

**III. EXCERPTS FROM JOSEPHINE COUNTY BUDGETS:  
FY 2006-07 To FY 2016-17 (draft November 5, 2016, 78 pages)**

This Chapter III, Excerpts from Josephine County Budgets, in the JO CO budget process is Step 3, and identifies the Authors' opinions on applicable application of JO CO policies, including goals and directives (see introduction to Section II.A.2), to citizen involvement/citizen participation (CI/CP). There is a high probability that the information is not complete because the JO CO budget process is unknown and the JO CO Finance Director/Budget Officer and JO CO Budget Committee are too buzz to explain the budget process to the Authors.

- Step 1: Chapter I. Introduction/Purpose
- Step 2: Chapter II. Oregon Budget Law Excerpts
- **Step 3: Chapter III. Excerpts from JO CO Budgets: FY 2006-07 TO FY 2016-17**
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There are five parts to Chapter III: Excerpts from Josephine County Budgets: FY 2006-07 TO FY 2016-17.

- A. Citizen Involvement in Budget Preparation Process
- B. JO CO BCC's Financial Policies: FY 2006-07 TO FY 2016-17
- C. Excerpts from Josephine County Budgets: FY 2006-07 TO FY 2016-17
- D. Goals from JO CO Budgets: FY 2006-07 To FY 2016-17
- E. Directives from JO CO Budgets: FY 2006-07 To FY 2016-17

Budgeting for Outcomes (BFO) has been used in JO CO since its FY Budget 2006-07.

The Budget for fiscal year 2006-07 is a major change in how Josephine County budgets. **This Budget establishes funding levels for programs and services instead of categories of expenditures** (emphasis added). The Board of Commissioners **reorganized County departments and services September 1, 2005** (emphasis added). The Budget and new fund structure is modeled after the reorganizations. The Board also supported a fundamental change in the budget process, following the **concept of a modified zero based budgeting process known as "Budgeting for Outcomes"**(emphasis added). "Budgeting for Outcomes" is based on programs and service levels within the County. Future budgets **will incorporate citizen input on services levels they are willing to fund** (emphasis added), **goals set by the Board** (emphasis added) and **stakeholder support of programs** (emphasis added).

Footnote III-1 is common issue for BFO from FY 2006-007 through FY 2016-17. It is a problem of the lack of access/availability of BFO information supporting 11 JO CO budgets.

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Footnote III-1 is common issue for BFO from FY 2006-007 through FY 2016-17. It is a problem of availability of information supporting 11 JO CO budgets. The BFO analysis document is not available to the public (i.e., not in compliance with Josephine County Approved FY Budget 2016-17 Budget Goal #3 - Provide access to County services to the citizens of Josephine County in a transparent, open, and professional manner). It is especially a problem as a JO CO Budget Committee brought up the issue of BFO during the FY 2016-17 budget cycle and the BFO analysis document was not made available to the JO CO Budget Committee or the public (Section V.D.3c)(2) - All Budget Committee Members Do Not Have Equal Authority).

## A. Citizen Involvement in Budget Preparation Process

Understanding the citizen involvement (CI)/citizen participation (CP) opportunities in the JO CO budget preparation process is the reason of identifying excerpts. The excerpts are the indicators of what the Authors do not know about budget preparation and public process comment processes identified in the FY 2006-07 to FY 2016-17 budgets. They are looking for greater clarity and understanding as they believed the message that **“budgeting in Oregon a joint effort between the people affected by the budget and the appointed and elected officials responsible for providing the services.”**

Portions of excerpts are the potential foundations for preliminary budget questions.

- The focus was citizen opportunities for involvement in the budget process.
- Oregon’s Local Budget requires citizen involvement in the preparation of the budget
- Three final evolutions of the completed budget: Final Budget Officer Completed Proposed Budget, 2. Final Completed Budget Committee Approved Budget, and 3. Final BCC Completed Adopted Budget.
- CI “text” purposes, including the standards and budget parameters (S&BP; e.g., goals, directives, guidance, etc.) established by the governing body for budget development.
- Budget Message shall be delivered at a meeting of the budget committee on the completed proposed budget. It is a written explanation of a local government’s budget and financial policies. The budget message is part of the completed proposed budget.
- Required S&BP financial policies per the Oregon’s Local Budget Law (LBL) procedures for preparing a local budget, specifically as they are applicable to the responsibilities of a local government in defining the purposes of activities.
- Local budget is required to identify the purposes and/or responsibilities of its programs, including their LOS authorities (e.g., mandated, essential, necessary, elective services; etc.).
- JO CO PSS departments addressing county goals and clearly defining program purpose and expected outcomes.
- JO CO PSS departments develop a sustainable plan for all mandated and essential county government programs - budget only for mandatory and/or self-supporting programs.
- Levels Of Service (LOS)
- Budgeting For Outcomes (BFO)
- Citizen’s Guide to the Budget

## B. JO CO BCC's Financial Policies: FY 2006-07 To FY 2016-17

The following information of JO CO's financial policies is an introduction to the budget programs and major changes for 10 years of budgets from FY 2006-07 to FY 2016-17.

What is LBL's definition of budget *financial policies/financial summary* as they relate to CI/CP? What is a budget? A budget is a **financial plan** (emphasis added) that includes estimates of expenditures and revenues for a single fiscal year or biennium. The local budgeting process provides procedures for evaluating a local government's needs and identifying revenue sources to meet those needs. A **completed budget** (emphasis added) provides a means of controlling expenditures and a justification for imposing property taxes. A local government's budget is a public document. Anything connected with the budget is subject to public inspection. The budget is a guide to the **financial management** (emphasis added) of the local government. **It provides information that encourages public participation in government** (emphasis added). Temper the detail of the budget with common sense to make the document as informative and uncomplicated as possible (*Manual*, pps. 5, 13, 14). CI/CP ??

The budget message must (*Manual*, p. 14):

- Explain the budget document.
- Include a brief description of the proposed **financial policies** (emphasis added) for the coming fiscal year.
- Describe the important features of the budget document in connection with the **financial policies** (emphasis added) of the local government.
- Explain the reason for changes from the previous year in appropriation and revenue items.
- Explain the major changes in **financial policy** (emphasis added).

**A Budgetary Fund**, as defined by Oregon Administrative Rule (OAR) 150-294.352(1)-(A) (implementing ORS 294.388, renumbered from 294.352), is a fiscal and accounting entity of self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives. The use of funds for budgeting is required by state and federal laws and rules, and possibly by local government charters, resolutions and ordinances. The use of funds is a principle of sound budgeting and accounting practice (294.352 renumbered 294.388 (Estimates and reconciliation of expenditures and other requirements) in 2011).

Any change in the basis of accounting must be explained in the budget message for the year in which the change is planned [ORS 294.333(2), renumbered from 294.445(2)]. The budget message is delivered to the budget committee at its first meeting. The budget message must be in writing, since it is a **part of the complete budget document** (emphasis added). The message can be delivered by anyone the executive officer or presiding officer appoints (*Manual*, p. 14).

Oregon's Local Budget Law has six important purposes concerning "Standards and Budget Parameters." Four of them, or parts of them are important to CI/CP and follow (Section II.C.1; Appendix A1; ORS 294.321):

- (1) To establish **standard procedures for the preparation, presentation** (emphasis added), administration and **appraisal** (emphasis added) of budgets of municipal corporations;
- (2) To provide for a **brief description of the programs** (emphasis added) of a municipal corporation **and the fiscal policy** (emphasis added) which is to accomplish these programs;
- (3) To provide for estimation of revenues, expenditures and proposed taxes;
- (6) To **enable the public, taxpayers** (emphasis added) and investors to be **apprised of the financial policies** (emphasis added) and administration of the municipal corporation in which they are interested.

**Secretary of State Audits Division** All Oregon local governments are subject to the Municipal Audit Law, ORS 297.405 to 297.740 and 297.990. The law requires an annual audit of the **financial statements of counties** (emphasis added) and school districts. . . . Audits and reviews must be made as directed by administrative rules adopted by the Secretary of State. The "**Minimum Standards**" are in OAR 162, divisions 10 (audits) and 40 (reviews). These rules prescribe the financial statements that must be included in audit or review reports, the minimum procedures that must be followed, and the standards that must be followed in an audit or review. Copies (*Manual*, p. 8).

**JO CO Board of County Commissioners (BCC) Financial Policies** The standard procedures for the preparation of the budget and the financial policies of the budget are established by the JO CO Board of County Commissioners (BCC). They are called a variety of terms. This paper used the idea of "Standards and Budget Parameters" for budget preparation/development. Oregon's Local Budget Law, per the "*Local Budgeting Manual*", is found in Oregon Revised Statutes (ORS) 294.305 to 294.565. The full text of these statutes can be found on the Oregon Legislature web site at [www.leg.state.or.us](http://www.leg.state.or.us). The following budget plan terms are from the glossary of the *Local Budgeting Manual* (Appendix A).

**Budget.** Written report showing the local government's **comprehensive financial plan** (emphasis added) for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year [ORS 294.311(5)].

**Budget Message.** Written explanation of the budget and the local government's **financial priorities** (emphasis added). It is prepared and presented by the executive officer or chairperson of the governing body (ORS 294.403).

**Proposed Budget. Financial plan** (emphasis added) prepared by the budget officer. All funds must balance. It is submitted to the public and the budget committee for review (ORS 294.331 ORS 294.403; ORS 294.408; ORS 294.414; ORS 294.426).

**Approved Budget.** The budget that has been approved by the budget committee. The data from the approved budget is published in the **Financial Summary** (emphasis added) before the budget hearing (ORS 294.428).

**Adopted Budget. Financial plan** (emphasis added) that is the basis for appropriations. Adopted by the governing body (ORS 294.456).

**ORS 294.321(6)** To **enable the public, taxpayers** (emphasis added) and investors to be **apprised of the**

**financial policies** (emphasis added) and administration of the municipal corporation in which they are interested.

## **1. JO CO BCC's Budget Message Financial Policies: FY Proposed Budget 2016-17 (Proposed)**

**No Budget Message in Proposed Budget** There was no explicitly identified “Budget Message.” (Proposed budget versus Adopted budget?). “County Budget Process and Budget Goals” are under the “Introduction” section. The title of page 1 was different from other completed budgets – “Josephine County Budget Process.”

### **Josephine County Approved Budget Goals (FY 2016-17 Proposed Budget, p. 2)**

- 1) Improve community outreach and communication to the public by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.
- 2) Develop a **sustainable plan** (emphasis added) for all **mandated and essential County government programs** (emphasis added) .
- 3) Provide access to County services to the citizens of Josephine County in a **transparent** (emphasis added) , open, and professional manner.  
\* Departments are to explain in their budget submissions how their budgets(s) meet these goals.

### **Budget Directives/Guidelines (FY 2016-17 Proposed Budget, p. 4)**

Based on **Local Budget Law and Budgeting for Outcomes** (emphasis added)<sup>III-1</sup>

- Status Quo budget required unless change is supported by revenue.
- Expenditures . . .

