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Chair's Executive Budget Message April 19, 2007

I am pleased to present my Executive Budget for fiscal 2007-2008.

Although this document ultimately reflects my spending priorities as Multnomah County Chair, I would like to collectively acknowledge and thank the dozens of engaged members of the community, policy experts, front-line employees, clients, managers and other elected officials whose considerable guidance, wisdom and experience is incorporated within these pages.

I am confident that this budget will serve as an effective blueprint for my administration during the coming fiscal year and beyond.

This year's budget reflects hard choices and significant spending reductions. Reasonable people will disagree over individual funding decisions, but it is my hope that the community will agree that the Executive Budget process was inclusive, fair and consistent. This budget will bring intensified fiscal restraint to a jurisdiction that is already struggling to cope with the impact of the six previous consecutive years of budget cuts. On the other hand, it also lays out a clear path toward financial security and stability for Multnomah County government.

Goals of My Executive Budget

This budget accomplishes two key objectives: 1) it stabilizes the County's financial condition, and 2) it focuses my administration's priorities and provides clear strategic direction for the coming year and beyond.

Financial Stability

My Executive Budget ensures that Multnomah County will live within its means. This balanced budget includes over \$15 million in general fund reductions representing one of the largest single-year reductions ever taken by a local jurisdiction in Oregon. These cuts are necessary for two reasons: first, the County must reduce its spending to account for the expiration of the Multnomah County temporary income tax which supported nearly \$32 million in program spending. **This budget will bring expenditures back into line with revenues over a two-year period by offering \$15 million in cuts this year, and identifying another \$10 million in next year's Executive Budget.**

Additionally, the cost of providing our core services continues to rise at a faster rate than our revenue. Unlike the City of Portland, Multnomah County has a limited range of revenue options.

The growth of our single largest source of revenue – property taxes – was capped at three percent by Oregon voters with the passage of Measure 50 in 1997. On the other hand, our costs (especially employee costs, public health services and public safety costs) continue to grow at about six percent per year. This creates a structural deficit which grows worse each year. **This budget takes specific steps to reduce the structural deficit by investing in technologies that will improve worker productivity, creating an “innovation fund” that will support programs that bring in more than one dollar in savings for every dollar invested, and identifying specific reductions in administrative overhead.**

Focus and strategic direction

Multnomah County has historically been charged with providing an unusually wide array of services that include, among other things: public libraries, correctional facilities, health centers, elections, emergency management, senior programs, health inspections, after-school programs, bridges, mental health services, river patrol, energy assistance, animal services, land use planning and marriage licenses. In many cases, Multnomah County is required by statute to provide specific services. Multnomah County has outstanding employees who are accomplishing great things on behalf of the community in each of these and other areas. Every line of service in which the County is engaged will receive my full attention and support as the County’s Chief Executive Officer.

This budget does, however, focus attention on two areas that are urgent priorities for my administration: human services and public safety. More specifically, Multnomah County will provide a system of accountable basic needs services to those who are the *most* vulnerable in our community, and we will provide a system of accountable public safety services to the community as a whole. Program enhancements reflected in this budget are largely concentrated in these two areas.

Multnomah County Will Retain its Leadership Role

Despite the significant spending reductions proposed in this budget, Multnomah County will continue to be a cutting-edge government agency. Focusing attention on human services and public safety with clearly articulated strategies will enable us to maintain a nationally-recognized public health system, cost-effective drug and alcohol treatment, one of the nation’s premier public library systems, health clinics that serve thousands of uninsured county residents, excellent early childhood prevention and intervention services, a successful youth homeless and housing system, critical mental health services, balance in the public safety system, an effective juvenile justice system, widely-emulated parole and probation services and a robust aging and disability services system.

