

Readers Guide – Volume 2

Reader's Guide

Volume 2 – Program Offers

This volume contains the program offers submitted by departments and funded in the Chair's proposed budget. Each section is separated by department, and contains the following items, in order:

- An introduction to the department along with budget trends and a program offer summary
- The department's program offers.

Program offers form the basis for the Priorities of Government budgeting process. They constitute a department's budget request *and* narrative budget, and provide the information that the Chair used to select programs that will best address the County's priorities in FY 2006.

What makes a good program offer?

A good program offer explicitly shows the relationship between the program and the desired results for a given priority. Program offers should:

- Address cause and effect for the priority
- Describe how they will make a significant contribution toward achieving the priority outcome, as measured by the indicators
- Show why the County's spending on this priority is effective – the 'bang for the buck' provided
- Show evidence that the program can deliver on the offer and measure its results
- Give performance measures that accurately track the program's contribution to the result.
- Link the offer to the policy direction/frameworks
- Describe program activities in layperson's terms.

Program Offers are not about funding programs because these programs exist – they are about outcomes. They emphasize meeting the County's goals, not preserving the government status quo. The following paragraphs describe the configuration of each program offer and the type of information each section should contain.

Program Offer Description

In Multnomah County's budget, a "program" is an organizational unit that provides services to the public or to other County departments or divisions. Its description should briefly and clearly explain the activities encompassed in the program offer. If the offer represents a change in current practice (a reorganization or change in staffing levels, service hours, etc.), it should briefly describe the nature of that change.

Program Offer Justification & Link to Priority

The justification should describe how the program offer will support the strategies outlined in the priority's strategy map. It should cite research, experience, or logic to convincingly make the case. If this is a new program offer, it should note how the department created its cost estimate.

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| <i>Performance Measures</i> | <p>Each program offer should include one to three performance measures that indicate the level of service that the County can expect to receive if this program is selected—the measurable results that community members will experience.</p> <p>In addition, this section should indicate what exactly will be accomplished as a result of operating this program. This can be stated numerically (for example, 500 students participating in summer reading programs or 100 lane-miles of streets paved) or from a percentage standpoint (for example, 95% of customers will be served in 5 minutes or less). The Auditor’s Office will be the keeper of the data for each priority’s “marquee” indicators.</p> |
| <i>Summary of Last Year’s Results and This Year’s Expected Results</i> | <p>This section briefly summarizes the program offer’s contribution to the priority in FY 2004, and notes any trends already identified for the current fiscal year. For FY 2006, of course, many program offers will not have prior-year results data. Nevertheless, the program offer should include an “action plan” for the upcoming year that answers the following questions:</p> <ul style="list-style-type: none">• What are the objectives and when will they be achieved?• What benefit will this achievement have for customer service, results in this priority area, or productivity improvements? |
| <i>Legal & Contractual Mandates</i> | <p>Many program offers will be constrained by legal or contractual mandates. If a program offer is affected by a mandate, the mandate and its authorizing document (a statute, contract, etc.) should be noted.</p> |
| <i>Projected Program Costs</i> | <p>This area should show the full cost to the County of providing the program, including the program’s share of administrative, support, or other shared costs, as well as the revenues generated by the program for its support. <i>(For more information please see the discussion of operating costs vs. administration and support costs on Page 4.)</i></p> |
| <i>Explanation of Revenues</i> | <p>This section explains how non-General Fund revenues or General Fund fee revenues were estimated. Revenue estimates should clearly demonstrate the reasonableness of the estimate.</p> |
| <i>Significant Program Changes</i> | <p>This section should explain significant programmatic changes that affect the program—not financial changes up or down. Such changes might include the following information:</p> <ul style="list-style-type: none">• Increases or decreases in the scope or level of services• Increases or decreases in net personnel resources (FTE's)• Revenue increases or decreases• How this change affects other departments and/or service delivery programs. |

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Types of Program Offers

Program offers were categorized based on the “type” of services they deliver. Program offers fell into one of the following groups:

- Administration
- Support
- Operating Program
- New Program
- Program Alternative/Reconstruction
- Internal Service
- Revenue

The following are definitions of the program offers for FY 2006:

Administration

Administration: Department- or division-level management and related expenses (i.e. office space, supplies, telephones, etc.) Direct program supervision is considered to be a part of the operating program (NOT administration), and should be included in the operating program’s offer.

Support

Support: An activity in a department that provides services directly to some or all operating programs within a department. Examples include the Health Department’s pharmacy, which supports the various health clinics; the Library’s Technical Services, which maintains the Library’s materials and catalog system-wide; or the District Attorney’s Human Resources unit.

Operating

Operating Program: An “on the ground” activity of the County. Includes front-line supervisors/program managers with specific responsibilities for particular operating programs. An example would be the Department of Schools and Community Partnerships program for Runaway Youth or the Health Departments Primary Care Clinics.

New

New Program: An “on the ground” or support activity that the County currently does not perform.

Alternative or Reconstruction

Program Alternative/Reconstruction: A program that has been or is currently operated by one or more County departments that is proposed to be operated in a different way, by different providers, or with different business models.

Internal Service

Internal Service: Programs that support Countywide operations. Examples of these types of programs would be Fleet or Information Technology services.

Revenue

Revenue: These programs are used to budget discretionary (primarily General Fund) revenues *at the fund level*. Program revenues are budgeted within the applicable program offer.

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Other Important Notes

Reading through the program offers, one should keep in mind:

- The way in which Program Offers are scaled
- The relationship between Administration and Support program and Operating programs.

Scaled Program Offers

Many County programs can deliver their services at varying levels. For example, an Alcohol and Drug Treatment Program may be able to offer 100 beds, 150 beds, or 200 beds. Departments were asked, when appropriate, to provide decision-makers with the option to choose from among those levels. Looking at scaled program offers, one should consider:

- **The Base Level of Service** - Program “A” is the base level of service that can be provided while still delivering the expected results. In the example above, the base level of service would be 100 beds of A&D treatment. To see an illustration in the program offers please see the Department of Community Justice’s Program 50008A-C Substance Abuse Services for Men.
- **Increments of Service** - Program “B and beyond” represent incremental levels of service that buy additional outcomes. In the A&D treatment example, one increment would be 50 additional beds, and another, separate increment would be 100 additional beds. Program offers were assembled to represent discrete increments of service.

As a matter of simplicity, the FY 2005 Adopted Budget history (shown in the Revenue/Expense detail of a program offer) for scaled programs is only displayed in the Base Level of Service Offer (i.e. 50008A has all of the budget history although the services are shown in offers A-C).

Operating Costs vs. Administration and Support Costs

The program offers display each program’s proportionate share of administrative and support costs. This information is intended to display the **full cost of operating the program** or providing the service. Departments determine how the total amount of department administration and support is divided among program offers. Some programs may be more administration-intensive than others, or may use support services that others do not.

Note that administrative and support **program offers** also are included in each department’s budget. These are included in order to display the particulars of each department’s administrative and support functions.