4) are hereby adopted.

**§ 11-699 Breach of Confidentiality; Violation**

Violation of §§ 11-607 or 11-608 is a Class C felony. Violation of §§ 11-607 or 11-608 is punishable, upon conviction thereof, by a fine not exceeding \$100,000 or by imprisonment for a period not exceeding 5 years, or by both fine and imprisonment. In addition, any county employee convicted for violation of §§ 11-607 or 11-608 shall be dismissed from employment and shall be barred from employment for a period of five years thereafter. Any agent of the county shall, upon conviction, be ineligible for participation in any county contract for a period of five years thereafter.



- The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.
- Funds from the personal income tax will be distributed to County public schools based on the state school funding, per pupil (ADMw), distribution model. The distribution is based on \$618 per ADMw for FY04. The distribution formula will be reviewed and may be changed for subsequent fiscal years.
- HB 5077 appropriates \$5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional \$100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by \$285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by \$414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds \$4.8 billion in each of the three fiscal years.
- The County has used its best judgment in estimating the amounts that will be available each fiscal year for distribution to the schools. If collections do not meet expectations the County is not responsible to provide funding for the schools.
- The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to ensure that the funds allocated to the schools benefit students in the classroom and that the personal income tax dollars are well spent. The IGA covers the reporting requirements.
- The Measure provides that independent performance audits will be conducted on the use of funds generated by the measure. The IGA covers this auditing function.

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

The revenues and expenditures of about \$90 million for the Schools is included in the adopted budget.

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

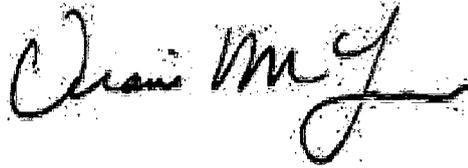
**If a budget modification, explain:**

- ❖ **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)**

- 4. **Explain any legal and/or policy issues.**  
Meets the County's legal requirements and is consistent with County policies
- 5. **Explain any citizen and/or other government participation that has or will take place.**  
None.

**Required Signatures:**



**Department/Agency Director:**

**Date: 10/08/03**

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**

ITAX Talking Points for Oct 16<sup>th</sup> (Ordinance R-4, Adopt Admin Rules R-5, and IGA R-6)  
Dave Boyer

1. Request the Board approve the first reading of an Ordinance to amend the definition of County's Personal Income Tax definition of Resident.
  - Shortly after the May election we were aware that we needed to modify the definition of resident. This change does not alter the intent of Ballot Measure 26-48 but clarifies that the tax payer living in Multnomah County is a resident no matter where they file their return and defines a part year resident.
2. We are recommending that the Board adopt the Administrative Rules related to the County Personal Income Tax.
  - The ITAX Ordinance authorizes the Administrator to adopt rules but since this is a new tax we thought it would be appropriate for the Board to adopt the first set of Admin rules. The rules include definitions, references to Oregon Revised Statutes and Oregon Administrative Rules, rules for tax payers to follow and various other ITAX provisions.
  - Some of the more significant provisions in the rules include:
    - Effective Date, Tax rate, taxable income, due date
    - Definition of County exemptions for single and joint filers. The definitions follow Federal and State guidelines for joint tax filers, head of household and single filers, etc.
    - County's intent is to follow Oregon tax laws
    - Confidentiality of tax information
    - Definition of resident that is included in the Ordinance we just discussed. Rule include examples that taxpayers can use as a guideline
    - Appeal rights and process
    - Penalties and Interest for non compliance
    - Rules that apply to employers that provide deductions for their employees
    - Refunds of a portion of the taxes of the four school districts (lake Oswego, Beaverton, Hillsboro and Scappoose) that have headquarters outside of Multnomah County and portions of their school district boundaries inside the Multnomah County. What the rules state is that the school portion of the tax will be refunded to property owners that pay and are current on their property tax payments. The tax portion for County Public Safety, Health and Human Service and Collections is not refundable.