**Budget Changes After Adoption** More information on the detailed process of a supplemental budget, resolution amending the budget and budget amendment exceptions can be found in the Oregon Department of Revenue “Local Budgeting Manual” on their website at [https://www.oregon.gov/DOR/forms/FormsPubs/local-budgeting-manual\\_504-420.pdf](https://www.oregon.gov/DOR/forms/FormsPubs/local-budgeting-manual_504-420.pdf)

## 2. JO CO BCC's Budget Message Financial Policies: FY Budget 2015-16

**Budget Message** (FY 2015-16 Budget, pps. 14 - 19) April 30, 2015, To Josephine County Budget Committee Members: We are pleased to present the Fiscal Year 2015-16 Annual Proposed Budget for Josephine County. All budgets are balanced as required by Oregon Budget Law, which means that resources match or exceed projected annual requirements. This budget message outlines the **financial priorities** (emphasis added) of the County and highlights major changes to the funds.

The Government Finance Officers Association (GFOA) of the United States and Canada has given the Distinguished Budget Presentation Award to Josephine County for the third year in a row. This award is the highest form of recognition in governmental budgeting and shows that our **budget document reflects nationally recognized guidelines for effective budget presentation** (emphasis added). It also recognizes our **open and accountable budget process** (emphasis added), as well as our commitment to provide an **accessible budget document** (emphasis added) to the citizens of Josephine County.

**Proposed Budget Goals and Directives** (FY 2015-16 Budget, p. 14) The Board of County Commissioners set goals to provide direction related to the "big picture" rather than listing individual actions or activities. **Each department has detailed in their budget how their programs meet the following goals** approved by the Board of County Commissioners on 02-12-2015:

1. Improve community outreach and communication to the public by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.
2. Develop a **sustainable plan** (emphasis added) for all **mandated and essential County government programs**.
3. Provide access to County services to the citizens of Josephine County in a **transparent** (emphasis added), open, and professional manner.

**Directives** (FY 2015-16 Budget, p. 14) The Board of County Commissioners also provided several directives to be used in preparing department budgets. **As you review the narratives, you will see how the directives are being addressed by the individual programs** (emphasis added). Main directives are:

1. Budget at a level consistent with **current operational service levels**.
2. **Budget only for mandatory** and/or self-supporting programs.
3. **Address County goals and clearly define program purpose and expected outcomes**.

**Proposed Budget Development Approach** (FY 2015-16 Budget, p. 15)

General Fund We are maintaining current service levels in the general fund departments.

Special Revenue Funds Josephine County requires the majority of County programs to be self-sustaining through fees, grants, state contracts, and other revenue sources that don't rely on property taxes or general fund support.

Most departments continue to **provide services at a reduced level for our citizens** (emphasis added) (provide **programs** (emphasis added) at a reduced **level of service** [LOS] (emphasis added) for our citizens?).

Public Safety Fund The Proposed Budget shows a decrease of 39% in the Public Safety Fund, and a reduction of 31.47 FTE. This is a direct result of the loss of federal O&C funding, now known as SRS funding. This is the fourth year of **significant losses** (emphasis added) to the Public Safety Fund.

**Conclusion** (FY 2014-15 Budget, p. 16) Josephine County is able to maintain essential service in most programs, although at reduced levels, because of policies put in place and maintained by the Board of County Commissioners. We are facing challenges, especially in Public Safety, but **service reductions** (emphasis added) **[levels of service (LOS) reductions?]** and other strategic efforts have been implemented that will allow the County to continue to operate within a balanced budget. I look forward to reviewing the proposed budget with you and wish to thank the many individuals in the various departments who are responsible for preparing this budget. Special thanks go to Chris Carlson, Budget Analyst in the Finance Office, who spent many hours **ensuring that this budget document met the collective requirements of the County and the GFOA** (emphasis added).

Respectfully submitted,  
Author O'Hare, Finance Director & Budget Officer.

### 3. JO CO BCC's Budget Message Financial Policies: FY Budget 2014-15

**Distinguished Budget Presentation Award Page** The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Josephine County, Oregon for its annual budget for the fiscal year beginning July 1, 2013. In order to receive this award, a governmental unit must publish a **budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device** (emphasis added) (FY 2014-15 Budget, p. 14 - 17).

**Budget Message** (FY 2014-15 Budget, pps. 14 - 17) This budget message outlines the **financial priorities** of the County and highlights major changes to the Funds. Although County government and the resulting budget is complex, our **goal is to provide as much transparency in government as possible** while following Oregon Budget Law (FY 2014-15 Budget, p. 14).

Based on “**Budgeting for Outcomes**”, the FY 2014-15 budget details **Oregon Revised Statute (ORS) mandates, program outcomes**, revenue and expenditure line items and personnel for each department within their respective fund.<sup>III-1</sup> Each Department has **detailed how their programs meet the goals** (emphasis added) set by the Board of Commissioners in FY 2014 (FY 2014-15 Budget, p. 14).

- 1) Improve community outreach and communication to the public by investing in technology that will improve efficiencies within County Departments and provide enhanced service to citizens.
- 2) Develop a sustainable plan for all **mandated and essential County government programs** (emphasis added).
- 3) Provide access to County services to the citizens of Josephine County in a **transparent** (emphasis added), open and professional manner.

Josephine County requires that the **majority of County programs be self sustaining** (emphasis added) through fees, grants, state contracts, and other revenue sources that don't rely on property taxes and/or Federal Fund support. Most Departments continue to provide **minimal services** (emphasis added) for our citizens (FY 2014-15 Budget, p. 14).

**Fund Structure Information** (FY 2014-15 Budget, pps. 15 -16)

**Conclusion** (FY 2014-15 Budget, pps. 16 -17) Today I am presenting a balanced budget – Josephine County will live within its' means as required by Oregon Budget Law. Because this budget contains no proposed funding from federal timber sources or citizen approved levies, you will see the continuing impacts of reduced service levels to programs, both in dollars and positions (FTE's) budgeted. The Public Safety Fund, which relied on General Fund transfers and SRS 2013 federal monies, will be having additional reductions in FY 2015-16 unless the levy is successful May 22<sup>nd</sup>. **Even if the levy passes, Josephine County and its citizens will need to continue to work together on a plan for sustainable long term funding** (emphasis added) for the Criminal Justice System and its related programs.

Today is the **first opportunity** (emphasis added) for the Budget Committee to deliberate on the proposed budget and **to hear from the citizens** (emphasis added) of the County. **Additional opportunities** (emphasis added) in the next few weeks will be available for our **citizens to voice their thoughts on what services Josephine County should provide** (emphasis added) in FY 2014-15.

Unlike some of our neighboring counties who are looking at program failures countywide, Josephine County is able to **maintain essential services** (emphasis added) in most programs, **although at reduced levels** (emphasis added), because of policies put in place by the Board of County Commissioners in the last few years.

Rosemary Padgett, CFO/Budget Officer



#### 4. JO CO BCC's Budget Message Financial Policies: FY Budget 2013-14

**Budget Message** (FY 2013-14 Budget, pps. A 14 - A 17) As the Budget Officer for Josephine County, I am required by Oregon Budget Law to present to the Budget Committee a balanced budget. This budget message outlines the **financial priorities** (emphasis added) of the County and highlights major changes to the Funds. Although County government and the resulting budget is complex, our goal is to provide as much **transparency in government** (emphasis added) as possible while following Oregon Budget Law.

Based on "Budgeting for Outcomes", the FY 2013-14 budget details Oregon Revised Statute (ORS) mandates, program outcomes, revenue and expenditure line items and personnel for each department within their respective fund.<sup>III-1</sup> **Each Department has detailed how their programs meet the goals set by the Board of Commissioners in FY 2010** (emphasis added) Included in the "Introduction" section is a brief history of the actions Josephine County has taken since FY 2005-06 to reduce the cost of government while still attempting to **fund essential programs** (emphasis added) throughout the County.

With the County's goal of **maintaining service levels comparable to FY 2012-13** (emphasis added), reserves are being used up (FY 2013-14 Budget, p. A 14).

With the economy continuing to be stagnant and the State's ongoing budget issues, many Department will be further reducing staff, making it even more difficult to provide **minimal services** (emphasis added) for our citizens (FY 2013-14 Budget, p. A 14).

The Personnel section includes the **Organizational chart** (FY 2013-14 Budget, p. A 14) with the proposed positions county wide (FY 2013-14 Budget, p. A 17) .

**Changes in Fund Structure** (FY 2013-14 Budget, p. A 15).

**Conclusion** Today I am presenting a balanced budget – Josephine County will live within its' means as required to by Oregon Budget Law. Because this budget contains no proposed funding from federal timber payments or citizen approved levies, you will be additional budget reductions throughout the Budget Book. The proposed Budget show the **continuing impacts of reduced service levels to programs** (emphasis added), both in dollars and positions (FTE's) budgeted. The Public Safety Fund, which relied on General Fund transfers and SRS 2012 federal monies, will be facing major reductions in FY 2014-15 unless the Criminal Justice Systems levy is successful in May. Even if the levy passes, Josephine County and its **citizens will need to continue to work together on a plan for sustainable long term funding** (emphasis added) for the criminal justice system (FY 2013-14 Budget, p. A 17).

Today is the **first opportunity** (emphasis added) for the Budget Committee to deliberate on the proposed budget and **to hear from the citizens** (emphasis added) of the County. **Additional opportunities** (emphasis added) in the next few weeks will be available for our **citizens to voice their thoughts on what services Josephine County should provide** (emphasis added) in FY 2013-14 (FY 2013-14 Budget, p. A 17).

Unlike some of our neighboring counties who are looking at program failures countywide, Josephine County is able to **maintain essential services** (emphasis added) in most **programs, although at reduced levels** (emphasis added), because of policies put in place by the Board of County Commissioners in the last few years (FY 2013-14 Budget, p. A 17).

Rosemary Padgett, CFO/Budget Officer

***Josephine Approved Budget Goals: FY Budget 2013-14*** (FY 2013-14 Budget, p. A 19)

- 1) **Encourage public involvement** (emphasis added), through community outreach, in **identifying service requirements and programs** (emphasis added) to be provided by Josephine County.
- 2) Provide **sustainable funding for all mandated and essential County government programs** for the next ten years.
- 3) Provide services in a **transparent** (emphasis added), open and efficient manner to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.

## 5. JO CO BCC's Budget Message Financial Policies: FY Budget 2012-13

**Budget Message** (FY 2012-13 Budget, pps. A 1 - A 3) As the Budget Officer for Josephine County, I am tasked by Oregon Budget Law with presenting to the Budget Committee a balanced budget. This budget message outlines the **financial priorities** (emphasis added) of the County and highlights major changes to the Funds. Although County government and the resulting budget is complex, our goal is to provide as much **transparency in government as possible while following Oregon Budget Law** (emphasis added).