FY 2007-2008 Executive Budget – Notable Highlights

In 2004 Multnomah County government worked with citizens to establish six “priority areas” for the County. The Board of County Commissioners re-affirmed these priority areas early in this year’s budget process: accountability, safety, basic living needs, thriving economy, school success, and vibrant communities. The Executive Budget is structured around funding for each priority area. I have highlighted some of the more notable initiatives which I am supporting in

this budget and I begin the discussion of each priority area with some remarks on my strategy around those services.

Accountability: “I want my government to be accountable at every level.”

Strategy: In order for Multnomah County to maintain the trust and continued support of the public, it must be accountable. To be accountable, Multnomah County must be open and engage the public in the policy-making process, it must be transparent in how it makes its decisions, cost-effective in terms of how it spends the taxpayers’ hard-earned dollars and it must be accessible to all citizens. Multnomah County must be proactive in its efforts to be accountable to the public by making it easy for citizens to hold us accountable.

Multnomah County will take the lead in responsibility for racial and ethnic disparities that we know exist within our community and be held accountable for progress toward eliminating them.

Citizen Involvement

This budget maintains funding for open and meaningful citizen involvement, but it also reserves additional funds to “challenge” the Citizens Involvement Committee (CIC) to come up with an innovative means of coordinating public involvement across Multnomah County’s various citizen engagement opportunities including CIC, Public Affairs Office, Elders in Action, libraries and elsewhere. The CIC has accepted this challenge, and I look forward to working with it to enhance our community engagement efforts. Citizen involvement is a high priority for my administration, and it is our goal to more meaningfully engage citizens in shaping and implementing county policy and also to increase the role of citizen volunteers in every part of the county organization. Specifically, we hope to double the number of volunteers engaged by Multnomah County during the coming year.

System of Accountability

The Chair’s Office will work with the County Budget Office to champion the “MultStat” initiative during the coming budget year. MultStat will be an outcomes-based and results-oriented program that evaluates programs against specific performance measurements and benchmarks on an ongoing basis. It will make sure that programs are on target to deliver the outcomes that were “purchased” during the budget process. I am confident that MultStat will not only help us spend our limited dollars more efficiently, but it will also enhance the delivery of County human services. MultStat will also help us cultivate leadership amongst the ranks of our employees by encouraging wider participation in the program evaluation process. It is my expectation that MultStat will more than pay for itself through cost-savings and improved service delivery.

New Phone system and County Web-site

If government is not accessible, it cannot be held accountable by the public it serves. For many citizens, the best way (and for some the only way) to access Multnomah County is through our website and phone system. To be direct, neither is currently acceptable and I have asked county staff to redesign both the County website and our phone system to make them easier for citizens to navigate and to get the information they need. I believe this can be accomplished through

some reallocation of existing resources. The phone system will enable users to reach a live operator on every call. My goal is for citizens to get the information they want on their first phone call or first visit to the County website.

Innovation Fund

My Executive Budget includes a \$2 million Innovation Fund (one time only) which will support programs that can demonstrate more than one dollar in savings for every dollar spent. This pilot program is a key means of reducing the County's structural deficit and encouraging innovative thinking among County employees. Grants will be awarded from this fund on a competitive basis and steps will be taken to ensure openness and transparency in the process. The goal of this program is to generate more than \$2 million in savings on an ongoing basis.

Technology investments

After years of budget cuts, Multnomah County has neglected to invest in enterprise technology and core IT systems that make us innovative, cost-effective and more productive. My Executive Budget makes substantial one-time-only investments in IT systems, Assessment and Taxation systems, our land use planning system, electronic medical records and other systems which are greatly needed. It is the goal of my administration to invest in core technologies that will make us more productive, embrace new technologies that will give our employees the tools they need to do their jobs, and utilize open source platforms wherever advantageous to maximize our access to current information.

