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FROM: Multnomah County Chair Jeff Cogen

RE: Presenting the 2011-2012 Executive Budget

This year finds Multnomah County in a time of transition. We are re-examining long held beliefs and assumptions about how we do business. We are embracing the idea that providing the best and most timely service to the public means we must change and adapt our practices to meet tomorrow's challenges. We are making decisions by weighing the county-wide impacts, rather than using a focus so narrow that we miss the big picture.

My proposed budget preserves critical county funded services in our community, reduces administrative and support costs, fully funds our reserves and invests one-time-only resources to benefit the county into the future. This budget is designed to strategically position Multnomah County in the best possible way to respond to the significant budget cuts that we expect from the state and federal governments.

Living within our means and preparing for state and federal reductions:

Proposed Budget

- **Cuts administrative costs to preserve critical services**
- **Sets aside funds to ramp down state and federal programs**
- **Freezes management wages and requests 0% COLA from County Labor Unions**

Multnomah County continues to face challenging times. This year, in order to balance the budget, I have prioritized preserving critical services in our community and chosen to cut administrative and support services. Unfortunately, while this budget preserves services for now it is not the end of the story for this fiscal year.

The state of Oregon continues to struggle with the devastating effects of the economic down turn, and the federal government is pitted in a struggle to cut many precious safety net services that are critical to our community. Services delivered by Multnomah County to seniors, people with disabilities, people struggling in poverty, immigrants new to our country and victims of violence are all funded with a combination of county, state and federal funds. As the county prepares for the possibility of significant state and federal reductions to services-- both this July and the next--I have done everything I can to preserve current county funded services in health, human services and public safety.

The employees of Multnomah County are smart, committed and dedicated to service. I want to thank them for the spirit of caring that they bring to work everyday. In these challenging financial times, I have frozen wages and cost of living adjustments (COLA) for management and supervisory employees. I have assumed \$1.5 million in County General Fund savings and \$1.9 million in other funds for a total of \$3.4 million in savings as a result of this freeze. I thank those employees for taking this pay freeze and their understanding that it is protecting services in our community.

While I have not been able to assume wage freezes from the union represented employees, I have asked all unions to consider a 0% COLA for Fiscal Year 2012. This would help to preserve jobs and services as the County prepares for the state and federal budget cuts ahead.

I have also set aside \$5.6 million in general funds to help the County ramp down state and federal services as needed. This will allow the County time to make thoughtful, deliberative decisions in response to state and federal cuts.

Fostering the success of our kids:

Proposed Budget

- **Continues full funding for all current SUN sites**
- **Expands SUN in partnership with David Douglas Schools and City of Portland**
- **Expands Restorative Justice Intervention training to schools**
- **Maintains Library hours and services, including early learning programming**

The future of our children is more important than anything else in these difficult times. The county works closely with the schools, the City of Portland, businesses, non-profits and other partners to provide interventions that support school success which creates life success. This budget provides continued funding for all of our current Schools Uniting Neighborhoods (SUN) sites and for social supports and early childhood services attached to SUN. With the help of our partners at Portland Public Schools, this budget expands funding to continue SUN services at three schools where expiring

federal grants would have closed services. In partnership with the City of Portland and the David Douglas School District, we will open a new SUN school at David Douglas High School where last year we opened a school based health clinic. I am hopeful that by the end of the budget process we will have a plan to fund two schools in the Reynolds School District where federal grants are expiring. This would bring the number of SUN Schools to 63 - over a third of our public schools.

In our juvenile justice system, we are expanding a model of restorative justice intervention in schools which helps students understand the impact of their actions on others and holds them accountable without taking them away from school work and important social supports.

This budget maintains library hours and services. We continue our commitment to our world class library system. As we understand the significance of early learning and language development for children and as our schools struggle to fund library services, the Multnomah County library continues to serve more children and families in more languages than ever before.

Keeping the public safe:

Proposed Budget

- Fully funds locally funded positions requested by the District Attorney
- Maintains current jail beds
- Increases staffing for jail suicide watch
- Funds Gresham temporary hold facility
- Maintains proven mix of supervision, sanctions and treatment for offenders

In public safety, the proposed budget maintains public safety services that address victims needs, hold offenders accountable, and offer rehabilitation for offenders.

The District Attorney's office received funding for all positions requested from County General Fund. I have also proposed funding a new position in the District Attorney's restitution unit to increase our effectiveness in collecting restitution for victims. I want to thank the District Attorney for working with me to preserve our system of justice.