- Future Administrative rules will be adopted by the Tax Administrator with notification to the Board. Don't expect any major additions to the ones included in the document today.
  - These rules were developed by County and City staff and I need to especially thank Satish Nath, Doug Locke and Honora Whitaker-Mead from the County and Scott Carter, Ron Hanson and Terri Williams from the City for putting these together.
3. Discussion on the nine draft Intergovernmental Agreements with the Schools.
- The agreement were reviewed by all nine School Business Officials, Superintendents and with some of the School Board members.
  - Chair Linn, Kathy Turner and Finance and Budget staff have attended several meetings with the schools to review these agreements and discuss other ITAX information with the intent to keep all the parties informed.
  - The Agreements include:
    - The initial base funding between the schools and the County
      - ◆ \$approx \$93 million to schools
      - ◆ \$32 million to County Public Safety and Health& Human Service
      - ◆ \$7 million to collection
    - The actual distribution amount to each school and that the distribution formula may be changed in future years.
    - Distributions will be made on actual collections and if collections don't meet expectations the County is not required to make up the difference.
    - The schools need to work with the County whenever the State changes the school funding level and that the intent of the Agreement is that the Districts would receive their entire proportional share over the three year period less any State funding over the \$4.8 billion amount.
    - The County may reduce future tax rates, refund taxes, or place taxes in reserve or do a combination if tax collections exceed either projections or State funding is over \$4.8 billion in a given year.
    - Includes what the schools can spend their funds on. This is the same language that was in the Ballot Measure explanatory language.
    - Includes the reporting requirements, both plan and actual, of the school district to the School Efficiency Advisory Council
    - County auditor to do performance audits and that the schools will assist them.

# MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 0410542

Pre-approved Contract Boilerplate (with County Attorney signature)  Attached  Not Attached

Amendment #: \_\_\_\_\_

CLASS I	CLASS II	CLASS III A
<p>Contracts \$75,000 and less per 12 month period</p> <p><input type="checkbox"/> Professional Services Contracts</p> <p><input type="checkbox"/> PCRB Contracts</p> <p style="margin-left: 20px;"><input type="checkbox"/> Maintenance Agreements</p> <p style="margin-left: 20px;"><input type="checkbox"/> Licensing Agreements</p> <p style="margin-left: 20px;"><input type="checkbox"/> Public Works Construction Contracts</p> <p><input type="checkbox"/> Architectural &amp; Engineering Contracts</p> <p><input type="checkbox"/> Revenue Contracts</p> <p><input type="checkbox"/> Grant Contracts</p> <p><input type="checkbox"/> Non-Expenditure Contracts</p>	<p>Contracts over \$75,000 per 12 month period</p> <p><input type="checkbox"/> Professional Services Contracts</p> <p><input type="checkbox"/> PCRB Contracts</p> <p style="margin-left: 20px;"><input type="checkbox"/> Maintenance Agreements</p> <p style="margin-left: 20px;"><input type="checkbox"/> Licensing Agreements</p> <p style="margin-left: 20px;"><input type="checkbox"/> Public Works Construction Contracts</p> <p><input type="checkbox"/> Architectural &amp; Engineering Contracts</p> <p><input type="checkbox"/> Revenue Contracts</p> <p><input type="checkbox"/> Grant Contracts</p> <p><input type="checkbox"/> Non-Expenditure Contracts</p>	<p><input type="checkbox"/> Government Contracts (190 Agreement)</p> <p><input type="checkbox"/> Expenditure <input type="checkbox"/> Non-Expenditure</p> <p><input type="checkbox"/> Revenue</p> <p style="text-align: center;"><b>CLASS III B</b></p> <p><input checked="" type="checkbox"/> Government Contracts (Non-190 Agreement)</p> <p><input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Non-Expenditure</p> <p><input type="checkbox"/> Revenue</p> <p><input type="checkbox"/> Interdepartmental Contracts</p>

Department: Finance Budget and Tax      Division: Tax      Date: October 16, 200  
 Originator: Theresa Sullivan      Phone: (503) 988-3635      Bldg/Rm: 501/4<sup>th</sup> floor  
 Contact: Dave Boyer      Phone: (503) 988-3903      Bldg/Rm: 501/4<sup>th</sup> floor  
 Description of Contract: \_\_\_\_\_

RENEWAL:  PREVIOUS CONTRACT #(S): None  
 RFP/BID: \_\_\_\_\_ RFP/BID DATE: N/A  
 EXEMPTION #: \_\_\_\_\_ ORS/AR #: \_\_\_\_\_  
 Effective DATE: \_\_\_\_\_ EXPIRATION DATE: \_\_\_\_\_  
 CONTRACTOR IS:  MBE  WBE  ESB  QRF State Cert# \_\_\_\_\_ or  Self Cert  Non-Profit  N/A (Check all boxes that apply)

