

Budget
in Brief
FY 2018

Multnomah County,
Oregon



Board of
County
Commissioners

Deborah Kafoury
County Chair



Sharon Meieran
District 1



Loretta Smith
District 2



Jessica Vega Pederson
District 3



Lori Stegmann
District 4



Elected
Officials

Rod Underhill
District Attorney



Mike Reese
Sheriff



Steve March
Auditor



What's New in FY 2018

Housing and Homeless Services - In FY 2017, the City of Portland and Multnomah County established the Joint Office of Homeless Services in a collective effort to address homelessness in our communities. The FY 2018 budget provides an additional \$3.2 million in ongoing and one-time-only General Fund resources to address homelessness and housing needs, in addition to the \$10 million added in FY 2017, and provides roughly \$7.5 million more ongoing funding, rather than relying on one-time-only funds. The budget also allocates one-time-only funding for the Sheriff's Homeless Outreach Program (HOPE), a pilot project to connect homeless individuals with needed services and resources.

Support for Mental Health Services - The County continues to address our community's mental health needs and reduce the use of incarceration by providing \$750,000 for the Law Enforcement Assisted Diversion (LEAD) program, which allows police officers to redirect low-level drug offenders to community-based services instead of the criminal justice system. The budget also provides \$589,000 for additional Health department staffing at jails, allowing for increased speed in mental health screening, more efficient coordination of services, and improved facilitation of discharge planning.

Investing in Infrastructure - The FY 2018 budget devotes \$29.9 million of one-time-

only General Fund resources to capital infrastructure, addressing capital needs and reducing future borrowing costs. Investments include the Downtown Courthouse (\$18.0 million). Health Department Headquarters (\$7.0 million), and electronics upgrades at Multnomah County Detention Center (\$4.2 million). The budget also provides for additional ongoing General Fund capacity to cover debt payments of \$5.1 million for the new Downtown Courthouse, \$3.0 million for the new Health Department Headquarters, and \$2.8 million for the Enterprise Resource Planning (ERP) project.

Multco Align - The budget includes \$41.3 million for the implementation of a new Enterprise Resource Planning (ERP) system, the majority of which will be funded using proceeds from bond sales. The ERP replacement project is part of a broader effort to modernize and integrate the County's information technology systems, a project the County is referring to as Multco Align. Multco Align will include new systems, such as a cloud-based ERP and Facilities Asset Management program, and the integration of existing systems, including Qwestica budgeting software and Multco Marketplace procurement system. Modernizing and integrating the County's key technology systems will transform workflow, increase efficiency, and improve service delivery.

Budget Overview

When is a \$2.1 billion dollar budget not really \$2.1 billion dollars?

When \$2.1 billion includes funds that have been double-counted due to the County’s method of accounting. As seen in the table below, the *net budget*, which subtracts all of the internal charges, transfers, reserves, and loans from one fund to another, is a more accurate statement of the money the County actually plans to spend.

Department Expenditures	\$1,697,585,883
Contingency	30,159,078
Total Net Budget	\$1,727,744,961
Service Reimbursements	166,206,946
Internal Cash Transfers	45,090,968
Reserves	<u>131,053,642</u>
Total Budget	\$2,070,096,517

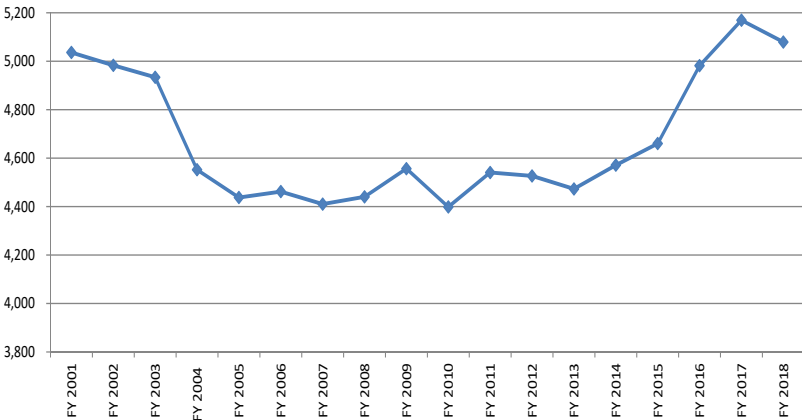
The total FY 2018 budget increased by \$186.5 million from FY 2017. A majority of the increases are due to budgeting for large capital projects including the Courthouse, Health Department Headquarters, and the new ERP system.