Reducing racial and ethnic disparities

In Multnomah County, African Americans and increasingly Latinos, Native Americans and Asians experience lower life expectancies, higher rates of disease, poverty, and overrepresentation in the criminal justice and mental health systems. The Health Department's Program Offer 40045 which is funded through my Executive Budget, is a primary example of how we will address health outcomes disparities. It will include participation in national discussion of health disparities and will integrate community input, findings from disparities experts, and local data to identify current efforts as well as immediate and long-term solutions to address the root causes of disparities. Additionally, my office will create a framework to address disparities with an explicit focus on justice, equity and the relationship of inequities to economic and educational attainment. This initiative will offer an internal process of looking at local indicators and current efforts to tackle disparities. I will also create a Disparities Elimination Board of Advisors to identify and address the root causes of disparities in our community. I am committed to significantly raising awareness of this issue and developing concrete action plans through town halls and other forums. During my administration, Multnomah County will work to eliminate disparities based on race and ethnicity that exist in our community and we will challenge other community institutions to work with us to make this happen.

Safety: "I want to feel safe at home, work, school and play."

Strategy: *In order for the public safety system in Multnomah County to work effectively, every jurisdiction within the County that spends money on public safety programs needs to know what the current resources are, what gaps exist, have a workable strategy to fund those gaps, and*

ensure that the entire system is in balance (i.e. adequate police, jail beds, court services, treatment services, etc.) Emergency Management is core to public safety and includes making sure that our organization is trained and prepared to respond to any widespread emergency, is coordinated as part of any regional response, and that the community is informed and well-prepared for their role in any emergency response. As a matter of principle, the County must take specific steps to eliminate the over-representation of minority youth, particularly African-American youth, in the juvenile justice system.

Public Safety Study

My Executive Budget will fund a county-wide public safety study which will commence during the current fiscal year. This study, which will be done with the voluntary participation of all jurisdictions in Multnomah County (including the City of Portland and the City of Gresham) will take a hard look at the current resources in our public safety system, evaluate their effectiveness, identify specific gaps, evaluate treatment options and alternatives to incarceration, and make recommendations for future investment strategies in the public safety system. This study may be useful to identify specific strategies that might be funded through a possible county-wide public safety levy in 2008.

Jail beds

With the support of the Multnomah County Sheriff, I am shifting jail resources to reflect known best practices and to maximize the impact on public safety. **Overall, the system capacity will remain largely unchanged.** Although we will reduce the overall level of jail beds in the County by reducing the level of double bunking at the Multnomah County Detention Center (MCDC), the funds will be directed toward both **a new work-release furlough program** and **30 additional residential treatment beds** in the community. These new services will free up approximately the same number of beds that are closed at MCDC, but will provide a greater reduction in the recidivism rate. In sum, we will be paying less for a greater reduction in crime.

At present, there are many people in the Multnomah County jails who could safely be furloughed to a work-release program instead of jail, but the County currently has no furlough program. Furlough would allow these offenders to continue to support their families. It is estimated that we could “free up” somewhere in the neighborhood of 60 – 70 beds with the furlough program.

At any given time there are 50-60 offenders at Multnomah County’s Inverness Jail (MCIJ) who have gone through pre-treatment and are eligible for release to treatment, but remain in jail due to a lack of treatment beds in the community. We will “free up” 30 jail beds by investing in 30 new residential treatment beds.

My Executive Budget also reduces the number of double-bunked cells at the MCDC by 170 (but adds beds at MCIJ for a net reduction of 114.) Reducing double bunking will reduce employee costs at MCDC, make it easier to manage our most challenging jail population, reduce wear and tear at MCDC, and bring us closer to full compliance with the Prison Rape Elimination Act.

Wapato Jail

The best long term use for the Wapato Jail is to operate it just as the voters intended when they voted to fund its construction in 1996. Specifically, it should be used to house local, general

population prisoners (with treatment capacity). In the short-term, there are two options actively being pursued by this administration. First, we are in ongoing discussions with Clark County to use part of the treatment capacity of the facility. We are also continuing conversations with key legislators in Salem to pursue use of the facility to house state prisoners who are serving the last year of their sentence and who we know will return to Multnomah County upon their release. I am asking the Board to hold \$2.5 million in contingency so that we will be ready to act quickly to open the facility as soon as we can close a deal with either of these potential partners. My administration has set a deadline of November 2008 to identify funding to open the Wapato facility. In the meantime we will pursue all avenues for partnership and will continue to ensure that we are spending our current public safety dollars wisely.