Based on "**Budgeting for Outcomes**"(emphasis added), the FY 2012-13 budget details **Oregon Revised Statute (ORS) mandates, program outcomes** (emphasis added), revenue and expenditure line items and personnel for each department within their respective fund.<sup>III-1</sup> Each Department has detailed how their **programs meet the goals** (emphasis added) set by the Board of Commissioners in FY 2011 (FY 2012-13 Budget, p. A 1):

- 1) **Encourage public involvement** (emphasis added), through community outreach, in identifying service requirements and programs to be provided in Josephine County.
- 2) Provide **sustainable funding for all mandated and essential County government programs** (emphasis added) for the next 10 years.
- 3) Provide services in a **transparent** (emphasis added), open and efficient manner to the citizens of Josephine County.
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.

Josephine County requires that the **majority of County programs be self sustaining** (emphasis added) through fees, grants, state contracts, and other revenue sources that don't rely on property taxes and/or Federal Fund support. With the economy continuing to be stagnant and the State's current budget issues, many Department will be further reducing staff, making it even more difficult to provide **minimal services** (emphasis added) for our citizens (FY 2012-13 Budget, p. A 1).

**Fund Structure Information** 11) The Personnel section includes the **Organizational chart** (emphasis added) with the proposed positions county wide (FY 2012-13 Budget, p. A 3).

**Conclusion** (FY 2012-13 Budget, p. A 3). Today I am presenting a balanced budget – Josephine County will live within its' means as required to by Oregon Budget Law. Because this budget contains no proposed funding from federal timber payments or citizen approved levies, you will see significant budget reductions throughout the Budget Book. The proposed Budget show the **continuing impacts of reduced service levels to programs** (emphasis added), both in dollars and positions (FTE's) budgeted. The Public Safety Fund, which relied on General Fund transfers and SRS 2008 federal monies, will be facing major reductions in FY 2012-13 unless the Criminal Justice Systems levy is successful in May. Even if the levy passes, Josephine County and its **citizens will need to continue to work together on a plan for sustainable long term funding** (emphasis added) for the public safety programs (FY 2013-14 Budget, p. A 3).

Today is the **first opportunity** (emphasis added) for the Budget Committee to deliberate on the proposed budget and **to hear from the citizens** (emphasis added) of the County. **Additional opportunities** (emphasis added) in the next few weeks will be available for our **citizens to voice their thoughts on what services Josephine County should provide** (emphasis added) in FY 2012-13 (FY 2012-13 Budget, p. A 3).

Unlike some of our neighboring counties who are looking at program failures countywide, Josephine County is able to **maintain essential services** (emphasis added) in most **programs, although at reduced levels** (emphasis added), because of policies put in place by the Board of County Commissioners in the last few years (FY 2012-13 Budget, p. A 3).

Rosemary Padgett, CFO/Budget Officer

***Josephine Approved Budget Goals: FY Budget 2012-143*** (FY 2012-13 Budget, p. A 5)

- 1) **Encourage public involvement** (emphasis added), through community outreach, in **identifying service requirements and programs** (emphasis added) to be provided by Josephine County.
- 2) Provide **sustainable funding for all mandated and essential County government programs** for the next ten years.
- 3) Provide services in a **transparent** (emphasis added), open and efficient manner to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.

\* Departments are to explain their budget submissions how their budget(s) meet the goals.

## 6. JO CO BCC's Budget Message Financial Policies: FY Budget 2011-12

**Budget Message** (FY 2011-12 Budget, pps. A 3 - A 5) As the Budget Officer for Josephine County, I am presenting to the Budget Committee a balance budget as required by **Oregon Budget Law** (emphasis added). The budget before you includes **citizen input on services they are willing to fund, guidelines set by the Board of County Commissioners, mandates required by the State of Oregon (emphasis added) and stakeholder support of programs** (emphasis added). The budgets includes details on **mandates, program outcomes** (emphasis added), revenues expenditures and personnel for each department within the respective fund. Although County government and the resulting budget is complex the goal is to provide as much **transparency in government** (emphasis added) as possible while following Oregon Budget Law (FY 2011-12 Budget, p. A 3).

The County is continuing with the “**Budgeting for Outcomes**” (FY 2011-12 Budget, p. A 3) model, which is **based on programs and service levels** (FY 2011-12 Budget, p. A 3) within the County. <sup>III-1</sup> In FY 2010-11 the County adopted four goals related to the budget. Each Department was requested to relate how their programs met the following goals (FY 2011-12 Budget, p. A 3).

- 1) **Encourage public involvement** (emphasis added), through community outreach, in **identifying service requirements and programs** (emphasis added) to be provided by Josephine County.
- 2) Provide **sustainable funding for all mandated and essential County government programs** for the next ten years.
- 3) Provide services in a **transparent** (emphasis added), open and efficient manner to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.

Josephine County requires that the majority of County programs be **self sustaining** (emphasis added) through fees, grants, state contracts, and other revenue sources that don't rely on property taxes and/or **Federal SRS 2008 dollars** (emphasis added). With the economy continuing in a downward trend and the State's current budget issues, many Department will face challenges to provide **services at minimal levels** (emphasis added) for our citizens (FY 2011-12 Budget, p. A 3).

### **Fund Structure Information** (FY 2011-12 Budget, pps. A4 - A5)

5) The County is continuing to follow the **Public Safety Plan, approved in January 2009** (emphasis added), for funding public safety departments through FY 2011-12. Funding comes from Federal SRS 2008 monies, a transfer from General Fund of 3 million dollars and dedicated revenues. New funding will be required for FY 2012-13 and beyond **in order to maintain Public Safety at the same level of service** (emphasis added). With no new funding, projections estimate the Public Safety programs will decrease at least fifty (50) percent of current service levels in FY 2012-13.

7) The centralized overhead of the County is in Fund 401, Internal Service Fund. Current overhead charges were increased from 8.5% to 9.25%.

**Impacts** With the exception of Public Safety, the proposed Budget shows the continuing impacts of reduced service levels referred to as Service Level 1 budgets, both in dollars and positions (FTE's) budgeted. Departments that were reduced beginning in FY 07-08 will continue to operate under those constraints. The Public Safety Fund, which relies on General Fund transfers and the SR 2008 federal monies, has increased service levels based on the **Public Safety Plan** (emphasis added). Without a sustainable funding source, Public Safety will be faced with service reductions beginning in FY 2012-13.

**Conclusion** (FY 2011-12 Budget, p. A5) During the Josephine County FY 2011-12 Budget Process, we will be discussing programs and related service levels that are currently available to our citizens. **The citizens, through their representatives, need to identify the programs that are considered necessary to maintain the quality of life we expect in Josephine County** (emphasis added). We then need to work together in providing sustainable long term funding for those important County government services.

Rosemary Padgett, CFO/Budget Officer

### **Josephine County Approved Budget Goals: 2011-12**

- 1) **Encourage public involvement, through community outreach** (emphasis added), in identifying service requirements and programs to be provided by Josephine County.
- 2) Provide **sustainable funding for all mandated and essential County government programs for the next ten years** (emphasis added).
- 3) Provide **services in a transparent, open and efficient manner** (emphasis added) to all the citizens of Josephine County
- 4) Ensure **cost effective achievement of services** (emphasis added) to the County's citizens by providing an environment that fosters a **highly qualified and professional workforce** (emphasis added).

**Departments are to explain in their budget submissions how their budget(s) meet these goals** (emphasis added).

## 7. JO CO BCC's Budget Message Financial Policies: FY Budget 2010-11

**Budget Message** (FY 2010-11 Budget, pps. A 3 - A 5) The County is continuing with the "Budgeting for Outcomes" model, which is based on programs and service levels within the County.<sup>III-1</sup> For FY 2010-11, the County adopted four goals related to the budget. Each Department was requested to relate how their programs met the following goals (FY 2010-11 Budget, p. A3):

- 1) **Encourage public involvement, through community outreach** (emphasis added), in identifying service requirements and programs to be provided by Josephine County.
- 2) Provide **sustainable funding for all mandated and essential County government programs for the next ten years** (emphasis added).
- 3) Provide **services in a transparent, open and efficient manner** (emphasis added) to all the citizens of Josephine County
- 4) Ensure **cost effective achievement of services** (emphasis added) to the County's citizens by providing an environment that fosters a **highly qualified and professional workforce** (emphasis added).

The budget before you includes **citizen input on services they are willing to fund, guidelines set by the Board of County Commissioners, mandates required by the State of Oregon and stakeholder support of programs** (emphasis added). Also included in the budgets are **details on ORS mandates, program outcomes** (emphasis added), revenues, expenditure line items and personnel for each department within the respective fund. Although County government and the resulting budget is complex, **our goal is to provide as much transparency in government as possible while following Oregon Budget Law** (emphasis added).

Josephine County is still requiring that the **majority of County programs be self sustaining** (emphasis added) through fees, grants, state contracts, and other revenue sources that don't rely on property taxes and/or the Federal SRS 2008 dollars. With the economy still in a downward trend and the State's current budget issues, those Departments will have even more of a challenge to provide **services as minimal levels** (emphasis added) for our citizens.

**Fund Structure Information** (FY 2010-11 Budget, p. A4). 5) The County is continuing to follow the **Public Safety Plan, approved in January 2009** (emphasis added), for funding public safety departments through FY 2011-12. Funding comes from Federal SRS 2008 monies, a transfer from General Fund of 3 million dollars and dedicated revenues. New funding will be required for FY 2012-13 and beyond **in order to maintain Public Safety at the same level of service** (emphasis added) (FY 2010-11 Budget, p. A4).

**Impacts** (FY 2010-11 Budget, p. A5). With the exception of Public Safety, the proposed Budget shows the continuing impacts of reduced service levels referred to as **Service Level 1 budgets** (emphasis added), both in dollars and positions (FTE's) budgeted. Departments that were reduced beginning in FY 07-08 will continue to operate under those constraints. The **Public Safety Fund, which relies on General Fund transfers and the SRS 2008 federal monies** (emphasis added), has **increased service levels** (emphasis added) based on the **Public Safety Plan** (emphasis added). Without a **sustainable funding** (emphasis added) source, Public Safety will be faced with service reductions beginning in FY 2012-13.

The General Fund contingency has decreased from approximately 3 million dollars to 2.5 million dollars for this fiscal year. These carryover monies are used to cover payrolls and other costs until property tax and other revenues arrive in November.

**Conclusion** Josephine County and its **citizens need to work together on a plan for sustainable** (emphasis added) long term funding for public safety and **other essential county government services** (emphasis added). Over the next few weeks, we will be **holding a number of public meetings** (emphasis added) to discuss programs and service levels that are available to our citizens, as presented in the Josephine County FY 2010-11 Budget. Today, all Josephine County **citizens will have the chance to be heard** (emphasis added) on what services they feel are important to the County and its citizens **as part of the Budget Committee process** (emphasis added).

