



# Diane M. Linn, Multnomah County Chair

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## Chair's Executive Budget Message May 4, 2006

I am pleased to provide my FY 2006-2007 Executive Budget for Multnomah County, based on the innovative priority-based budgeting process we implemented in FY 2005. My budget is a results-based, outcomes-driven document that balances urgent, competing priorities in a way that delivers measurable results to County taxpayers. I have worked to align the resources we have with the services and results our community needs and wants.

*"My budget is a results-based, outcomes-driven document that balances urgent, competing priorities ...."*

### **Multnomah County Remains Well-Positioned Financially**

I am pleased to report that the overall financial position of the County is healthy. Our General Fund reserves have almost doubled, from \$13.5 million to \$26 million today. Our PERS reserves are solid at \$15 million as are our Employee Benefits Board reserves at \$12 million. Operationally, we are leaner today than at any time in recent memory as the result of \$70 million in General Fund reductions in the last four years. In spite of those tough economic times, our Moody's Investor Service bond rating remains Aa1 - the 2<sup>nd</sup> highest rating enjoyed by any government entity in Oregon, including the State itself.

### **Decline in Federal, State Revenue; Voters Temporarily Maintain Services**

Though our economic foundation is healthy, our short-term situation has been challenging in recent years. In addition to a declining economy, the County has faced another major financial challenge – loss of millions in State and federal revenue. Those reductions have come in an array of areas including mental health, community corrections, alcohol and drug treatment, aging and disability services, Oregon Health Plan and more. Ironically, it is during tough economic times like this that citizens need County services the most. Collectively these cuts have presented an enormous strain on our systems of care. Individuals and families who rely on County services have been greatly impacted, as have those who rely on contracted services provided by our community partners.

Three years ago County voters stepped up to help schools with \$90 million a year by approving the temporary income tax (I-Tax). They also voted to provide \$32 million a year for critical public safety and human service programs at the County. I remain deeply grateful to County voters for helping us stave off the impact of State cuts and other revenue losses for three years, allowing us to continue providing critical services needed by our citizens. But when I was urged earlier this spring to extend the I-Tax, my response was clear: temporary means temporary.

*“I remain deeply grateful to County voters for helping us stave off the impact of State cuts and other revenue losses for three years ...”*

### **Today’s Challenge: Continuing to Provide Essential Services**

In assembling my budget, I began by knowing I had \$32 million less in ongoing General Funds with which to purchase programs and services. Never in the history of this jurisdiction have we faced this large a General Fund reduction in a single year. Making that reality even tougher was the \$70 million in General Fund reductions and 500 County positions already lost in the last four years.

*“Never in the history of this jurisdiction have we ever faced this large of a General Fund reduction in a single year.”*

Because a \$32 million loss of service all at once would have devastating results for our community, I felt it imperative to use other funds available for this budget. I began with the \$10 million I-Tax bridge to the future already approved by the Board of County Commissioners. To that, I added \$15.3 million by redirecting funds from the Supplemental Budget adopted in January 2006. Providing critical services, even if only for another year, is of greater urgency than establishing new reserve funds, debt buy-down, and taking loans from our General Fund for a bridge as was done in the Supplemental Budget. I then used the remainder of one-time-only funds available. As a result, I built an FY 2006-2007 budget that makes some reductions now, creates a glide path to economic recovery, migrates away from reliance on the General Fund, and leads us to complete independence from I-Tax funds by the end of FY 2007-2008.

*“I added \$15.3 million by redirecting funds from the Supplemental Budget ...”*

## **FY 2006-2007 Executive Budget Highlights**

More than half of the County's General Fund (\$165,843,687) goes to purchase results in one priority area: Safety. With that responsibility in mind, I allocated our General Fund resources to purchase results in Safety in the ways outlined below.

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

- High and Medium Risk Offenders - I have focused our limited resources to maintaining the integrity of our supervision, sanction and treatment systems for high and medium risk offenders in our community.
- Integrity of Parole/Probation - I have maintained the integrity of parole and probation supervision with reasonable caseloads so officers can truly make a difference.
- Alternatives to Jail - Despite State cuts and reliance on I-Tax, I maintained treatment and alternatives to jail to increase offender behavior change, and decrease costs to the County.
- Integrity of Juvenile System - I have maintained the integrity of the juvenile justice system and our ability to hold delinquent youth accountable, and to intervene to change their behavior.
- Alcohol and Drug Treatment - I have maintained core outpatient and inpatient alcohol and drug treatment functions for men, women and juveniles.
- Corrections Mental Health – I have maintained the critical functions of crisis response, suicide watch and prevention; access to drugs, nurses, psychiatrists and mental health consultants and discharge planning.
- Law Enforcement, Patrol and River Patrol – I have maintained these functions in the budget, even while we continue exploring possible efficiencies in these areas through Joint Public Safety Budgeting with the City of Portland.
- Jail Beds – After years of jail bed shortages resulting in early release of offenders, I have maintained the current number of jail beds we worked so hard to open during FY 2005-2006.
- Wapato Jail and Treatment Facility – In addition, in FY 2006-2007, to reach the next level in public safety and further reduce early release of offenders, I added 150 more beds at Wapato at a cost of less than \$3

million. I am also involved in discussions with other jurisdictions who have expressed interest in renting space at Wapato. Wapato will open!