Juvenile Confinement Alternatives for Minority Youth

My administration is committed to eliminating the overrepresentation of minority youth in our juvenile corrections system. In addition to supporting mainstream juvenile detention alternatives (50023A - existing, 50023B – new, 50015 - existing), I have supported an innovative program (50016 – alternative) that will provide detention alternatives targeted toward African American and Latino youths who are identified as likely to thrive in an alternative program. Collectively, these programs will cost significantly less per day per youth than juvenile detention and will address the significant overrepresentation of minority youths in our juvenile detention facility.

Emergency Management

My Executive Budget provides additional resources (and additional staffing capacity) to the County Emergency Management Office to enhance our emergency response capacity. This funding will enable us to update our Emergency Operations Plan (EOP), train staff, conduct drills and exercises, coordinate regional emergency planning and build the capacity of the community to respond to a widespread emergency. I have also continued a separate program which enables the Multnomah County Health Department to plan and respond to widespread health-related emergencies. It is the goal of my administration for Multnomah County to demonstrate excellence in emergency preparedness by earning accreditation by the Emergency Management Accreditation Program.

Community Corrections (SB 1145)

The Governor's proposed budget included increased dollars for local supervision of state prisoners by Multnomah County (SB 1145 funding). The legislative Co-Chairs budget then reduced Multnomah County's reimbursement by nearly \$5.7 million (for the biennium) from what the Governor had proposed. My administration is deeply concerned about this reduction and the impact it will have on our ability to provide basic public safety services in Multnomah County. Moreover, the Governor's SB1145 budget was negotiated in good faith by the Association of Oregon Counties (AOC), the Governor's office, and the state association which represents community corrections professionals. I will continue to lobby the legislature to restore the Governor's funding for SB1145, and my administration will work to increase Multnomah County's share of SB1145 funding in the future. The County will consider all options with regard to how manage SB1145 funding, including the option to "opt out" in the future which would return community corrections responsibility to the State of Oregon.

Preserving Public Safety

While my executive budget makes some changes in the public safety system I have maintained the capacity to supervise offenders and keep the community safe. We will continue to spend more than half of our General Fund on public safety needs.

Basic Living Needs: “I want all Multnomah County residents and their families to have their basic living needs met.”

***Strategy:** My administration will employ a general strategy for prioritizing basic needs. There will be exceptions, and every program will need to demonstrate its effectiveness, but generally, we will support intervention and prevention programs first because they are more cost-effective than after-the-fact treatment or remedies and encourage desired behaviors. We will invest with an eye toward the future, which means that generally early childhood programs will be prioritized. Above all else, we will support those in the community who have nowhere else to turn – our most vulnerable citizens - and we will prioritize programs where Multnomah County is the only agency that can provide the service. My administration is committed to supporting programs that reach out to disenfranchised communities who need basic services, including culturally specific programs that demonstrate that they can achieve desired results.*

Family Economic Security

I am proud to support the highly innovative Family Economic Security Program in my executive Budget. This cost-effective poverty intervention program will directly improve the economic bottom line for low-income, working families, reducing their reliance on social services. This project will partner with 30 local employers to provide tax assistance to 600 low-income working parents to help them claim the Advance Earned Income Tax Credit. The goal for this \$75,000 pilot program is to secure \$1.8 million in tax benefits for low-income families in Multnomah County.

Vital Aging Commission

My Executive Budget provides funding to support the County’s new Vital Aging Commission which will identify and create increased volunteerism and employment opportunities for aging adults throughout Multnomah County. This program will ensure that Multnomah County will be prepared to both address the challenges and cultivate the opportunities provided by the rapidly changing demographics brought about by the aging baby boom generation. The Vital Aging Commission will work with existing resources in the community including Multnomah County Aging and Disability Services, Elders in Action and other agencies like Hands on Portland to fulfill its mission.