Rosemary DeLashmutter, CFO/Budget Officer

## 8. JO CO BCC's Budget Message Financial Policies: FY Budget 2009-10

**Budget Message** (FY 2009-10 Budget, pps. A3 - A6) About a week ago, close to five hundred citizens of Josephine County stood on the steps of the courthouse for a "Tea Party". The gathering was to protest taxation without representation and to express the average citizen's overall frustration with government spending. I can understand how our citizens may feel that they are not being heard by their Federal and State governments, but today, all Josephine County **citizens do have the opportunity to be heard** (emphasis added) by County government. Over the next few weeks, we will be holding a number of **public meetings to discuss programs and service levels** (emphasis added) that are available to our citizens, as presented in the Josephine County FY 2009-10 Budget.

The County is continuing with the "Budgeting for Outcomes" model, which is based on programs and service levels within the County.<sup>III-1</sup> The budget before you includes citizen **input on services they are willing to fund** (emphasis added), **guidelines set by the Board of County Commissioners** (emphasis added), **mandates required by the State of Oregon and stakeholder support of programs** (emphasis added). Also included in the budget is detail on outcomes, revenues, expenditure line items and personnel for each department; which includes offices, divisions and programs within the respective fund. **The goal is to provide as much transparency in government as possible while following Oregon Budget Law** (emphasis added) (FY 2009-10 Budget, p. A3).

With these changes, the majority of county programs are **self sustaining** (emphasis added) through fees, grants, state contracts, and other revenue sources that don't rely on property taxes and/or the Federal SRS 2008 dollars. With the economy still in a downward trend and the State's current budget issues, those Departments will have even more of a challenge to provide **services as minimal levels** (emphasis added) for our citizens (FY 2009-10 Budget, p. A3).

As part of the SRS 2008 bailout, Congress included monies for O&C Counties over a four year period, 2008 - 2011. The amounts were based on the County's allotment in 2006. Each year's payment will decline on a set percentage (90%, 81%, 73%, and 40-50%) (FY 2009-10 Budget, p. A3).

### **Fund Structure Information** (FY 2009-10 Budget, pps. A4 - A5)

**Impacts** (FY 2009-10 Budget, p. A5) With the exception of Public Safety, the proposed Budget shows the continuing impacts of reduced service levels referred to as Service Level 1 budgets, both in dollars and positions (FTE's) budgeted. Departments that were reduced beginning in FY 07-08 will continue to operate under those constraints. However, the **Public Safety Fund** (emphasis added) that relies on General Fund transfers and federal dollars will be able to **improve service levels** (emphasis added) over the next three fiscal years but will then be faced with **service reductions** (emphasis added) beginning in FY 2012-13 when the SRS 2008 Bailout payments have ended.

**Conclusion** (FY 2009-10 Budget, p. A6) With receipt of the SRS 2008 Bailout monies from the federal government, Josephine County and its citizens have been granted an opportunity in the next three years to **work together on a plan for long term funding** (emphasis added) that will support public safety and other **essential** (emphasis added) county government services. **It is time for more of Josephine County's citizens to be heard concerning County government** (emphasis added). The Budget Committee meeting today is the next step on the path to working together as a community to provide a safe and livable environment that will be **supported by all the citizens** (emphasis added) of Josephine County.

Rosemary DeLashmutt, CFO/Budget Officer

**Goals** The goals were not explicitly identified in the budget message as they were in the budgets from FY 2010-11 through FY 2016-17. If they were the Authors could not find them nor a specific "Budgeting for Outcomes" goals summary. One explicit goal was identified in a paragraph in the budget message. – The goal is to provide as much transparency in government as possible while following Oregon Budget Law.



## 9. JO CO BCC's Budget Message Financial Policies: FY Budget 2008-09

**Budget Message** (FY 2008-09 Budget, pps. 3 - 5) The County is continuing with the “**Budgeting for Outcomes**”(emphasis added) model, which is **based on programs and service levels** (emphasis added) within the County. The budget before you today includes **citizen input on services they are willing to fund, guidelines set by the Board of County Commissioners, mandates required by the State of Oregon and stakeholder support of programs** (emphasis added). Also included in the budget is the detail on expenditure line items and a listing of personnel with classifications and compensation packages for each program. **The goal is to provide much transparency in government as possible and still abide by Oregon Budget Law** (emphasis added).

Josephine County made major changes to county government in FY 07-08. Because of these changes, the majority of county government programs became **self sustaining** (emphasis added) through fees, grants, and other revenue sources that did not rely on property tax and/or O&C monies from the Federal Government. Currently, no new revenue sources have been put in place or have been approved by the voters to replace the O&C monies in FY 08-09. With no replacement dollars for the approximately 12 million dollar loss of O&C funds, the FY 08-09 budget reflects **additional reductions to operations and services** (emphasis added) that are not self funded.

For FY 07-08, the Budget Committee approved and the Board of County Commissioners adopted a budget that funded most county government programs at a **Service Level 1, which was based on mandated and/or self funded services** (emphasis added).

In the budget before you, new proposed positions include a “**Justification**” **paper on the purpose of the position** (emphasis added) and how it will be funded in future years.

**Fund Structure Information** (FY 2008-09 Budget, p. 4)

**Impacts** (FY 2008-09 Budget, p. 5) The proposed Budget shows the continuing **impacts of a Service Level 1 budget** (emphasis added), both in dollars and positions (FTE's) budgeted. The Offices/Divisions and Programs that were reduced in FY 07-08 will continue to operate under those constraints. **The Public Safety Fund** (emphasis added) that relies on General Fund transfers and O&C dollars will have service reductions in FY 08-09.

The Personnel section includes the **Organizational chart** (emphasis added) with the proposed positions county wide.

**Conclusion** (FY 2008-09 Budget, p. 5) **Josephine County is at a turning point in its history** (emphasis added) . Without a **sustainable** (emphasis added) funding source for public safety and the criminal justice system, the County will be greatly impacted. The County currently has approximately thirteen million in available dollars (including contingencies) to fund service that are not dedicated and/or required by law. In FY 09-10, if the County utilizes every dollar available, the available funding drops to approximately six million dollars but leaves no monies for General Fund contingencies.

It is in the best interest of Josephine County and its citizens, that **we work together to find a long term sustainable way to fund essential county government services** (emphasis added).

Rosemary Padgett, Budget Officer, April 17, 2008

**Goals** The goals were not explicitly identified in lists as they were in the budgets from FY 2010-11 through FY 2016-17. If they were the Authors could not find them nor a specific “**Budgeting for Outcomes**” **goals** (emphasis added) summary. One explicit goal was identified in a paragraph in the budget message. The goal is to provide as much **transparency** (emphasis added) in government as possible while following Oregon Budget Law.

## 10. JO CO BCC's Budget Message Financial Policies: FY Budget 2007-08

**Budget Message** (FY 2007-08 Budget, pps. 1 - 3). April 26, 2007. Josephine County **continues to be in a transition period** (emphasis added). As the County copes with the reality of the loss of O&C fund, which **had been a sustainable source of revenue to fund County government for over seventy years** (emphasis added), the Board directed the preparation of the budget with two service levels. **Service Level 1** (emphasis added) is based on current revenue sources with no replace dollars for the approximately \$12 million loss of O&C funding. **Service Level 2** (emphasis added) includes revenues from a **Criminal Justice Systems Local Option Levy** (emphasis added) that is on the May ballot to fund the **Sheriff, District Attorney, and Juvenile Justice** (emphasis added). With the support of the Board of County Commissioners and the cooperation of the Elected Officials, Division Managers and Program Supervisors in the preparation of this budget, I am able to present to the Budget Committee a balanced budget as required by Local Budget Law. In order to give a clear picture of the Service Level 1 and Service Level 2 budget proposals, I have included both levels in each Fund's resources and requirements page for your review and consideration.

The County **continued with the "Budgeting for Outcomes"** (emphasis added) model which is based on programs and service levels within the County.<sup>III-1</sup> The budget before you tonight **incorporates citizen input on service levels they are willing to fund** (emphasis added), **goals set by the Board** (emphasis added), **mandates required by the State of Oregon** (emphasis added) and **stakeholder support of programs** (emphasis added). Also included in this budget is the detail on expenditure line items and a listing of FTE's with classifications and salary packages for each program, creating **the transparency in government** that our citizens have requested.

Because of challenges faced by the County, the Board reorganized the management structure again in November of 2006. They eliminated a number of director positions by establishing a Chief Operating Officer position and adding additional duties to the Chief Financial Officer's position. A hiring freeze was put in place in January of 2007 to mitigate the potential reduction in personnel because of the loss of O&C dollars. In the budget before you, all current vacancies were eliminated throughout the County at both service levels.

**Fund Structure Changes** (FY 2007-08 Budget, pps. 1 - 2). 8. With the **major change in the Budget in FY 06-07, prior year budget** (emphasis added) information is included in the Historical Section.

**Impacts** (FY 2007-08 Budget, pps. 2 - 3) The proposed Budget shows the difference between Service Levels 1 and 2, both in dollars and FTE's budgeted and includes information describing the impact on individual programs. Fee based or grant supported funds are not as impacted as funds that have relied on General Fund transfers and/or O&C dollars, but even these funds will have service reductions because they will have to pay a larger portion of ISF and other fixed costs (debt service) under Level 1.

The **General Fund under Level 2 will lose approximately \$12 million dollars** (emphasis added) in O&C revenues, most of which had previously been transferred to the Public Safety Fund. There is no proposed transfer to the Public Safety Fund in anticipation that funding will be coming from a proposed three year levy. **Under Level 1, with no levy, an estimated \$4.8 million will be transferred** (emphasis added) to the Public Safety Fund in the proposed budget. This would be a one year solution by utilizing General Fund reserves and other savings based on Service Level 1 budget reductions countywide, resulting in the **elimination of approximately 120 budgeted FTE's from the FY 06-07 budget** (emphasis added). Because of the hiring freeze, the County would not be filling 25 vacated positions and would lay off 95 additional positions. General Fund transfers to Public Health and the Library of approximately \$1 million will continue under Level 2. Under Level 1, there will be no General Fund support, resulting in the loss of four programs in Public Health and the closing of the Libraries. The contingency will increase from \$4 million to approximately \$6.7 million under Level 2, reflecting the Board's commitment to continued cost savings throughout the County. Under Level 1, the contingency will decrease to less than \$3.5 million to cover payrolls and other costs until property tax revenues arrive in November (FY 2007-08 Budget, pps. 2 - 3).

The **Public Safety Fund** (emphasis added) includes the Office of Sheriff, District Attorney, Juvenile Justice and Court Security. **The Fund's main revenue source had been a transfer from the General Fund of approximately \$12 million** (emphasis added). Under Level 2, the Criminal Justice Systems Local Option Levy will replace the transfer from General Fund. This will enable the Sheriff to increase staff from 88 budgeted FTE's to 100 FTE's. Under Level 1, the Sheriff will decrease FTE's by 39. The District Attorney's Office will add two new positions under Level 2 and will lose 11 positions under Level 1 from current budget. Juvenile Justice will have no increases under Level 2 but will close both the shelter and detention center with approximately 28 FTE's being eliminated (FY 2007-08 Budget, p. 3).

The General Services Fund is mainly a pass through fund for Title III and Economic Development dollars. With the loss of O&C monies for Title III programs, the County has enough reserves to fund programs such as Search and Rescue and forest fuel reduction activities for approximately two more years (FY 2007-08 Budget, p. 3).