The Sheriff's Office is funded for all currently open jail beds. Working closely with the Sheriff on a few significant priorities, I am proposing an increase in staffing for suicide watch at the jail and continuing the funding for the "Turn Self In" program which allows offenders to stay employed while being held accountable for their crimes. I am also proposing to fund the Gresham Temporary Hold facility, while making clear that next year our partners in east county need to help shoulder the costs of this program.

Recently, the Pew Center for the States recognized the Multnomah County Department of Community Justice for their contribution in reducing offender recidivism in Oregon. I have continued to fund the mix of probation supervision, sanctions and treatment that make those great results possible. These services are a partnership with the state of Oregon and they may be significantly impacted by state reductions.

We have recently experienced a tragic increase in shootings. In response to this, our probation officers are collaborating with the police and community leaders to get guns off the streets and provide young offenders with alternatives to gangs. This budget includes funding for job training for gang members - key to getting them out of gangs for good.

Addressing the needs of victims:

Proposed Budget

- **Increases funding for services to victims of domestic violence**
- **Funds elderly financial fraud prosecution**

I welcome our new city/county domestic violence coordinator and continue our partnership with the city and non-profit agencies to fund the Gateway Center for Domestic Violence. The Gateway Center offers a welcoming haven for victims where they get concrete support and legal advice in addition to other services. This budget invests approximately \$130,000 new county funding for services to survivors of domestic violence by continuing grant funded programs that are ending and adding to our current services. This will allow domestic violence victim advocates to stay in our welfare offices and increase services to survivors of color.

The population of people over 60 years old is increasing. This group is particularly vulnerable to financial scams and physical abuse. This budget expands funding for the gatekeeper program which trains people like bank tellers and meter readers to watch out for the elderly in our community and report to our Adult Protective Services unit if they notice changes in seniors' daily lives. I am also funding a Deputy District Attorney to work with our Adult Protective Services and the police prosecuting financial elder abuse.

Meeting the critical needs of the homeless:

Proposed Budget

- **Increases funding for critical services to the homeless**

The County partners with the City of Portland, Gresham, the Housing Authority of Portland, churches and many not-for-profit organizations to provide low income supported housing, shelter, rent assistance and other services to those who are homeless. The county has focused our services on helping families move quickly out of homelessness and back to housing and jobs. We are also helping many families find housing and stay in it through our rent assistance. This budget adds \$1 million in county funding to the \$1.3 million we currently spend in county funds to tackle homelessness. These funds will increase rent assistance, fully fund winter shelter for homeless families and bring the County's commitment to our successful Bridge to Housing program to \$1 million in on going support.

Transforming health care and mental health care through the Oregon Health Plan:

Proposed Budget

- **Continues existing funding for health, mental health and addictions**
- **Prepares the County to fully participate in statewide health care reform**

The Governor's proposed budget calls for sweeping reforms of the health care system in Oregon starting with transformation of the Oregon Health Plan. In this budget I have proposed continuing to fund our health, mental health and addictions systems much as they are today. Over 65,800 people rely on our clinics for their health care needs. We are deeply involved with the state in reform efforts and Multnomah County will be a leader in this reform. Our county is committed to one of the core principles in this reform- the triple aim- which calls on us to provide the right health care, at the right time and at the best cost. Central to health care reform is the "person centered care" model which we are already piloting in our health clinics and our children's mental health system. We have also been experimenting with "pay for performance" and other models that will go to scale with Oregon's reforms.

Maintaining our commitments to Sustainability and Equity:

Proposed Budget

- Maintains funding for Office of Diversity & Equity and Office of Sustainability
- Expands diversity training for employees and managers
- Continues work to increase cost-saving waste prevention & recycling
- Creates a Restitution Garden for juvenile offenders paying back victims

A year ago, I proposed creating the Office of Sustainability and the Office of Diversity and Equity. In creating these two offices, the county elevated these priorities and made a lasting commitment to long term change on these two critical issues. I have maintained that commitment and am very proud of the work these two small programs are doing to lead the county in their areas.

Next year, the Office of Diversity and Equity will institute a more robust diversity training series for employees, train leaders to manage a diverse workforce, and initiate a countywide inclusion campaign that begins with a core belief that everyone deserves dignity and respect.

In the last year, the Office of Sustainability created a fifteen year food action plan, launched a beginning farmer training class and grew 12,000 pounds of fresh food for the Oregon food bank through the volunteer fueled CROPS program. Waste prevention and recycling efforts led by the office have increased our internal recycling rate to 54%, saving \$84,000 annually in costs. Next year the Office of Sustainability will continue to improve our waste prevention and recycling rates and partner with the Department of Community Justice to create a restitution garden for juvenile offenders working to sell produce to pay back their victims.