African American Specific Mental Health Treatment Challenge (25079)

This is a new program that is not funded in my Executive Budget because the cost is beyond our current capacity to fund it in full. This proposal would fill a significant gap in our mental health system and would address a known disparity that exists in our community (African Americans are more likely than other groups to be referred to a hospital or public safety environment rather than receive mental health treatment). Although we cannot commit to funding it alone (the total cost would be about \$800 thousand per year) my administration will commit to finding \$200

thousand to open this clinic if we can persuade the State, hospitals or other agencies to step forward to help us fund this program.

Secure Mental Health Sub-Acute Treatment Facility for Adults Challenge (25065)

This is another program that is not funded in my Executive Budget, but which is a high priority for my administration. I have lobbied hard in Salem with Mayor Potter and State Senators Avel Gordly, Margaret Carter and Ben Westlund to try and get state funding to open this facility which will close a known gap in our mental health system. The cost is prohibitive for Multnomah County to operate it alone – about \$2.8 million per year. My administration will commit to taking a lead role in developing funding for the construction of the facility if the State of Oregon will commit to supporting the ongoing operational costs.

Residential Treatment Beds

My Executive Budget increases the number of community residential treatment beds by 30. (See discussion above in Safety.)

Preserving Services for the Most Vulnerable

Because the county has a special obligation to help those who have nowhere else to turn, I have fully funded aging and disability services and the programs that serve people with developmental disabilities.

Thriving Economy: “I want Multnomah County to have a thriving economy.”

***Strategy:** The best anti-poverty program is a good job. Although the County’s formal role in economic development is limited, there are many specific ways we can assist the local economy. The first is to acknowledge that it is easier to keep the jobs we already have than try to recruit new companies to the area. We should support the 40,000 small businesses that provide the majority of existing employment opportunities in our community by including them in important decisions that impact their ability to do business (such as business tax policy). The second is to serve as an integrator of the many local and regional business efforts that currently exist. Third, the County should commit to finding ways to support the deteriorating regional transportation infrastructure that it currently owns and operates. Fourth, the County can seek to link clients in our anti-poverty services to local jobs through our affiliation with WorkSystems, Inc. and other resources. Fifth, the County should ensure that its own business practices (such as procurement policies and contract management) are supportive of local business first, especially small business. Finally, the County should ensure that it supports through its own business practices the development of emerging clusters that represent a competitive advantage for our community: green energy, green building technology, open source software development, and flex-car-type fleet arrangements, etc.*

Economic Development

I am pleased to support funding for Program Offer 10038 to hire an Economic Development Coordinator to consolidate and leverage the County’s limited economic development resources and enhance the County’s ability to partner with government, business, and community organizations focused on workforce and economic development. Our participation with the Regional Investment Board, Worksystems, Inc., Regional Partners, and the East Metro Economic

Alliance are just a few signs of the commitment we have to economic development—this program offer will coordinate and strengthen it. There is sufficient funding to develop an Economic Development Strategic Plan for Multnomah County. This program offer will enable the County to play a more meaningful role in local economic development initiatives.

Small Business Advisory Council

My budget supports limited funding to create and staff a Small Business Advisory Council that will advise me on business issues including those listed in the strategy above.

Regional Bridge Authority

My Executive Budget will support funding to pursue the study and creation of a Regional Bridge Authority. My concern is that Multnomah County does not have - and will never have - the capacity to properly maintain or replace the 27 bridges and overpasses (and nearly 300 miles of roadway) for which we are currently responsible. Rather than passing the buck to the next generation, it is a priority for my administration to develop an action plan for how, specifically, we will maintain the infrastructure that is critical to the future livability and economic viability of our community. Discussions are already underway.

