

Multnomah County, Oregon

Budget
in Brief
FY 2017



**board of
county
commissioners**

Deborah Kafoury
County Chair



Jules Bailey
District 1



Loretta Smith
District 2



Judy Shiprack
District 3



Diane McKeel
District 4



**elected
officials**

Rod **Underhill**
District Attorney



Mike **Reese**
Sheriff



Steve **March**
Auditor



what's new in fy2017

Financial Resiliency - The FY 2017 Adopted budget is balanced over a three-year period, addressing our community's pressing needs today and investing in the future.

Housing and Homeless Services - The budget includes creation of the Joint Office of Homeless Services, consolidating over \$44.8 million in new and existing County and City of Portland resources. Together, the County and the City committed over \$20 million of new funding for homelessness-related services. The new funding is expected to achieve 1,350 additional permanent placements into housing, 1,000 additional preventions/diversions, and fund the operations of 650 additional shelter spaces.

Reducing Reliance on Jail - The FY 2017 budget reflects continued effort to utilize alternative programs to jail and reduce the reliance on jail beds. The budget assumes a total reduction of 118 jail beds by December 31, 2016. The Sheriff's Office is working with the District Attorney's Office, the Department of Community Justice, and the court system on new and existing programs targeted at meeting reduction goals. The budget allocates \$800,000 in new funding for a jail diversion program and \$400,000 for mental health screening at jail booking. These allocations are intended to assist in reducing the reliance on jail beds by complimenting existing programs.

Animal Services - In response to a recent audit of Animal Services, the FY 2017 budget allocates \$178,666 to fund two new full-time Animal Care Technicians and \$260,000 to relocate Animal Field Services to a nearby location, freeing up needed space at the operating facility.

Expanded Access to Care - With the expansion of the North Portland Dental Clinic (\$1.8 million) and the Community Primary Care Expansion (\$0.50 million), the County continues to increase access to care for under-served populations. Funding was also provided for the Mental Health Office of Consumer Engagement, which aims to improve access, engagement, and coordination of care for residents living with mental illness.

Investing in Infrastructure - The FY 2017 budget devotes \$33.3 million of one-time-only General Fund resources to capital infrastructure, addressing capital needs and reducing future borrowing costs. Investments include:

- Downtown Courthouse (\$19.9 million)
- North Portland Dental Clinic (\$1.8 million)
- DCJ mid-County campus consolidation (\$6.75 million)
- Hansen Building replacement (\$3.0 million)
- Replacement of the District Attorney's CRIMES case management system (\$1.85 million)

Public Employees Retirement System (PERS) - To address over-turned PERS reforms, a reduction in assumed earnings, and updated mortality assumptions that have increased the County's unfunded liability from \$89.2 million to \$379.9 million, the budget increases the County internal PERS rate by 2.00% of payroll and includes a \$25 million PERS side account to pro-actively address liability growth. The County will continue to face rising PERS costs for the foreseeable future.

budget overview

When is a \$1.88 billion dollar budget not really \$1.88 billion dollars?

When \$1.88 billion is not actually collected or spent. The *net budget* is a more accurate statement of the money the County actually plans to spend. It subtracts all the internal charges, transfers, and loans from one fund to another. It also subtracts the reserves for future years to reflect the net or operating budget.

| | |
|-------------------------|------------------------|
| Department Expenditures | \$1,489,799,587 |
| Contingency | 41,009,600 |
| Total Net Budget | \$1,530,809,187 |
| Service Reimbursements | 149,583,754 |
| Internal Cash Transfers | 41,619,132 |
| Reserves | <u>161,592,385</u> |
| Total Budget | \$1,883,604,458 |