The Personnel section includes information on the reorganization including three Organizational charts reflecting the current FTE level and the proposed FTE's for Level 1 and Level 2. Current salary tables for Elected Officials and Non Union (includes both management, professional, and confidential employees) and the current tables for the four Unions are included. All Union contracts expire on June 30, 2007. Throughout the current negotiations, the Unions have agreed to mainly status quo contracts but bargaining has not been completed at this time (FY 2007-08 Budget, p. 3).

This was a difficult budget to prepare, with many hard decision that had to be made by the Elected Officials, Managers, and the Board of County Commissioners. With the major impact of Level 1 **reductions to county services and employees** (emphasis added), decisions impacting the overall budget will be finalized less than a week ago. The loss of O&C funds creates a major challenge for the County as a whole to **continue programs and services at the level need and expected by the citizens** (emphasis added) of Josephine County. The budget before you reflects that challenge (FY 2007-08 Budget, p. 3).

Rosemary Padgett, Budget Officer

**Goals** The goals were not explicitly identified in lists as they were in the budgets from FY 2010-11 through FY 2016-17. If they were the Authors could not find them nor a specific "Budgeting for Outcomes" goals summary. One reference to goals set by the Board was identified in a paragraph in the budget message. The budget before you tonight incorporates citizen input on service levels they are willing to fund, goals set by the Board, **mandates required by the State of Oregon** and stakeholder support of programs.

**Addendum to Budget Message Fiscal Year 2007-08** (FY 2007-08 Budget, p. 5). There have been some important changes since the original Budget Message was written on April 26, 2007. The budget adopted today and presented in this Budget Book reflects those changes. The two most important events are as follows:

- The Criminal Justice Systems Local Option Levy that was on the May ballot did not pass, forcing the Budget Committee to approve the proposed Service Level 1 budget (FY 2007-08 Budget, p. 5).
- Subsequently, Congress passed and the President signed a bill extending O&C funding for one more year, which corresponds to the County's fiscal year 2007-08. Consequently, the Budget Committee reconvened and approved a revised budget which included estimated O&C revenue of \$12 million to go directly to the Public Safety Fund and restoring the public safety offices and division (Sheriff, District Attorney and Juvenile Justice) to approximately the previously proposed Service Level 2 budget amounts, while leaving the rest of the County at Service Level 1. The transfer of \$4.8 million from the General Fund to the Public Safety Fund was left in the budget. The \$6 million contingency resulting from the O&C money and the General Fund transfer will be carried over to the following fiscal year when O&C funds are not expected to be available. Additionally, the budget for the Adult Jail Health Clinic (in the Public Health Fund) was increased to accommodate an increased jail population made possible by the O&C funds. On June 27, 2007, the Board of County Commissioners adopted this revised budget (FY 2007-08 Budget, p. 5).

This budget book presents both Service Level 1 and 2 for each fund, office, division, and program in the Schedule A1 and Schedule B pages. Each one is clearly labeled which service level was adopted and which one is presented for information only. The organization chart presented in the Personnel section reflects the FTE's in the budget that was adopted (FY 2007-08 Budget, p. 5).

Once again, I wish to thank everyone in the County who made the tough decisions and who worked long hours to complete this very challenging budget. I also wish to thank the members of the Budget Committee and those members of the public who attended the public budget meetings for their very valuable input (FY 2007-08 Budget, p. 5).

Rosemary Padgett, Budget Officer  
June 27, 2007

## 11. JO CO BCC's Budget Message Financial Policies: FY Budget 2006-07

**Budget Message** (FY Budget 2006-07, pps. 1 - 3). May 11, 2006. With the support of the Board of County Commissioners and the cooperation of the Elected Officials and appointed Directors in the preparation of this budget, I am able to present to the Budget Committee a balanced budget as required by Local Budget Law. Josephine County **continues to be in a transition period** (emphasis added); coping with **tightening revenue sources** (emphasis added) including the potential loss of O&C funds, **rising costs in operations** (emphasis added), and **continued mandates** (emphasis added) to provide services. The proposed BY 2006-07 Budget reflects the challenge faced by the County (FY Budget 2006-07, p. 1).

The Budget for fiscal year 2006-07 is a major change in how Josephine County budgets. **This Budget establishes funding levels for programs and services instead of categories of expenditures** (emphasis added). The Board of Commissioners **reorganized County departments and services September 1, 2005** (emphasis added). The Budget and new fund structure is modeled after the reorganizations. The Board also supported a fundamental change in the budget process, following the **concept of a modified zero based budgeting process known as "Budgeting for Outcomes"**(emphasis added).<sup>III-1</sup> "Budgeting for Outcomes" is based on programs and service levels within the County. Future budgets **will incorporate citizen input on services levels they are willing to fund** (emphasis added), **goals set by the Board** (emphasis added) and **stakeholder support of programs** (emphasis added) (FY Budget 2006-07, p. 1).

The Budget before you clearly outlines the programs and services that the County Departments provide, **creating the transparency in government that our citizens have requested** (emphasis added). Changes include (FY Budget 2006-07, p. 1):

1. Department that provided similar services were grouped together in one fund such as Public Safety, showing the true cost of the department and its programs.
2. Twenty nine funds were consolidated into six major funds.
3. Transfers between Funds are defined, showing transfers as expenditures from one fund and a revenue source for the receiving fund.
4. The centralized overhead of the County was consolidated into the Internal Service Fund.
5. Program costs that Departments could control, such as fleet and building costs, were directly charged to their budgets and treated as internal vendors.
6. Two Reserve Funds were added to account for property and equipment capital purchases and major repairs of the fixed assets of the County.

The Board directed Departments to prepare proposed budget for each program, showing two service levels. **Service Level One** (emphasis added) reflects mandated and/or self supporting programs and **Service Level Two** (emphasis added) recognized existing programs within the County had been funded in prior years. The two service levels are shown in Schedules A and B in your book. Schedule A is a summary of the programs within a Department. Any new programs or personnel require a justification paper explaining the need and funding source. The budget before you today show program funding at Service Level Two (FY Budget 2006-07, p. 2).

**Fund Structure Changes** (FY Budget 2006-07, pps. 2 - 3). The new **Public Safety Fund** (emphasis added) consolidates into one fund the departments of **Sheriff, District Attorney** (emphasis added), **Community Justice** (emphasis added), and **Court Securing**. The Fund's main revenue source is a transfer from General Fund (FY Budget 2006-07, p. 2).

**The Internal Service Fund contains departments and divisions that provide countywide support to other departments and the citizens of Josephine County** (emphasis added). This fund includes budgets for: the Board of County Commissioners, General Government, Property Management, Finance, Human Resources, Legal, Information Technology, Communications, Geographical Information Systems (GIS) and Central Services. The rate of overhead Countywide is under seven (7) percent and is assess against the operational Funds based on their personnel and materials and services budget (FY Budget 2006-07, p. 2).

The other Funds in the Budget Book are required to shown as individual funds. Because of the major format change in the Budget, prior year budget information is included in the Historical Section (FY Budget 2006-07, p. 3).

The proposed Budget **maintains current service levels in most Departments** (emphasis added), reflects the savings in personnel costs implemented last year by the Board of County Commissioners and increases the General Fund contingency for future carry over. Although the County still faces the major challenge of the loss of O&C funds, the proposed budget for FY 2006-07 represents the collaborative effort by the Board, Elected Officials and appointed Directors **to continue programs and services to the citizens of Josephine County with declining resources** (emphasis added) (FY Budget 2006-07, p. 3).

Rosemary Padgett, Budget Officer

**Goals** The goals were not explicitly identified in lists as they were in the budgets from FY 2010-11 through FY 2016-17. If they were the Authors could not find them nor a specific “Budgeting for Outcomes” goals summary. One reference in a paragraph in the budget message identified what future budgets would provide. Future budgets will incorporate citizen input on services levels they are willing to fund, goals set by the Board and stakeholder support of programs.

- **Citizen Input on Services Levels They Are Willing to Fund**
- **Goals Set by the Board**
- **Stakeholder Support of Programs**

**Josephine County Adopted Budget Memorandum About Historical Data 2006-007** (FY Budget 2006-07, p. 4). On September 1, 2005, the Board of County Commissioners reorganized the County’s department structure. The new **organization chart** (emphasis added) is included in the Personnel section of this budget book. The 2006-07 budget reflects the new organization. It also reflects a fundamental **change in the fund structure and budget categories which has been done with the purpose to bring greater clarity to the County’s budget for the Budget Committee and the County’s citizens** (emphasis added). Many funds have been combined to substantially reduce the number of funds, and budget categories within the funds are broken down by department and program, rather than by expenditure type. (Personal Services, Materials and Services, etc.), as in the past. Accordingly, historical data is presented in a separate Historical Section rather than with the 2006-07 budget data because it is not directly comparable.

## **JO CO BCC's Reader's Guide: FY Budget 2005-06**

**Budget Message** The Authors could not open the web published Budget Message document.

**Reader's Guide** (Reader Guide For FY Budget 2005-06, pps. 13 - 27). The Authors could open the web published document entitled: Reader's Guide, 2005-2006 Operating Budget, Josephine County, Oregon. Author's note: The Reader's Guide assisted in helping the citizens understand the budget.

This Reader's Guide is designed to introduce the 2005-06 Operating Budget Book for Josephine County. This book contains information regarding the County budget as a whole as well as individual department and fund descriptions and summaries. Within each individual department are levels of services for the past two years plus the 2005-06 budget year. This book is designed to provide focus on budget information that is readable in an **understandable format and communicate summary financial and service level information to increase the public's understanding of the budget process and functions of Josephine County government** (emphasis added) (Reader Guide For FY Budget 2005-06, p. 13).

**Budget Discretion** The Board of County Commissioners and the Budget Committee have very limited control of the seven fund types with the exception of the general and internal service funds (Reader Guide For FY Budget 2005-06, p. 13).

**Josephine County's Basis of Accounting and Budgeting. Differences between the budget basis and accounting basis** (emphasis added) are reconciled as of June 30 each year as shown in the Comprehensive Annual Financial Report (CAFR). Financial reports are prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments (Reader Guide For FY Budget 2005-06, p. 18).

**Josephine County's Budget Adoption Process** (Reader Guide For FY Budget 2005-06, pps. 18 - 19). All funds are budgeted in **conformance with Oregon Local Budget Law** (emphasis added).

For the 2005-06 budget process the BCC continued implementation of **countywide performance measures** (emphasis added). Preliminary budget materials were distributed to the Elected Officials and Department Heads in February 2005. **Departments were then asked to review desired program and service levels with the County Commissioners and one Budget Committee member** (emphasis added), and were given the chance to establish priorities and evaluate the effectiveness of the proposed programs. Subsequently, the general fund departments were directed to prepare their budgets according to directives from the BCC. Departmental budgets were then submitted to the BCC and individual meetings were held between the Elected Officials/Department Heads, Board of County Commissioners and the Budget Officer from mid March to mid April at which the budgets were reviewed and discussed in detail. **From these meetings, the BCC prepared the recommended revenue estimates and set appropriation levels for presentation to the Budget Committee** (emphasis added) (Reader Guide For FY Budget 2005-06, p. 19).