Authorized Positions (all funds)

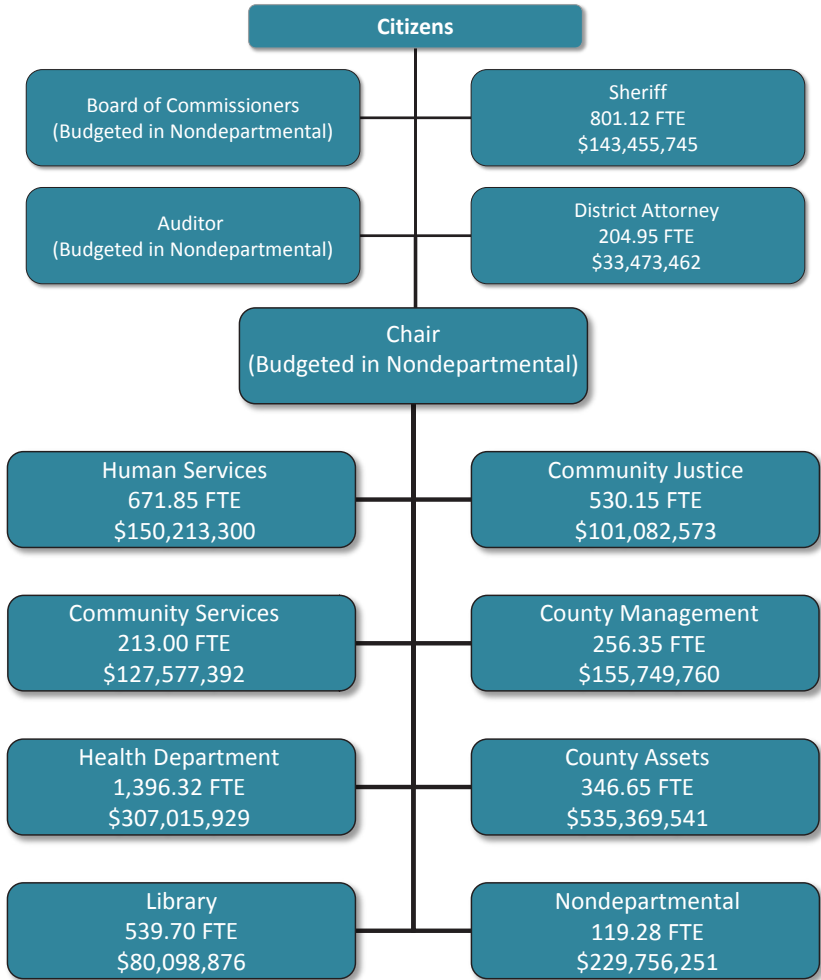
There are 5,079.36 FTE or full time equivalents in the budget, which includes all operating and capital funds. This represents a decrease of 89.91 FTE from FY 2017. Most of the decrease is in the Health Department, where seven provider teams were eliminated due to lower clinical system revenues.

FY 2018 marks the first year since FY 2013 that the year-over-year FTE count has decreased, but FTE levels are still higher than any time in the preceding 10 years.

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



County Organizational Chart



FTE = Full Time Equivalent or Position

Resources -
All Funds
\$1.73
Billion*

Where does **ALL** the money come from?

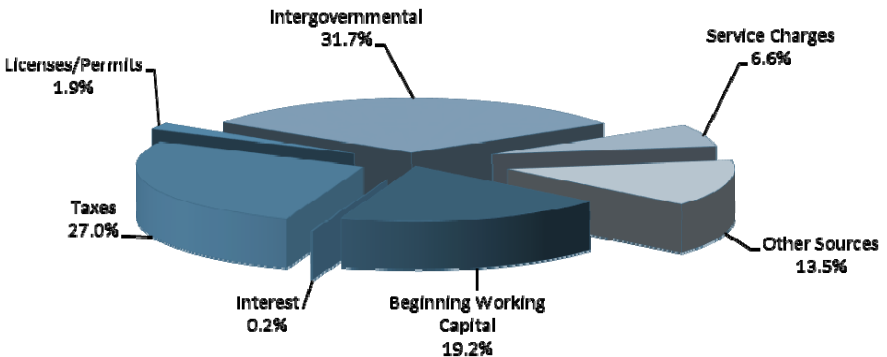
Total revenues for FY 2018 are \$1.73 billion vs. \$1.56 billion in FY 2017*. Intergovernmental revenues are the County's single largest revenue category at \$548.1 million or 31.7%.