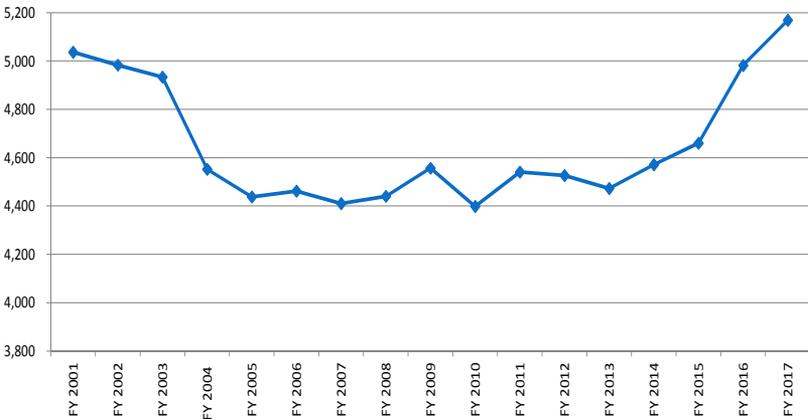
The total FY 2017 budget increased by \$149.81 million from FY 2016. A majority of the increases are due to budgeting for large capital construction projects including the Courthouse and the Health Department Headquarters. Additionally, the Behavioral Health Managed Care Fund increased significantly due primarily to the medicaid expansion under the Affordable Healthcare Act.

authorized positions (all funds)

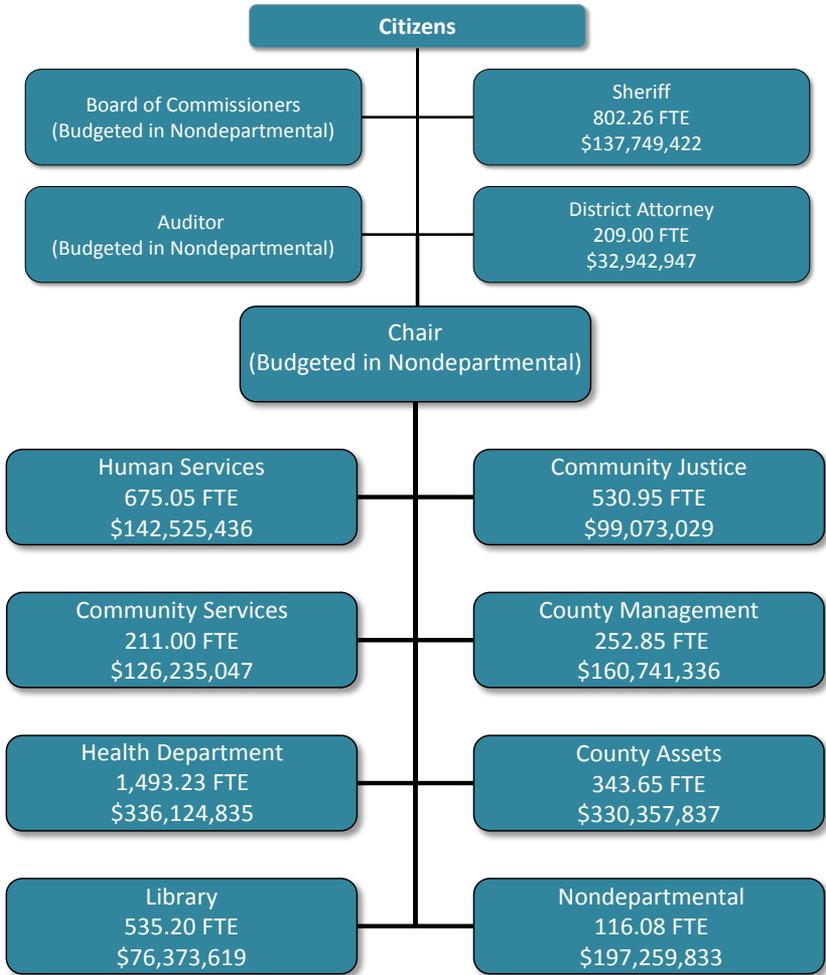
There are 5,169.27 FTE or full time equivalents in the budget, which includes all operating and capital funds. This represents an increase of 187.50 FTE from FY 2016. Most of the increase is in the Health Department’s Health Clinic services area, which has seen an increase in clinical demand due to the Affordable Care Act.