**Josephine County's Budget Revision Process** (Reader Guide For FY Budget 2005-06, p. 19). Continually throughout the fiscal year, departments and the Finance Department monitor the budget. Occasionally it is necessary to adjust or change the budget due to unanticipated revenues or to get authority to redirect appropriations. **Oregon Local Budget Law regulates the supplemental budget process** (emphasis added).

**Summary of Josephine County's Debt Structure** (Reader Guide For FY Budget 2005-06, pps. 19 - 21).

**Public Involvement** (Reader Guide For FY Budget 2005-06, p. 21). **Citizens are encouraged to become involved in the county's budget process** (emphasis added). Public comments are welcome at Budget Committee and Board of County Commissioner meetings. **Budget information is available at the office of the Board of County Commissioners and also at the Finance Department** (emphasis added), both located in the County Courthouse, 500 NW 6th Street, Grants Pass, Oregon. Information is also available at each of the scheduled Budget Committee meetings. Notice of Budget Committee and Board of Commissioner meetings is published in the Daily Courier in the Legal Notice section.

## C. Excerpts from Josephine County Budgets: FY 2006-07 TO FY 2016-17

Oregon Local Budget Law requires a budget message in the budget (Section II.C.3; Appendix A3). The Exploratory Committee's present position is that this requirement is applicable to all three final evolutions of the budget in the local JO CO budget process.

"The budget message is delivered to the budget committee at its first meeting. The budget message must be in writing, since it is a part of the complete (emphasis added) budget document." (*Manual*, p. 14).

1. Final Budget Officer Complete Proposed Budget
2. Final Budget Committee Complete Approved Budget
3. Final BCC Complete Adopted Budget

**Budget Message** Written explanation of a local government's budget and financial policies, including any changes from the prior fiscal year. It is prepared and presented under the direction of the executive officer or chairperson of the governing body [ORS 294.403; Section III.B].

**1. FY Proposed Budget 2016 - 2017 Budget Excerpts** (pages 1 - 5). There was no explicitly identified "Budget Message" in the proposed budget.

Josephine County Budget Process n/a  
Oregon Budget Law & County Process n/a  
Budget Calendar 2016-17 n/a

### Josephine County Approved Budget Goals

- 1) Improve community outreach and communication to the public by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.
- 2) Develop a **sustainable plan** (emphasis added) for all **mandated and essential County government programs** (emphasis added).
- 3) **Provide access** (emphasis added) to County services to the citizens of Josephine County in a **transparent** (emphasis added), open, and professional manner.

\* Departments are to explain in their budget submissions how their budgets(s) meet these goals.

### Budget Overview n/a

ISF Methodology n/a  
Internal Vendors (Cost Methodology) n/a

### Budget Directives/Guidelines

- ▣ Based on **Local Budget Law and Budgeting for Outcomes** (emphasis added)<sup>III-1</sup>
  - **Status Quo budget** (emphasis added) required unless change is supported by revenue
  - Revenue projections with support for inclusion at Fund level
  - Expenditures - Department level (Departments: Offices, Divisions, Programs)
    - **Reported at Service Levels - Mandatory and/or self supporting** (emphasis added)
    - Source of Revenue - document additions or reductions
    - Narratives describing program and relation to County goals.
    - Funds supported by dedicated and/or outside sources need to balance revenues and



- expenditures
- Personal Services Budget - prepared by Finance to estimate costs
  - Based on current payroll (February 2016)
  - Allocate at Department level
  - Vacant and/or new positions require **justification paper** (emphasis added)
- Capital Outlay
  - Limited to \$5,000 or above, requires **justification paper** (emphasis added)
  - 5 Year Projection (County Charter requirement)
  - Expense to related Reserve Fund (may require transfer from operating)
- Transfers between Funds (at fund level)
- Debt Service (at fund level)

### **Budget Directives/Guidelines (additional 2016-17 Specific)**

- ☑ General Fund Reserve (Contingency) minimum of \$3 million dollars. Need to build reserves.
- ☑ Transfer to Public Safety from General Funds in the amount of \$2.5 million dollars.
- ☑ **No approved Levy budget to be submitted** (emphasis added).
- ☑ Public Safety Fund budgets and requirements should not exceed projections for FY 16-17. **Dollar limits will be provided to departments based on FY 15-16 actual percentage allocation.** (emphasis added)
- ☑ Internal Service Funds are to maintain rates based on 15-16 budget.

### **Budget Changes after Adoption**

**Timber Harvest Revenue and National Forests - History** (page 6; not part of Josephine County Budget Process)  
 Timber Harvest Revenue to Counties goes back more than a century. In 1893, President Harrison created Forest Reserves which were expanded by President Cleveland in 1897. Then, in 1908, President Theodore Roosevelt created the National Forests. Also in 1908, President Roosevelt signed an agreement that recognized the fiscal constraint to counties by lack of taxation on this federally claimed land and enacted federal payments to counties as well as a share of timber harvests from these lands.

The revenue from the National Forest harvesting went to supporting county road funds and eventually also school funds. However, between 1970 and 1993, policies changed. In 1976, the National Forest Management Act of 1976 was passed. In the 1990's, the cutting of old growth trees began to conflict with the Clean Water Act, the National Environmental Policy Act and the Endangered Species Act. And in 1990 the Spotted Owl was put on the endangered species list, and it had the effect of sharply decreasing the ability to harvest timber from National Forests, thereby decreasing the revenue counties were receiving. **From 1993 to present, there has been continuing decreases in timber harvests and reforms to Forest Service Planning** (emphasis added).

Beginning in 1993 Congress recognized that revenues were declining and devised a payments program not based on harvest. This plan was expressed first as the **Omnibus Reconciliation Act of 1993 (OBRA)** (emphasis added), providing an alternative annual safety net payment which was replaced by the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS).

A one-year extension of the SRS expired in September 2007 and had not been renewed by Congress despite efforts by the Oregon delegation and others by July 1, 2008. Then on October 3, 2008, Congress passed the **Emergency Economic Stabilization Act (ECSA)** (emphasis added) and the President signed the four-year continuation and phase-out of the payments. This had a four year payment reduction with the final year being 40% of the original payments. Recently, the Transportation Act of 2012, signed by President Obama, has included a one-time payment to counties but only a percent of the final 40% payment will be paid out. This extension amounted to roughly \$4.7 million for Josephine County in discretionary funds that the county budgeted for public safety.

**O&C Lands - Bureau of Land Management** In addition to the National Forest system, in 1916 the Federal Government reclaimed 2.8 million acres in Oregon that had originally been designated for a railroad. The lands, now known as 'O&C', are managed by the Bureau of Land Management. In 1926, the Stanfield Act provided that the counties also receive a share of the revenue from the timber harvests occurring on the O&C lands. Timber harvest has also dramatically decreased on the O&C lands, for the same reasons it has decreased in the National Forests.

## 2. FY Budget 2015 - 2016 Budget Excerpts (Entire - pages 14 to 16)

### Introduction (Outline)

- Budget Message
  - Proposed Budget Goals
  - Proposed Directives
- Josephine County Budget Process
  - Oregon Budget Law & County Process
  - Budget Calendar 2015-16
- Josephine Approved Budget Goals
- The County Process – Budget Overview
  - Josephine County uses budgeting for outcomes model
- Budget Overview
- ISF Methodology
- Internal Vendors (Cost Methodology)
- Budget Directives/Guidelines

### April 30, 2015 Budget Message To Josephine County Budget Committee Members (emphasis)

We are pleased to present the Fiscal Year 2015-16 Annual Proposed Budget for Josephine County. All budgets are balanced as required by Oregon Budget Law, which means that resources match or exceed projected annual requirements. This budget message outlines the **financial priorities** (emphasis) of the County and highlights major changes to the funds.

The Government Finance Officers Association (GFOA) of the United States and Canada has given the Distinguished Budget Presentation Award to Josephine County for the third year in a row. This award is the highest form of recognition in governmental budgeting and shows that our **budget document reflects nationally recognized guidelines for effective budget presentation** (emphasis). It also recognizes our open and accountable budget process, as well as our commitment to provide an accessible budget document to the citizens of Josephine County.

**Proposed Budget Goals and Directives** The Board of County Commissioners set goals to provide direction related to the “big picture” rather than listing individual actions or activities. **Each department has detailed in their budget how their programs meet the following goals** (emphasis) approved by the Board of County Commissioners on 02-12-2015:

1. **Improve community outreach and communication to the public** (emphasis added) by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.
2. Develop a **sustainable plan** (emphasis) for all **mandated and essential County government programs** (emphasis added).
3. Provide access to County services to the citizens of Josephine County in a transparent, open, and professional manner.

The Board of County Commissioners also provided several directives to be used in preparing department budgets. As you review the narratives, you will see how the directives are being addressed by the individual programs. Main directives are:

1. Budget at a level consistent with **current operational service levels** (emphasis).
2. **Budget only for mandatory** (emphasis) and/or self-supporting **programs** (emphasis).
3. **Address County goals** (emphasis) and **clearly define program purpose** (emphasis) and **expected outcomes** (emphasis).

**Summary of Funds** In the Proposed Budget Book on pages 14 and 15 you will find a summary of funds. The total

budget for FY 2015- 16 for all funds equals \$76,479,700. This amount is \$8,231,000 less than last year, a 9% reduction. The major changes are:

- a. \$4.8 million decrease in the Public Safety fund (SRS funding and contract revenue);
- b. \$2.1 million decrease in Transit (Pass-thru grant);
- c. \$2.6 million decrease in Public Works (Transfer to reserves), and;
- d. \$1.0 million increase in Community Corrections Parole and Probation (Justice Reinvestment)

### **Proposed Budget Development Approach**

**General Fund** We are **maintaining current service levels** (emphasis) in the general fund departments. The Proposed General Fund Budget for FY 2015-16 is \$11,762,000 approximately a 1% increase over last year. Most of the program budgets remain consistent with the prior year, the exceptions being Planning which is down due to a reduction in staff & supplies and in General Government which is up due to increases in insurance premiums.

**Special Revenue Funds.** **Josephine County requires the majority of County programs to be self-sustaining** (emphasis) through fees, grants, state contracts, and other revenue sources that don't rely on property taxes or general fund support. Most departments continue to **provide services at a reduced level** (emphasis) for our citizens.

**Significant Changes to County Programs** In the Proposed Budget Book on pages 16 and 17 you will find a brief description of the significant changes to County programs. In this budget message I will highlight three items.

**Animal Protection and Regulation** In May 2014 the citizens of Josephine County passed a three- year local option levy of .08c/\$1,000. FY 2015-16 is the second year of the three-year levy and is expected to increase Animal Shelter revenues by approximately \$530,000. The purpose of the program is to provide professional and compassionate animal services through shelter, adoption, educational programs, population control and health care services while remaining fiscally responsible.