Contractor <u>Portland Public School District No. 1 J</u> Address _____ City/State <u>Portland, Oregon</u> ZIP Code _____ Phone <u>(503) 916-3218</u> Employer ID# or SS# _____ Contract Effective Date <u>July 1, 2003</u> Term Date <u>6/30/06</u> Amendment Effect Date _____ New Term Date _____	Remittance address _____ (If different) _____ Payment Schedule / Terms <input type="checkbox"/> Lump Sum \$ _____ <input type="checkbox"/> Monthly \$ _____ <input checked="" type="checkbox"/> Other \$ _____ <input type="checkbox"/> Requirements Funding Info:																								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Original Contract Amount</td> <td style="width: 30%;">\$160,000,000</td> <td style="width: 30%;"></td> </tr> <tr> <td>Total Amt of Previous Amendments</td> <td>\$</td> <td></td> </tr> <tr> <td>Amount of Amendment</td> <td>\$</td> <td></td> </tr> <tr> <td><b>Total Amount of Agreement \$</b></td> <td><b>\$160,000,000</b></td> <td></td> </tr> </table>	Original Contract Amount	\$160,000,000		Total Amt of Previous Amendments	\$		Amount of Amendment	\$		<b>Total Amount of Agreement \$</b>	<b>\$160,000,000</b>		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Original Requirements Amount</td> <td style="width: 30%;">\$</td> <td style="width: 30%;"></td> </tr> <tr> <td>Total Amt of Previous Amendments</td> <td>\$</td> <td></td> </tr> <tr> <td>Requirements Amount Amendment:</td> <td>\$</td> <td></td> </tr> <tr> <td><b>Total Amount of Requirements</b></td> <td><b>\$</b></td> <td></td> </tr> </table>	Original Requirements Amount	\$		Total Amt of Previous Amendments	\$		Requirements Amount Amendment:	\$		<b>Total Amount of Requirements</b>	<b>\$</b>	
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<b>Total Amount of Requirements</b>	<b>\$</b>																								

**REQUIRED SIGNATURES:**

Department Manager _____	DATE _____
Purchasing Manager _____	DATE _____
County Attorney _____	DATE _____
County Chair _____	DATE _____
Sheriff _____	DATE _____
Contract Administration _____	DATE _____

COMMENTS: \_\_\_\_\_

**Multnomah County, Oregon  
School District No. 1J, Multnomah County, Oregon**

**Multnomah County Personal Income Tax  
Intergovernmental Agreement**

THIS AGREEMENT entered into by and between Multnomah County, Oregon, hereinafter "County", and School District No. 1J, Multnomah County, Oregon hereinafter "School District", and is dated \_\_\_\_\_ 2003.

WITNESSETH, the parties hereto recite the following reasons for entering into this agreement:

- A. On March 13, 2003, the Multnomah County Board of Commissioners passed Resolution 03-037 resolving, in part, to refer a Measure to the voters to impose a personal income tax.
- B. On May 20, 2003, the voters of the County passed a temporary three-year personal income tax, Measure 26-48 "Measure," that will provide an estimated \$128,000,000 to \$135,000,000 each fiscal year in funding for County School Districts, County Programs, Auditing and Collection Costs.
- C. The personal income tax rate is 1.25% on Oregon taxable income after deducting for either single exemptions of \$2,500 or joint exemptions of \$5,000 and is levied on County residents.
- D. The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.
- E. The personal income tax is due on April 15 beginning in year 2004 and ending in year 2006.
- F. County Personal Income Tax Administrative Rules allow employers the option to deduct personal income tax withholdings from the paychecks of County residents.
- G. County Personal Income Tax Administrative Rules allow for estimated quarterly payments to be made by County residents.
- H. It is expected that the majority of the tax receipts will be received by the County in April, May and June of each year.
- I. The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to review expenditures by county school districts of funds generated by the Measure and to oversee the new local revenues for the benefit of students.
- J. The School District's governing body has statutory authority under ORS 332.072 through 332.111 to administer the instructional and financial programs of the School District. Nothing in this agreement is intended to abrogate this statutory responsibility.
- K. The School District, Portland Association of Teachers, City of Portland, and the County have established a Health Benefits/Compensation Committee (the "Advisory Committee") to make findings and recommendations for the creation of a balanced and competitive compensation package that reduces costs of benefits and increases teacher salaries.