*“Wapato will open!”*

Just less than half of the County’s General Fund (\$130,554,744) goes to purchase results in all other priority areas: Education, Basic Needs, Vibrant Communities, Thriving Economy and Accountability. With those goals in mind, I have allocated General Fund resources to purchase results in each of those areas, as outlined below.

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

- Due to strong oversight and collections, I am pleased to include an additional payment of \$8.2 million to the eight County school districts for school year 2006-2007 in voter-approved I-Tax funds.
- I am also pleased that the County stepped up to be part of the community solution for schools with a one-time-only \$6.4 million in assistance to all County schools, to be distributed equally to every student County-wide for school year 2006-2007.
- SUN Services System – I have maintained the County’s nationally-lauded and innovative SUN system, providing social service supports to ensure children are successful in school. Recent evaluation data shows the SUN system to have significant, measurable results for children and families. Under my leadership, we have expanded the number of SUN community schools to 52 from eight. More than 60,000 students and their families enjoy the benefits provided by the SUN system. My vision is to expand SUN into even more schools in the coming years.

*“Under my leadership, we have expanded the number of SUN community schools to 52 from eight.”*

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

- Homeless and Affordable Housing – My budget reflects a commitment to the needs of the chronically homeless and contributes to the goals of the 10-Year Plan to End Homelessness, including making the Martha Washington Building available for permanent, supportive housing.

*“My budget reflects a commitment to the needs of the chronically homeless and contributes to the goals of the 10-Year Plan to End Homelessness.... “*

- Alcohol and Drug – Our addictions system is based on levels of care, including detoxification, residential, outpatient, recovery supports and special programs. Despite numerous State cuts and heavy reliance on I-Tax funds, I have maintained the core elements of the treatment system for men, women and youth.
- Mental Health – Also the victim of numerous State cuts and heavily reliant on I-Tax, I have maintained the integrity of this system by purchasing core elements of the system.
- Developmental Disability – I have maintained the matching General Fund contribution in order to sustain the core elements of system.
- Aging and Disability – I have maintained systems of care for the elderly and disabled despite the fact that many of the services were funded with I-Tax funds due to cuts in federal and State programs.
- Primary Health Clinics – I propose to stabilize long-term funding of Safety Net Health Clinics with an investment of \$1.7 million in one-time-only resources that will leverage \$3.5 million in operating costs in FY 2006-2007. This investment allows for a planning process to review the County’s role in the safety net, and reconstitute our delivery system in areas of governance, funding, care models and staffing.

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

- Library Services – I have maintained library hours, materials budgets, and outreach and literacy programs to children and adults in our nationally-lauded and highly utilized library system.
- Animal Services - I have maintained the base service levels of support for both field services and shelter operations in an effort to continue the high standard of care and treatment of animals throughout the County.

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

- Regional Infrastructure – Following up on efficiencies gained through this year’s successful transfer of 50+ miles of County roads to City of Gresham, I have maintained current service level funding for maintenance

and operations of County roads and bridges, land use and transportation planning.

*“... I have maintained current service level funding for maintenance and operations of County roads and bridges...”*

- Regional participation - I have funded the County's participation in and support for two key economic development organizations: East Metro Economic Alliance and Oregon Science & Technology Partnership. This action leverages resources contributing to short and long term vitality of the region's economy.
- Jobs – Through the Multnomah/Washington County Regional Investment Strategy, this budget secures approximately \$800,000 of State Lottery dollars to support traded-sector job creation and a micro-enterprise lending program for minority, women-owned and emerging small businesses.
- Strategic Investment Program (SIP) – I continue funding for administration of the Strategic Investment Program and for job creation and training efforts with SIP contracted companies.

*“I continue funding ..... for job creation and training efforts  
.....”*

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

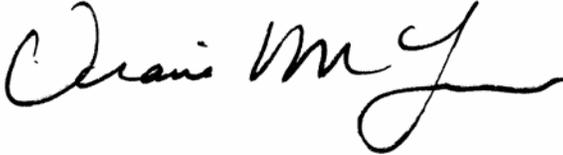
- Overtime Savings - In response to continued concerns regarding overtime, I have included \$1 million in additional overtime reductions in the Sheriff's office. In cooperation with the Sheriff, the Board, and with the Auditor's assistance, I will work to improve communication and accountability by working to set performance measure targets for overtime related to total personnel costs or hours.
- Community Access - To ensure community access and full engagement in the County, I have restored the Citizen Involvement Committee position that was removed from the budget last year.

I want to thank those who assisted me in the preparation of my Executive Budget, including my staff, the Board, Board staff, the Budget Office, Department Directors, District Attorney Mike Schrunk, Sheriff Bernie Giusto and Presiding Judge Dale Koch. I am also grateful to the many County employees who served

on budget Design Teams and Outcome Teams, and to the Citizen Involvement Committee for ensuring public involvement in my deliberations. Lastly, I thank the hundreds of County residents who attended budget forums, called, wrote or emailed my office, or met with members of my staff about matters of concern to them.

I look forward to continued discussion about the budget in coming weeks.

Sincerely,

A handwritten signature in black ink, appearing to read "Diane M. Linn". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Diane M. Linn  
Multnomah County Chair