Taxes constitute the next largest revenue source (27.0%) and include property tax, business income tax, motor vehicle rental tax, transient lodging tax, and county gas tax. For FY 2018, tax collections are anticipated to increase 6.3% from \$439.1 million in FY 2017 to \$466.7 million.

At \$331.7 million, or 19.2%, Beginning Working Capital (BWC) is the third largest revenue source. It has decreased from FY 2017 by \$39.2 million or 10.6%. Here are some significant changes by fund

- A \$143.1 million increase in the Downtown Courthouse Capital Fund.
- A \$33.0 million decrease in the Behavioral Health Managed Care Fund.
- A \$25.5 million decrease in the PERS Bond Sinking Fund.

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

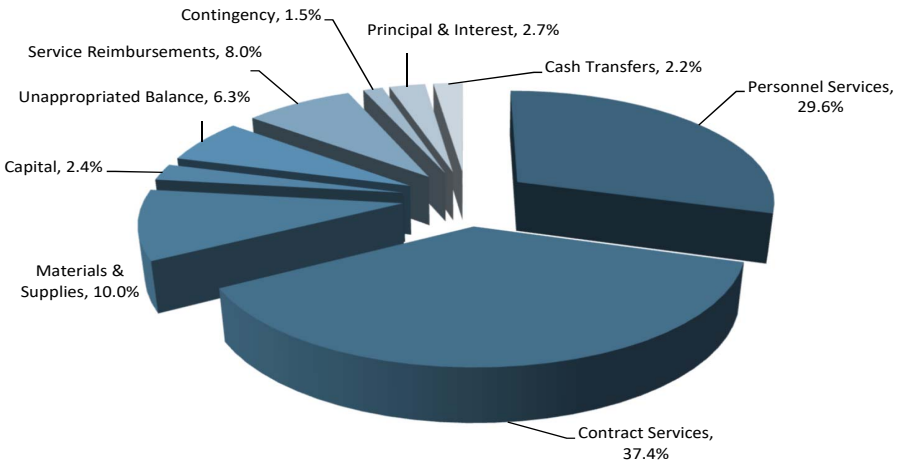


All Funds by Category

How is ALL the money spent?

In most years, Personnel Services (costs associated with employees like salaries, insurance, and benefits), which represent 29.6% of expenditures, is the County's biggest expense category. However, the County has a number of capital projects being worked on in FY 2018, which has increased the amount spent on Contracted Services to 37.4%

These are, by far, the County's biggest expense categories. The third biggest is Materials and Supplies, which represents 10.0% of all expenses.



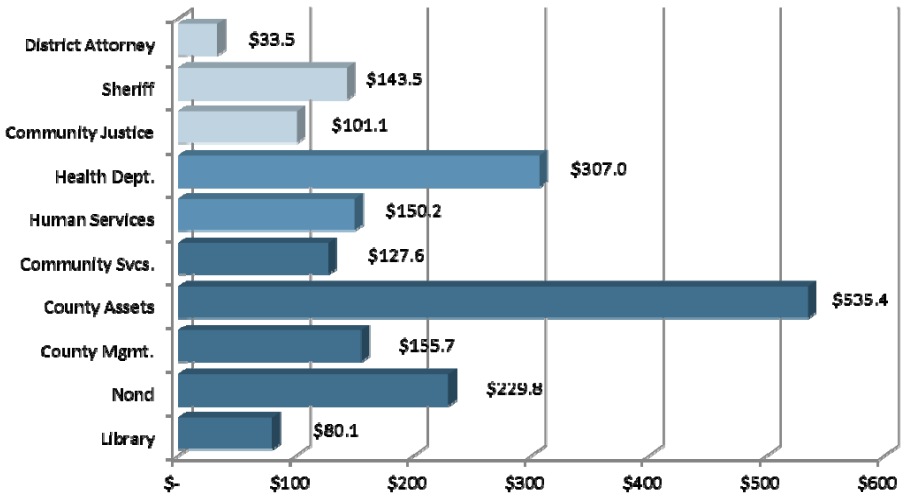
All Funds by Service Area

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, 57.4% are spent on General Government, 14.9% for Public Safety and 27.7% for Health and Human Services.