- L. The Measure provides that independent performance audits will be conducted on funds generated by the measure.

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The County has used its best judgment in estimating the amounts that will be available for distribution to the School District.
2. Funds from the personal income tax will be distributed to the School District and the County based on the following table. The distribution split will be reviewed and may be changed based on the outcome of a referendum to rescind the State tax surcharge as it impacts State school funding. The funding level below is considered the base funding level and that the base funding will be increased in FY 2004/2005 and 2005/2006 by the Portland Consumer Price Index for All Urban Consumers (CPI-U) as of February of each year.

	Amount	Percent of Total
County Schools	\$93,327,900	70.5%
County Programs	\$32,000,000	24.2%
Administration	\$7,008,510	5.3%
<b>Total</b>	<b>\$132,336,410</b>	<b>100.0%</b>

3. Funds from the personal income tax will be distributed to School District based on the state school funding, per pupil (ADMw), distribution model. The 2003/2004 distribution is based on \$618 per ADMw. The distribution formula will be reviewed and may be changed for subsequent fiscal years.
4. The County shall apportion to the School District an aggregate amount of 34.560% of the net personal income tax cash receipts received. The apportionment and distribution to the School District is based on the table below:

	ADMw	Estimated Amount to be Apportioned	Percent of Distribution
Centennial	7,402	\$4,574,436	4.323%
Corbett	720	\$444,960	.420%
David Douglas	10,976	\$6,783,168	6.410%
Gresham-Barlow	12,427	\$7,679,886	7.257%
Parkrose	4,376	\$2,704,368	2.556%
Portland Public	59,178	\$36,572,003	34.560%
Reynolds	12,357	\$7,636,626	7.217%
Victory Middle School	137	\$84,666	.080%
Riverdale School District 51J	538	\$332,484	.314%
County Programs	N/A	\$32,000,000	30.240%
Collection & Auditing Costs	N/A	7,008,510	6.623%
<b>Total</b>	<b>108,111</b>	<b>\$105,821,107</b>	<b>100.000%</b>

5. The table in Section 4 above may be adjusted each fiscal year based on the state school funding levels, change in ADMw, actual tax collections, either negative or positive, and amounts held in reserve, if any.

6. HB 5077 appropriates \$5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional \$100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by \$285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by \$414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds \$4.8 billion in each of the three fiscal years.
7. The County shall distribute funds to the School District as follows:
  - a. Distributions of all funds received shall be made by the 5<sup>th</sup> business day of the month following the County's receipt of cash payments of personal income tax revenue in accordance with the distribution formula in Section 4 and commencing no later than January 8, 2004.
  - b. No apportionments or distributions shall be made in any fiscal year until the County receives payments of the personal income tax revenues.
  - c. With each payment made to the School District, the County shall provide information including the gross amount collected and the total amount distributed to the School District to date for the fiscal year.
8. If in any fiscal year the actual personal income tax collections do not meet the estimated apportioned amount, or the County reduces the amount of tax collected as set forth in Section 11 below, the School District's apportionment will be reduced in the proportions set forth in Section 4 above and the County is not responsible for making up the difference between the estimated apportioned amount and the actual collections.
9. The County agrees to make reasonable efforts and use best practices in the collection and enforcement of the tax. The County retains the right to provide for amnesty programs or other collection enforcement decisions.
10. If in any fiscal year the actual personal income tax collections exceed the estimated apportioned amount, the County may do any of the following to meet the intent of the Measure:
  - a. Place the excess collections in a reserve fund to be distributed to the School District in subsequent years when collections do not meet the estimated apportionment.
  - b. Reduce the personal income tax rate to reduce collections in subsequent years.
  - c. Rebate excess collections to tax payers.
  - d. Distribute all or part of the excess collections in accordance with Section 4.
  - e. Implement a combination of a, b, or c above.