Prior to this year, 2001 was the year in which the County had it’s highest ever employee count of 5,036 FTE. For FY 2017, the County has 5,169.27 FTE, an increase of 133.06 FTE over FY 2001.

The organizational chart on the next page shows FTE by department.



**county
organizational
chart**



FTE = Full Time Equivalent or Position

resources -
all funds
\$1.56*
billion

Where does ALL the money come from?

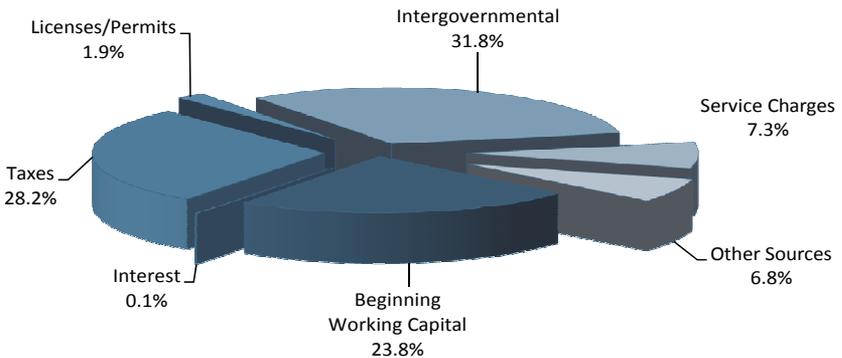
Total revenues for FY 2017 are \$1.56 billion vs. \$1.43 billion in FY 2016*. Intergovernmental revenues are the County’s single largest revenue category at \$496 million or 31.8%.

Taxes constitute the next largest revenue source (28.2%) and include property tax, business income tax, motor vehicle rental tax, transient lodging tax, and county gas tax. For FY 2017, tax collections are anticipated to increase 5.3% from \$417 million in FY 2016 to \$439 million.

Beginning Working Capital (BWC) is the third largest at \$371 million or 23.8%. It has increased from FY 2016 by \$4.5 million or 1.2%. This masks several significant changes by fund, including:

- A \$21.1 million increase in the Downtown Courthouse Capital Fund.
- A \$26.9 million decrease in the Sellwood Bridge Replacement Fund.
- A \$12.8 million increase in the PERS Bond Sinking Fund.

**Note: internal service reimbursements and cash transfers excluded.*

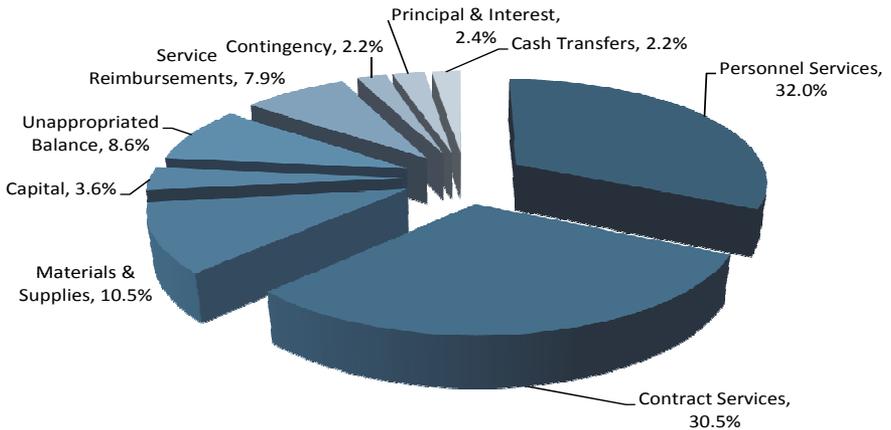


all funds by category

How is ALL the money spent?

Personnel services (costs associated with employees like salaries, insurance, and benefits) account for 40.5% of the total budget with contract services following at 38.6%.