**Forestry Reserve** In 2013 approximately 2,600 acres of County forest land was burned by wildfire. The Forestry Department began salvage logging operations almost immediately. The Board of County Commissioners decided to place the funds collected through the salvage operations into a Forestry Reserve Fund in order to smooth out the revenue stream for funding the general fund and to provide adequate revenue for the Forestry Department as they continue in the second year of their three- ]year reforestation project for the burned timber lands.

The foresight of this decision to establish a Forestry Reserve is evident today, since it appears that the market for timber is so low that the County is not going to offer any timber sales in the current year.

**Public Safety Fund** The Proposed Budget shows a decrease of 39% in the Public Safety Fund, and a reduction of 31.47 FTE. This is a direct result of the loss of federal O&C funding, now known as SRS funding. This is the **fourth year of significant losses** (emphasis) to the Public Safety Fund.

However, on **April 16, 2015 the reauthorized Secure Rural Schools Act was signed into law and extended SRS funding for two years** (emphasis added). The amount available for Josephine County was not yet known as of the printing of the Proposed Budget Book. A revised budget will be included in the budget presentations from Public Safety. The extension provides 5% less funding than the prior year, which means Public Safety will still be reduced from their current budget level, although not as drastically as the 39% reduction indicated in the Proposed Budget.

The SRS extension is anticipated to provide an additional \$2 million to the budget for the **Sheriff, District Attorney, and Juvenile Justice programs** (emphasis). Revenues for the Public Safety fund are expected to include a transfer from the general fund of \$2.5 million dollars, carryover dollars of \$2.4 million, and dedicated revenues of \$1.5 million. An **election is scheduled for May 19** (emphasis) that, if passed, will fund the **Jail, Sheriff Patrols, and Juvenile Justice** (emphasis); but these revenues are not included in the budget since it has not yet been approved by the citizens.

Title III and County Schools & Roads were also funded by the SRS extension.

**Conclusion** Josephine County is able to **maintain essential service in most programs** (emphasis), although at **reduced levels** (emphasis), because of policies put in place and maintained by the Board of County Commissioners. In the Proposed Budget Book on pages 11 and 12 you will find a list of the changes and efforts made by the County in response to our budget constraints.

We are facing challenges, especially in Public Safety, but service reductions and other strategic efforts have been implemented that will allow the County to continue to operate within a balanced budget.

I look forward to reviewing the proposed budget with you and wish to thank the many individuals in the various departments who are responsible for preparing this budget. Special thanks go to Chris Carlson, Budget Analyst in the Finance Office, who spent many hours **ensuring that this budget document met the collective requirements of the County and the GFOA** (emphasis).

Respectfully submitted,

Arthur O'Hare, Finance Director & Budget Officer

### **Josephine Approved Budget Goals (page 18)**

- 1) **Improve community outreach** (emphasis added) and communication to the public by investing in technology that will improve efficiencies within County Departments and provide enhanced service to citizens.
- 2) Develop a sustainable plan for all **mandated and essential County government programs** (emphasis added).
- 3) **Provide access** (emphasis added) to County services to the citizens of Josephine County in a transparent, open and professional manner.

**\*Departments are to explain in their budget submissions how their budget(s) meet these goals.** (emphasis added)

**The County Process - Budget Overview [FY Budget 2015 - 2016]**  
**Josephine County uses budgeting for outcomes model. (pages 18 to 19)<sup>III-1</sup>**

- ▣ Budgeting for Outcomes is:
  - A departure from the traditional budgeting model of using last year as a base, adding inflation, and then cutting the result to balance the budget.
  - A type of zero-based budgeting (programs versus historical).
  - A top-to-bottom **review of everything from citizens' perspectives and priorities** (emphasis added), rather than a department or government perspective.
  - A way of establishing program priorities and allocating resources when revenues are limited.
  - A better tool for elected officials to set the direction of the County and choose the services it will provide.
  - The County operates on accrual based budgeting and accounting.
  
- ▣ Budgeting for Outcomes focuses on:
  - Setting the price of government
  - Setting the priorities of government
  - Setting the price of each priority
  - The “keeps”, not the cuts.
  
- ▣ Budgeting for Outcomes asks Four Basic Questions:
  - How much revenue will we have: What price of government will we charge the citizens?
  - **What outcomes (results) matter most to our citizens?** (emphasis added)
  - How much should we spend to achieve each outcome?
  - How can we “best” deliver **each outcome that citizens expect?** (emphasis added)
  
- ▣ Budgeting for Outcomes – County Level:
  - Josephine County looks at programs provided by each department and the level to which each should be funded, rather than looking at expenditure categories and line items as in the past.
  - If funding is reduced or lost, priorities will help the County determine how best to adjust service levels and choose which programs to keep.

### 3. FY Budget 2014 - 2015 Budget Excerpts

BFO<sup>III-1</sup> Claimed, but Budget Directives is Status Quo Budget (pages 14 to 17)

#### Introduction

- Budget Message
  - Budget Goals
- Josephine County Budget Process
  - Oregon Budget Law & County Process
  - Budget Calendar 2014-15
- Josephine Approved Budget Goals
- The County Process – Budget Overview
  - Josephine County uses budgeting for outcomes model
- Budget Overview
- ISF Methodology
- Internal Vendors (Cost Methodology)
- Budget Directives/Guidelines
  - Budget Directives/Guidelines (additional 2014-15 specific)

**Budget Message** May 8, 2014. As the Budget Officer for Josephine County, I am tasked by Oregon Budget Law to present to the Budget Committee a balanced budget. This budget message outlines the **financial priorities** (emphasis added) of the County and highlights major changes to the Funds. Although County government and the resulting budget is complex, our goal is to provide as much **transparency in government as possible** (emphasis added) while following Oregon Budget Law.

Based on “**Budgeting for Outcomes**”(emphasis added), the FY 2014-15 budget details **Oregon Revised Statute (ORS) mandates** (emphasis added), **program outcomes** (emphasis added), revenue and expenditure line items and personnel for each department within their respective fund. Each Department has **detailed how their programs meet the goals** (emphasis added) set by the Board of Commissioners in FY 2014.

- 1) **Improve community outreach** (emphasis added) and communication to the public by investing in technology that will improve efficiencies within County Departments and provide enhanced service to citizens.
- 2) Develop a **sustainable plan** (emphasis added) for all **mandated and essential County government programs** (emphasis added).
- 3) Provide access to County services to the citizens of Josephine County in a **transparent** (emphasis added), open and professional manner.

Josephine County requires that the majority of County programs be self sustaining through fees, grants, state contracts, and other revenue sources that don't rely on property taxes and/or Federal Fund support. Most Departments continue to provide **minimal services** (emphasis added) for our citizens.

**Fund Structure Information\*** 4. Fund 12, Public Safety: funding for the public safety departments (Sheriff, District Attorney and Juvenile Justice) from Federal sources has ended. An election is scheduled for May 22 that will fund the Jail and Juvenile Justice programs but is not included in this budget since it has not been approved by the citizens.

8. Fund 40, Internal Service Fund (ISF) provides the centralized support services of the County including the Board

of County Commissioners (BCC). ISF covers a wide range of programs that deliver administrative support to all County Departments. Instead of each Department hiring personnel to provide human resource, finance, legal information technology, GIS, property management and communication services, it is centralized to be more cost effective. For the third year in a row the BCC maintained the current rate of 10%.

\* The County established a new finance system including a revised chart of accounts.

**Conclusion** Today I am presenting a balanced budget – Josephine County will live within its’ means as required by Oregon Budget Law. Because this budget contains no proposed funding from federal timber sources or citizen approved levies, you will see the continuing **impacts of reduced service levels to programs** (emphasis added), both in dollars and positions (FTE’s) budgeted. The Public Safety Fund, which relied on General Fund transfers and SRS 2013 federal monies, will be having additional reductions in FY 2015-16 unless the levy is successful May 22<sup>nd</sup>. Even if the levy passes, Josephine County and its citizens will need to continue to work together on **a plan for sustainable** (emphasis added) long term funding for the Criminal Justice System and its related programs.

Today is the **first opportunity** (emphasis added) for the Budget Committee to deliberate on the proposed budget and **to hear from the citizens** (emphasis added) of the County. **Additional opportunities** (emphasis added) in the next few weeks will be available for our **citizens to voice their thoughts on what services Josephine County should provide** (emphasis added) in FY 2014-15.

Unlike some of our neighboring counties who are looking at program failures countywide, Josephine County is able to **maintain essential services** (emphasis added) in most programs, **although at reduced levels** (emphasis added), because of policies put in place by the Board of County Commissioners in the last few years.

Rosemary Padgett, CFO/Budget Officer

## **The County Process - Budget Overview [FY Budget 2014 - 2015] Josephine County Uses Budgeting for Outcomes Model (pages 19 to 20)<sup>III-1</sup>**

- ▣ Budgeting for Outcomes is:
  - A departure from the traditional budgeting model of using last year as a base, adding inflation, and then cutting the result to balance the budget.
  - A type of zero-based budgeting (programs versus historical).
  - A top-to-bottom review of everything from citizens’ perspectives and priorities, rather than a department or government perspective.
  - A way of establishing program priorities and allocating resources when revenues are limited.
  - A better tool for elected officials to set the direction of the County and choose the services it will provide.
- ▣ Budgeting for Outcomes focuses on:
  - Setting the price of government
  - Setting the priorities of government
  - Setting the price of each priority
  - The “keeps”, not the cuts.
- ▣ Budgeting for Outcomes asks Four Basic Questions:
  - How much revenue will we have: What price of government will we charge the citizens?
  - What outcomes (results) matter most to our citizens?
  - How much should we spend to achieve each outcome?
  - How can we “best” deliver each outcome that citizens expect?
- ▣ Budgeting for Outcomes – County Level:
  - Josephine County looks at programs provided by each department and the level to which each should be funded, rather than looking at expenditure categories and line items as in the past.
  - If funding is reduced or lost, priorities will help the County determine how best to adjust service levels and choose which programs to keep.



#### 4. FY Budget 2013 - 2014 Budget Excerpts

BFO Claimed, but Budget Directives is Status Quo Budget (pages A-14 to A-17)<sup>III-1</sup>

##### Introduction (Outline)

- Budget Message
- Josephine County Budget Process
  - Oregon Budget Law & County Process
  - Budget Calendar 2013-14
- Josephine Approved Budget Goals
- The County Process – Budget Overview
  - Josephine County uses budgeting for outcomes model
- Budget Overview
- ISF Methodology
- Internal Vendors (Cost Methodology)
- Budget Directives/Guidelines
  - Budget Directives/Guidelines (additional 2013-14 specific)

**Budget Message** May 7, 2013. As the Budget Officer for Josephine County, I am required by Oregon Budget Law to present to the Budget Committee a balanced budget. This budget message outlines the **financial priorities** (emphasis added) of the County and highlights major changes to the Funds. Although County government and the resulting budget is complex, our **goal is to provide as much transparency in government as possible** (emphasis added) while following Oregon Budget Law.