BIT Reduction

My next Executive Budget will reflect the restructuring of the Business Income Tax that was recently unanimously supported by the Board of County Commissioners. Starting in 2008 we will raise the gross income exemption and increase the owners compensation deduction to ease some burden on small business. This will also harmonize the business tax approaches of Multnomah County and the City of Portland thus simplifying procedures for taxpayers.

Education: “I want all children in Multnomah County to succeed in school.”

Strategy: Multnomah County should not duplicate the work of the school districts or ESDs. Rather, the County should enhance their efforts by providing effective wrap-around services that Multnomah County is uniquely qualified to provide and which we know will directly improve educational outcomes: health, mental health, stable housing, anti-poverty services, etc. We should continue to support and grow the SUN service system – as a cost-effective means of delivering Multnomah County Human Services to school-age youth and their families. The SUN Coordinating Council will be encouraged by this administration to further develop the SUN System as a community-wide template for delivering a wide range of community services.

SUN Coordinating Council

The new SUN Coordinating Council is included in this budget. It will broaden the “ownership” of the SUN service system by giving our partners a clear role in shaping the initiative. The creation of this Council was a major recommendation of the task force which studied SUN in the wake of last year’s budget controversy.

SUN service system

My Executive Budget provides base level funding for the SUN sites across the county. I am also recommending that we put money in our contingency fund and work with the Coordinating Council and our partners to identify gaps and leverage additional funding. I have proposed cuts

in some school based programs (see the section on **Reductions** later in this document) but I hope that we can work with our partners to maintain the highest priority services.

Vibrant Community: “I want to have clean, healthy neighborhoods with a vibrant sense of community.”

Strategy: Multnomah County will continue to support programs that are valued by the community and which contribute significantly to our core mission.

Libraries

My Executive Budget honors the commitment of Multnomah County to its citizens who voted to renew the library levy in November 2006. I have fully funded all branches, including the new Troutdale and North Portland branches.

Bus Pass Program

My Executive Budget continues to fund the Bus Pass Program for Multnomah County employees. I believe that it is important that we encourage mass transit for our employees because it helps to reduce greenhouse gas emissions from vehicles and is consistent with my administration’s goals around sustainability.

Reductions Included in My Executive Budget

As noted earlier, this budget includes \$15 million in reductions. These were hard decisions and if the County’s financial situation were different I would have proposed the continuation of many of these programs.

Not every jurisdiction faces the same fiscal constraints as Multnomah County. As noted below I have met with school and city leaders to seek advice and partnerships that could help to maintain some of these services. I think that we all agree that the community is best served when governments cooperate across jurisdictional lines.

Major reductions in the Chair’s budget fall into five categories and involve two major partnerships.

1. School based services and potential for schools partnerships
2. Corrections
3. Administration
4. Quality of life services and potential for cities partnerships
5. Law enforcement

1. School Based Services and School Partnerships

The extent of the reductions prompted a wide ranging review of the services currently provided to schools or on school sites. We found a wide variety of services that varied greatly by district placement and by results. Rather than continue to be the sole judge of the effectiveness and

importance of these services, we are asking the school districts to partner with us in selecting from a menu of services that the County can provide if the District can defray the County's unreimbursed costs.

For this year, we focused on the following services:

- School based mental health services
- Middle and elementary school clinics
- Touchstone
- Child care slots
- Teen pregnancy prevention program
- East County teen health clinic
- Summer hours at existing high school clinics
- Gender based training

We have discussed these reductions (totaling \$3.8 million) with the Superintendents of the school districts within the county and will be providing them with information on the cost to purchase these services, if they wish to retain them. By way of assistance to the districts in the first year, the County will be able to allocate an unanticipated \$2.1 million of delinquent ITAX collections due these districts under our agreement.

2. Corrections

These reductions were described in the Public Safety section above. Reducing double bunking at MCDC saves an estimated \$2.9 million. Small reductions in court services bring the total in corrections to approximately \$3.3 million

3. County Administration

In an effort to gather as many options as possible, I asked department administrators and agency heads to prioritize how they would take reductions. From those conversations, we identified small administrative savings in many areas. Collectively they total \$2.6 million. The most significant of these will involve reductions in our internal services rate in future years, focused primarily on changes in how we provide information technology services.