The unappropriated balance includes the financing activity for the Sellwood Bridge.



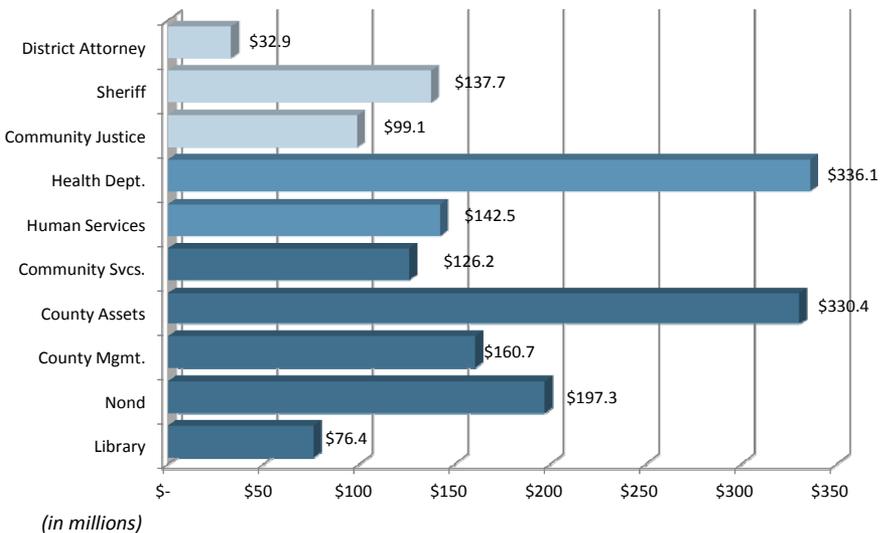
all funds by service area

How is ALL the money spent?

The County has three general service areas:

- General Government - *Libraries, County Management, County Assets, Community Services, Nondepartmental, and Reserve Funds*
- Public Safety - *Community Justice, Sheriff's Office, and the District Attorney's Office*
- Health and Human Services - *Health Department and County Human Services*

When looking at all the funds, including service reimbursements, 54.3% are spent on General Government, 16.5% for Public Safety and 29.2% for Health and Human Services.



general fund
\$563.9*
million

Where does the General Fund money come from?

There are six *ongoing* revenue sources that make up the majority of the General Fund. Those revenues are: Property Taxes, Business Income Taxes, Motor Vehicle Rental Tax, Assessment and Taxation Grant Recording Fees, Other State Shared Revenues (OLCC, cigarette and amusement taxes), and the FQHC Medicaid Wraparound reimbursement.

| General Fund Revenue Sources | FY 2017 Adopted | % |
|--|------------------------|---------------|
| Property Taxes | \$263,742,607 | 46.8% |
| Beginning Working Capital | 87,215,150 | 15.5% |
| Business Income Tax | 79,623,954 | 14.1% |
| FQHC Medicaid Wraparound and Prospective Health Payments | 52,885,020 | 9.4% |
| Motor Vehicle Rental Tax | 28,218,313 | 5.0% |
| Assessment & Taxation Grant/Recording Fees | 9,289,106 | 1.6% |
| Other State Shared Revenues | 5,101,568 | 0.9% |
| Other/Misc | <u>37,809,261</u> | <u>6.7%</u> |
| Total General Fund Revenues* | \$563,884,979 | 100.0% |