Creating a role for the County in economic development:

Proposed Budget

- Creates new micro-lending program for small entrepreneurial efforts
- Provides youth employment opportunities
- Fosters partnerships with employers in our community

Multnomah County isn't typically viewed as an economic development agent, but good jobs and strong local businesses are key to supporting the communities we serve.

We've begun the work of re-examining Multnomah County's role in economic development and I believe that by piloting a few strategic investments through our existing economic development program we can become part of the solution.

One vital component of my budget proposal is a micro-lending program that will create opportunities for individuals to start their own small business. As a former small business owner myself I know how critical those first few dollars are to success. I want to make sure hopeful entrepreneurs in our county have access to capital and the business training support they need to be successful.

Reinventing our administrative and support services:

Proposed Budget

- **Creates a new Department of County Assets**
- **Increases span of control**
- **Invests technology to create efficient government**

This year is the beginning of a multiple year process of improving our administrative services, reducing administrative costs, reorganizing support functions and changing our culture to continuously improve our processes.

This budget includes the newly created Department of County Assets and the reorganized Department of County Management and Chief Operating Officer functions. I am asking the managers for these departments to continue modernizing and redesigning services like our fleet, warehousing, and building management. This process is not just about savings, it is also about improving the effectiveness of our services and making sure we are meeting our goals as an organization in these support functions. How we assess and redesign these services will become a model for continuous improvement across the County.

Part of this improvement is addressing the management span of control-- the ratio of managers to employees. Effective organizations are moving to larger spans of control and government is getting there too.

This budget assumes \$1.1 million in savings from reorganization and span of control changes to our administrative services. In the next year, all departments will address span of control and we will take a look at it annually as a part of our management functions.

Making strategic investments for our future:

Proposed Budget

- Buys down debt
- Invests in emergency preparedness
- Funds health and safety in our buildings
- Continue our investment in technology to make our services more efficient

Even in these hard times it is important to address the future needs of our community. Thanks to this Board's leadership and the leadership of the City and Clackamas County, we are undertaking the replacement of the 85 year old Sellwood Bridge that we all know is at the end of its life span.

We are currently building the East County Courthouse, a building which will house our data center and still meet LEED gold standards reducing our energy usage in our information technology data center by 50%.

Next month we will open the Mental Health Crisis Assessment and Treatment Center which will serve as a place of respite and treatment for individuals in mental health crisis. We are grateful to our funding and service delivery partners in this effort.

Continuing to address long term needs, this executive budget utilizes one-time-only revenues to make investments that the will pay off in the future. It includes buying off the debt on the Yeon Annex building which will free up approximately \$418,000 a year for the next two years.

The earthquake and tsunami in Japan is yet another sobering reminder that we do not fully control our environment and need to prepare for potential emergencies. I have increased the emergency management budget by \$560,000 to help fund a mobile command structure for emergencies and funded their efforts to help our communities most vulnerable and poor citizens prepare for emergencies.

This budget sets aside \$1 million for spending on health, safety and seismic improvements to our buildings to ensure that we are continuing to improve safety for our employees and the public.

I have also set aside \$1.4 million in one-time-only funds for electronic improvement in our Juvenile Detention Facility and \$1.5 million in one-time-only funds for replacement of law enforcement radios.

We will continue our investment in information technology solutions to make our services more effective. We will deepen the use of our Google Applications for government, implement a new mental health information system and implement open

source documents management. We will also replace our antiquated budgeting system with new software that will increase our efficiency.

Thank you

I want to thank all of those who helped to shape this budget. Thanks to my colleagues on the Board of County Commissioners for working with me to create a budget that reflects our values and addresses our greatest needs. It is wonderful to work with a group of people who care so deeply about the quality of life for everyone in our community. Thanks to the Sheriff, the District Attorney and the judges for their current efforts and efforts for the past many years to hold together the public safety system in the face of cuts.

Thanks to Karyne Kieta, budget director and her staff for all the work they do preparing and analyzing data for this budget. Thanks to the department directors, departmental leaders and their budget staffs for the many hours they put in planning for service delivery changes, providing me with options and preparing the documents. I want to thank my staff, particularly Marissa Madrigal, chief of staff and Joanne Fuller, chief operating officer for all your wise counsel and hard work.

This budget also reflects a continued commitment to work with the City of Portland, the City of Gresham and our school districts to combine our resources to address common problems.

Many of the services funded by Multnomah County are delivered by not-for-profit organizations that bring their dedication and additional resources to our work together. Thanks to these partners.

It is an honor to serve as the Chair of Multnomah County and it is great to have such wonderful partners in our community working together in these difficult times. Thank you for your hard work. Thank you for your continued support.