These are difficult reductions to make in an organization that has endured multiple years of reductions. We are unlikely to hear about them in the budget hearings. Nevertheless, they can impact staff and management workloads and indirectly the quality of services we are able to provide.

4. Quality of life services

There are several reductions that are driven by our desire to respond first to the more serious public safety threats. Some of our work is currently directed to chronic users of systems or more minor criminal or nuisance activity.

Given the difficult trade offs inherent in this process, this budget eliminates funding for the sobering portion of the Hooper Detox Center, the majority of the addictions outreach services, some prosecutors who work closely with police precincts in the City of Portland, and the portion of Animal Control field services that responds to neighborhood nuisances and dead animals.

Because of the overlapping jurisdictional and programmatic charges of the City of Portland and Multnomah County, I have briefed the Mayor and City Council about my budget and asked them to consider providing funding for these services within the City of Portland. This \$2.6 million request was graciously received and the Mayor has asked for continued discussion as part of the budget process.

5. Law Enforcement

The Sheriff and I and our staff have developed an excellent working relationship. The overall need to reduce the County budget is understood and supported by the Sheriff. The specific reductions included in this budget are obviously painful for the Sheriff and his employees. Nevertheless, they largely reflect the priorities he identified through our conversations.

The most difficult reductions involve reductions in deputies in special investigations, several county wide task forces, a reduction in river patrol, and enforcement records. The need for continuing law enforcement coverage is driven not as much by call volume, but largely by the large geographical areas within the Sheriff's responsibility and the need to maintain minimally acceptable response times to emergency situations. The continuing reduction in county wide services is reflective of the growth of Gresham and other East County cities, who are assuming full responsibility for criminal activity in urban areas.

The long term answer is a single police force for East County. That has the promise of both greater efficiencies and/or higher service levels.

Strategic planning for next year

Unfortunately, this is only the first of two steps. Next year, we will return with additional reductions. We anticipate approximately \$10 million at this time. However, because of uncertainties involving our labor negotiations, ever rising health care costs, the state budget (especially involving 1145 funding), and our dangerous dependence on a business income tax, that number could easily grow to \$15 million or higher.

In preparation, I have identified program areas that need additional cooperative planning or redesign. Some will lead to reductions that our systems can afford; others may result in redesign that will provide cost avoidance or better service; others will need the active cooperation of our government partners. I will be discussing this strategic direction with the Board in the upcoming weeks and asking for their support and assistance in doing this policy work together, cooperatively over the next few months.

Appreciation for my colleagues

Before arriving at the County, I was not sure what to expect in terms of cooperation, innovative thinking and tough minded decision making, both from my fellow elected officials and the Department Managers.

Needless to say, this budget reflects a great deal of their work and support. All Board members and their staff were aware of the considerations I weighed in compiling this budget. Many of the ideas included in here came from conversations with them and with the other elected officials and managers who know first hand the painful impact of these reductions. I want to thank them all for their assistance. I particularly want to thank Karyne Dargan and the staff of the budget office whose diligence and professionalism make it possible for us to truly focus our efforts on the policy questions.

The process has left me with a more in depth understanding of the benefits of services provided by the county, the dedication of the people who deliver them, and the passion that those that receive these services have for their continuance. Together, we need to continue our resolve to work together to minimize the impact of these cuts in service and to think and rethink creatively how we can provide our core services most effectively.

A handwritten signature in black ink, reading "TED WHEELER". The signature is written in a cursive, slightly stylized font. The "T" is large and loops around the "E". The "W" is also large and loops around the "H". The "E" is small and loops around the "L". The "L" is large and loops around the "E". The "R" is small and loops around the "E". The signature ends with a long, horizontal stroke.