(in millions)

General Fund
\$582.7
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 and alternative payment methodology funds.

General Fund Revenue Sources	FY 2018 Adopted	%
Property Taxes	\$291,219,000	46.8%
Beginning Working Capital	84,613,000	15.5%
Business Income Tax	84,500,000	14.1%
FQHC Medicaid Wraparound and Alternative Payment Methodology	46,488,000	9.4%
Motor Vehicle Rental Tax	31,043,000	5.0%
Assessment & Taxation Grant/Recording Fees	18,386,000	1.6%
Other State Shared Revenues	6,469,000	0.9%
Other/Misc	<u>19,992,000</u>	<u>6.7%</u>
Total General Fund Revenues*	\$582,710,000	100.0%

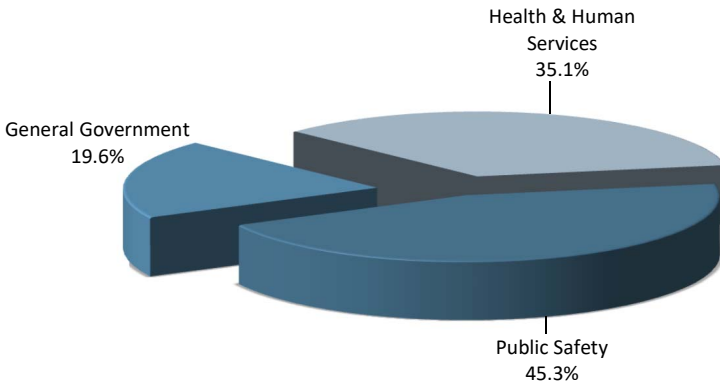
*Also included in the General Fund are transfers between funds including \$31.5 million of service reimbursements and \$2.2 million in cash transfers for a General Fund grand total of \$616.4 million.

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, 45.3%, 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 (35.1%) and General Government (19.6%).

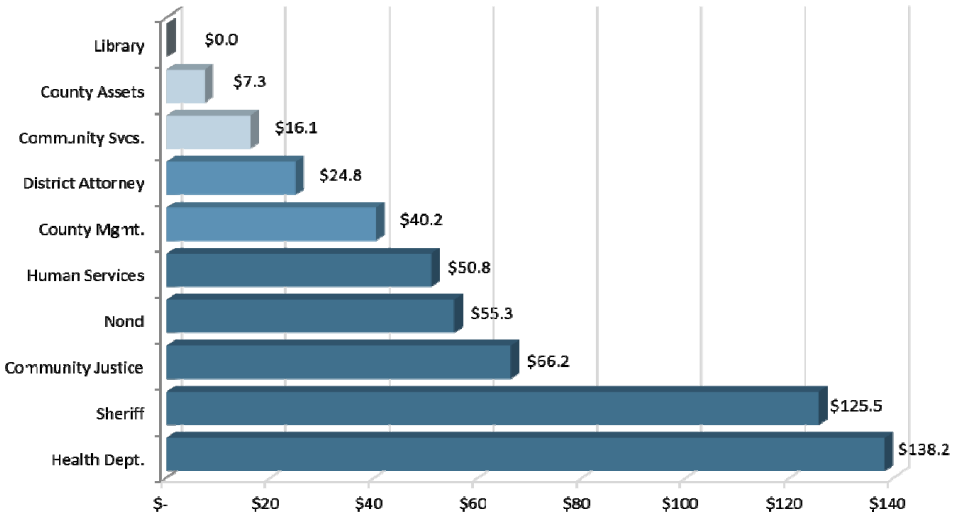


Note: Health and Human Services does not include the FQHC Medicaid & Prospective Health Payments.

General Fund by Department

How is the General Fund money spent?

Budgeting the FQHC Medicaid Wraparound and Alternative Payment Methodology reimbursement in the General Fund means that the Health Department is the largest user of the General Fund at 26.4%. Approximately 23.9% of the County’s General Fund is spent on the Sheriff’s Office. Vying for third are the Department of Community Justice at 12.6%, Nondepartmental at 10.6%, and the Department of County Human Services at 9.7%.



(in millions)

County Directory

County Chair & Commissioners	
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Scott Taylor, Community Justice	503.988.3701

About our cover

The cover image, provided by the Multnomah County Central Courthouse project team, is a rendering of the new Central Courthouse. The courthouse is currently under construction and scheduled to open in April 2020.



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