11. If the State school funding received by the School District is in excess of the amounts underlying the computation of the tax, the County may do one of the following to meet the intent of the Measure:
  - a. Place excess County collections in a reserve fund to be distributed to the School District or County programs, in accordance with the distribution formula in Section 4 above, in the event the State reduces the School funding allocation or funding of County programs in the current or subsequent years.
  - b. Increase or decrease the personal income tax rate to adjust for any funding changes made by the State.
  - c. Refund excess collections to tax payers.
  - d. Implement a combination of a, b, or c above.
12. At the end of fiscal year 2005/2006, the County shall retain sufficient tax collection monies to pay for refunds, pay administrative costs or pay for other costs associated with closing the tax out in fiscal year 2006/2007. The County will provide the School District with a complete accounting of the administrative expenses and the close out costs.
13. If at the end of fiscal year 2006/2007 there remains a balance, after all close out expenses are made, the County may rebate the balance to taxpayers or distribute the apportioned share of the balance to the School District.
14. The School District is responsible for obtaining any short-term cash flow funding needs and the County is not responsible for prepaying any of the personal income tax or for assisting the School District in obtaining cash flow Tax Revenue Anticipation Notes.
15. The School District agrees to use the funds for the following services:
  - a. To maintain or improve student-teacher ratios.
  - b. To maintain instructional days to help ensure a full, 180-day school year.
  - c. To fund programs and services that prepare students for college and the workforce.
  - d. To communicate with citizens about achievement and accounting for the use of these tax dollars.
16. The School District will continue to apply resource management, cost containment, and organizational structure responsibly 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.
17. The School District agrees to provide the Advisory Council, in a common format acceptable to the Advisory Council and agreed upon by all school districts, a reasonably detailed plan based on the Adopted Budget of how it will expend its allocation of the tax to ensure the services in Paragraph 15 above are met. The plan will be submitted no later than December 31<sup>st</sup> of each year.

18. The Advisory Council may review expenditures and may make recommendations. The School District agrees to provide a reasonably detailed accounting of the expenditures of these local income tax revenues based on the audited financial statements published in its Comprehensive Annual Financial Report to the Advisory Council no later than December 31<sup>st</sup> of each year.

19. The following items produced in Sections 16 and 17 will be provided to the County by the dates listed below:

December 31, 2003 - plan for 2003/04 school year

December 31, 2004 - accounting for 2003/04 school year and plan for 2004/05 school year

December 31, 2005 - accounting for 2004/05 school year and plan for 2005/06 school year

December 31, 2006 - accounting for 2005/06 school year

20. The School District agrees that performance audits may be conducted jointly by the City Auditor and the County Auditor in order to identify potential cost-savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity-building for increased accountability. The City Auditor and County Auditor will work with the School District to define the scope and design of the performance audits. The auditors will provide an opportunity for the School District to respond to the audit report before delivering the report directly to the Board of Education. Audit reports will also be provided to the Advisory Council, the City Council and the Board of County Commissioners. The School District shall cooperate with the auditors and will provide documents and data reasonably requested by the auditors.

21. The School District agrees to work with the Health Benefits/Compensation Advisory Committee to make findings and recommendations for the creation of a balanced and competitive compensation package that reduces cost of benefits and increases teacher salaries in the District and that it will use its best efforts to accomplish that goal.

22. In the event that the Multnomah County Board of Commissioners determines that funds provided to the School District have not been used as specified in paragraph 15 above or that the School District has not complied with any of the terms of this agreement, the County may suspend or terminate additional allocations to the School District. Prior to suspending or terminating the distribution of funds, the County will provide written notice to the School District detailing the non compliance and the School District has 30 days to correct the non compliance by restoring the tax funds with other School District funds or satisfactorily explaining the expenditure to the Board of County Commissioners.

23. This agreement shall take effect upon execution by the parties' duly authorized representatives. This agreement shall be in effect from July 1, 2003 through June 30, 2006 unless one of the following provisions applies:

a. If the County's personal income tax is repealed, this agreement shall automatically terminate as of the effective date of the repeal.

b. The County personal income tax expires and all collections have been distributed.

24. The parties shall comply with all applicable laws in connection with this agreement.

25. No party may assign its rights or obligations under this agreement. No such assignment may affect any rights of the School District without their written concurrence.

26. This agreement may be amended only upon the written concurrence of both parties.

IN WITNESS WHEREOF, the authorized representatives of the County and School District, as parties hereto, acting pursuant to the authority granted to them,

HEREBY AGREED:

MULTNOMAH COUNTY

By \_\_\_\_\_  
Multnomah County Chair

By \_\_\_\_\_  
Superintendent

Date signed: \_\_\_\_\_

Date signed: \_\_\_\_\_

Reviewed by:

Reviewed by:

\_\_\_\_\_  
Agnes Sowle, County Attorney

\_\_\_\_\_  
Attorney for  
School District No. 1J, Multnomah County, Oregon