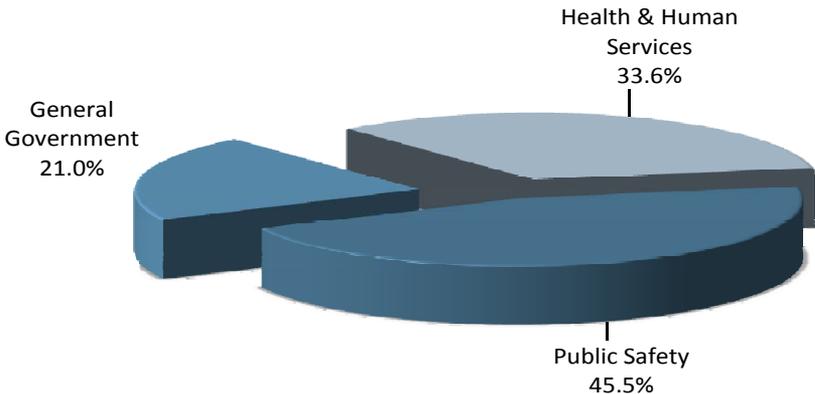
**Also included in the General Fund are transfers between funds including \$29.0 million of service reimbursements and \$1.8 million in cash transfers for a General Fund grand total of \$594.7 million.*

county
general
fund by
service
area

How is the General Fund money spent?

The General Fund is about one third of the County’s budget and is the largest pool of discretionary funds that the County Commissioners can allocate with few restrictions.

Close to half of the General Fund, 45.5%, is spent on Public Safety programs in the District Attorney’s Office, Sheriff’s Office, and Department of Community Justice. The remaining General Fund is spent on Health and Human Services (33.6%) and General Government (21.0%).

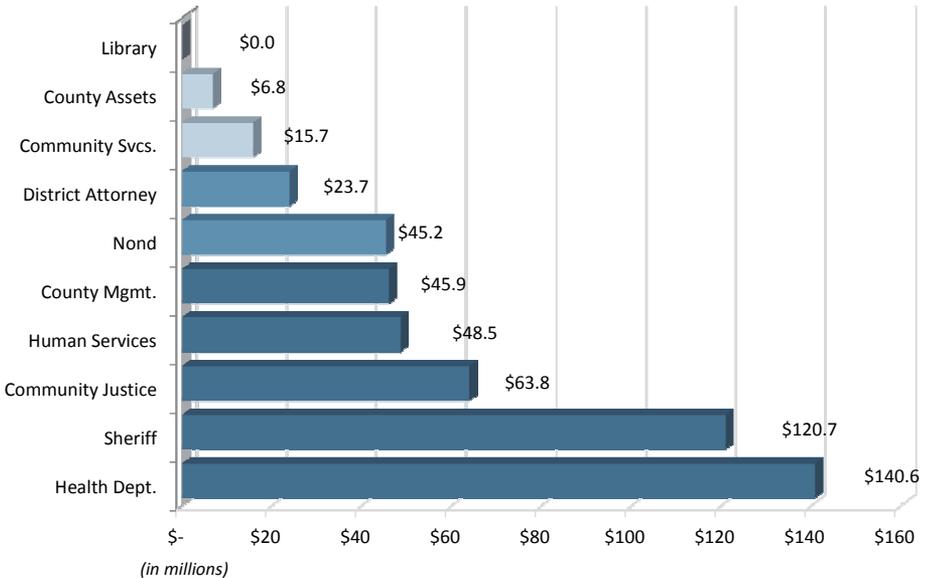


Note: Health and Human Services does not include the FQHC Medicaid & Prospective Health Payments.

county
general
fund by
department

How is the General Fund money spent?

Budgeting the FQHC Medicaid Wraparound reimbursement in the General Fund means that the Health Department is the largest user of the General Fund at 27.5%. Approximately 23.6% of the County’s General Fund is spent on the Sheriff’s Office. Vying for third are the Department of County Human Services at 9.5% and the Department of Community Justice at 12.5%.



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| Vailey Oehlke, Library | 503.988.5402 |
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About our cover

Photo Submitted by: **Randy Cox**

The cover photo was taken by Randy Cox from just below the new Sellwood Bridge, which opened to traffic in March of 2016, replacing the 84 year-old Willamette River crossing. Randy works as the County's Public Affairs Coordinator and the Budget Office is pleased to showcase his beautiful photo on our 2017 Multnomah County Adopted Budget.



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