Based on “**Budgeting for Outcomes**”(emphasis added), the FY 2013-14 budget details **Oregon Revised Statute (ORS) mandates** (emphasis added), **program outcomes** (emphasis added), revenue and expenditure line items and personnel for each department within their respective fund. Each Department has **detailed how their programs meet the goals** (emphasis added) set by the Board of Commissioners in FY 2010. Included in the “Introduction” section is a **brief history of the actions Josephine County has taken since FY 2005-06** to reduce the cost of government while still attempting to fund essential programs (emphasis added) throughout the County.

With the County’s **goal of maintaining service levels comparable to FY 2012-13** (emphasis added), reserves are being used up.

With the economy continuing to be stagnant and the State’s ongoing budget issues, many Department will be further reducing staff, making it even more difficult to provide **minimal services** (emphasis added) for our citizens.

**Changes in Fund Structure** 8. The centralized administration overhead of the County is in Fund 401, Internal Service Fund. The Board of County Commissioners maintained the current charge of 10%.

11) The Personnel section includes the **Organizational chart** (emphasis added) with the proposed positions county wide. A comparison of FTE by Department between FY 2012-13 and FY 2013-14 is also included

**Conclusion** The Public Safety Fund, which relied on General Fund transfers and SRS 2012 federal monies, will be facing major reduction in FY 2014-15 unless the Criminal Justice Systems levy is successful in May. Even if the levy passes, Josephine County and its citizens will need to continue to work together on a **plan for sustainable** (emphasis added) long term funding for the criminal justice system.

**Conclusion** Today is the **first opportunity** (emphasis added) for the Budget Committee to deliberate on the proposed budget and **to hear from the citizens** (emphasis added) of the County. **Additional opportunities** (emphasis added) in the next few weeks will be available for our **citizens to voice their thought on what services Josephine County should provide** (emphasis added) in FY 2012-13.

Unlike some of our neighboring counties who are looking at program failures countywide, Josephine County is able to **maintain essential services** (emphasis added) in most programs, although at reduced levels, because of policies put in place by the Board of County Commissioners in the last few years.

Rosemary Padgett, CFO/Budget Officer

### **Josephine Approved Budget Goals (page A-19)**

- 1) **Encourage public involvement** (emphasis added), through community outreach, in identifying service requirements and programs to be provided by Josephine County.
- 2) Provide sustainable funding for all **mandated and essential County government programs** (emphasis added) for the next ten years.
- 3) Provide services in a **transparent** (emphasis added), open and efficient manner to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.

**\*Departments are to explain in their budget submissions how their budget(s) meet these goals.** (emphasis added)

### **The County Process - Budget Overview**

**Josephine County uses budgeting for outcomes model.** (pages A-19 to A-20)<sup>III-1</sup>

- ▣ Budgeting for Outcomes is:
  - A departure from the traditional budgeting model of using last year as a base, adding inflation, and then cutting the result to balance the budget.
  - A type of zero-based budgeting (programs versus historical).
  - A top-to-bottom review of everything from citizens' perspectives and priorities, rather than a department or government perspective.
  - A way of establishing program priorities and allocating resources when revenues are limited.
  - A better tool for elected officials to set the direction of the County and choose the services it will provide.
- ▣ Budgeting for Outcomes focuses on:
  - Setting the price of government
  - Setting the priorities of government
  - Setting the price of each priority
  - The "keeps", not the cuts.
- ▣ Budgeting for Outcomes asks Four Basic Questions:
  - How much revenue will we have: What price of government will we charge the citizens?
  - What outcomes (results) matter most to our citizens?
  - How much should we spend to achieve each outcome?
  - How can we "best" deliver each outcome that citizens expect?

▣ Budgeting for Outcomes – County Level:

- Josephine County looks at programs provided by each department and the level to which each should be funded, rather than looking at expenditure categories and line items as in the past.
- If funding is reduced or lost, priorities will help the County determine how best to adjust service levels and choose which programs to keep

**Timber Harvest Revenue and National Forests - History (pages A-24 to A-26)**

Timber Harvest Revenue to Counties goes back more than a century. In 1893, President Harrison created Forest Reserves which were expanded by President Cleveland in 1897. Then, in 1908, President Theodore Roosevelt created the National Forests. Also in 1908, President Roosevelt signed an agreement that recognized the fiscal constraint to counties by lack of taxation on this federally claimed land and enacted federal payments to counties as well as a share of timber harvests from these lands.

The revenue from the National Forest harvesting went to supporting county road funds and eventually also school funds. However, between 1970 and 1993, policies changed. In 1976, the **National Forest Management Act of 1976** (emphasis added) was passed. In the 1990's, the cutting of old growth trees began to conflict with the Clean Water Act, the National Environmental Policy Act and the Endangered Species Act. And in **1990 the Spotted Owl was put on the endangered species list** (emphasis added), and it had the effect of sharply decreasing the ability to harvest timber from National Forests, thereby decreasing the revenue counties were receiving. From **1993** to present, there has been continuing decreases in timber harvests and reforms to Forest Service Planning.

Beginning in 1993 Congress recognized that revenues were declining and devised a payments program not based on harvest. This plan was expressed first as the **Omnibus Reconciliation Act of 1993 (OBRA)** (emphasis added), providing an alternative annual safety net payment which was replaced by the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS).

A one-year extension of the SRS expired in September 2007 and had not been renewed by Congress despite efforts by the Oregon delegation and others by July 1, 2008. Then on **October 3, 2008, Congress passed the Emergency Economic Stabilization Act and the President signed the four-year continuation and phase-out of the payments. This had a four year payment reduction with the final year being 40% of the original payments** (emphasis added). Recently, the **Transportation Act of 2012** (emphasis added), signed by President Obama, has included a one-time payment to counties but only a percent of the final 40% payment will be paid out. This extension amounted to roughly \$4.7 million for Josephine County in discretionary funds that the county budgeted for public safety.

**O&C Lands - Bureau of Land Management** In addition to the National Forest system, in 1916 the Federal Government reclaimed 2.8 million acres in Oregon that had originally been designated for a railroad. The lands, now known as 'O&C', are managed by the Bureau of Land Management. In 1926, the Stanfield Act provided that the counties also receive a share of the revenue from the timber harvests occurring on the O&C lands. Timber harvest has also dramatically decreased on the O&C lands, for the same reasons it has decreased in the National Forests.

**Local Property Tax Revenue Limitations** Property taxes are collected by local governments to support schools, roads, police and fire protection, and other services. Oregon's property tax system is uniquely limited by two voter-passed constitutional amendments; Measures 5 and 50. **Measure 5, approved in 1990** (emphasis added), created a permanent limitation on property taxes of \$10 dollars per \$1,000 of real market value for general government services, and \$5 dollars per \$1,000 of real market value for education services. If the tax extended exceeds Measure 5 limits then tax compression occurs. **Measure 50, approved in 1997** (emphasis added), and assigned a permanent rate to each taxing district that cannot be raised without statewide-voter approval. For 1997 the assessed value of the property is the real market value or 90% of the 1995 assessed value, whichever is lower. The assessed value of properties can only increase 3% annually. If the property has changed since 1995, increased values are calculated in comparison to the values of similar property that existed in 1995. General obligation bonds are not limited by Measure 5 limits, but local option levies, GAP bonds, and urban renewal levies are.

**The permanent tax rate for Josephine County was set at \$0.5867 per \$1,000 of assessed value.** This rate had the assumption the O&C Federal payments would continue. According to the Assessor's office, Josephine County's taxable value was \$6.26 million for 2012 and with a tax rate of .5867 cents multiplier it raises under \$4 million for county services or less than the taxable value. The county adopts with expenditures close to \$65 million and in 2013-14 at \$47.5 million. Illustrating the County receives most its revenues from other sources to operate its programs.

**Permanent Rates Analysis**

2 counties under \$1.00 ranges  
14 counties between \$1.00 & \$2.50  
10 counties between \$2.51 & \$3.57  
8 counties between \$3.58 & \$4.50  
2 counties between \$8.50 & \$9.00  
\*average (minus highest 2) is \$2.47

**Comparable Counties to Josephine based on population**

Benton -	rate \$2.21
Coos -	rate \$1.08
Douglas -	rate \$1.11
Klamath -	rate \$1.73
Linn -	rate \$1.27
Polk -	rate 1.72
Umatilla -	rate \$2.85
Yamhill -	rate \$2.58
average rate	above of \$1.82

## 5. FY Budget 2012 - 2013 Budget Excerpts (pages A-1 to A-3)

### Introduction (Outline)

- Budget Message
  - Goals
- Josephine County Budget Process
  - Oregon Budget Law & County Process
  - Budget Calendar 2012-13
- Josephine Approved Budget Goals
- The County Process – Budget Overview
  - Josephine County uses budgeting for outcomes model
- Budget Overview
- ISF Methodology
- Internal Vendors (Cost Methodology)
- Budget Directives/Guidelines
  - Budget Directives/Guidelines (additional 2012-13 specific)

**Budget Message** April 24, 2012. As the Budget Officer for Josephine County, I am tasked by Oregon Budget Law with presenting to the Budget Committee a balanced budget. This budget message outlines the **financial priorities** (emphasis added) of the County and highlights major changes to the Funds. Although County government and the resulting budget is complex, our **goal is to provide as much transparency in government as possible** (emphasis added) while following Oregon Budget Law.

Based on “**Budgeting for Outcomes**”(emphasis added), the FY 2012-13 budget details **Oregon Revised Statute (ORS) mandates** (emphasis added), **program outcomes** (emphasis added), revenue and expenditure line items and personnel for each department within their respective fund.<sup>III-1</sup> Each Department has **detailed how their programs meet the goals** (emphasis added) set by the Board of Commissioners in FY 2011:

- 1) **Encourage public involvement** (emphasis added), through community outreach, in identifying service requirements and programs to be provided in Josephine County.
- 2) Provide sustainable funding for all **mandated and essential County government programs** (emphasis added) for the next 10 years.
- 3) Provide services in a **transparent** (emphasis added), open and efficient manner to the citizens of Josephine County.
- 4) Ensure cost effective achievement of services to the County’s citizens by providing an environment that fosters a highly qualified and professional workforce.

Josephine County requires that the majority of County programs **be self sustaining** (emphasis added) through fees, grants, state contracts, and other revenue sources that don’t rely on property taxes and/or Federal Fund support. With the economy continuing to be stagnant and the State’s current budget issues, many Department will be further reducing staff, making it even more difficult to provide **minimal services** (emphasis added) for our citizens.

**Fund Structure Information** 11) The Personnel section includes the **Organizational chart** (emphasis added) with the proposed positions county wide. A comparison of FTE by Department between FY 2011-12 and FY 2012-13 is also included.

**Conclusion** Today is the **first opportunity** (emphasis added) for the Budget Committee to deliberate on the proposed budget and **to hear from the citizens** (emphasis added) of the County. **Additional opportunities** (emphasis added) in the next few weeks will be available for our **citizens to voice their thought on what services Josephine County should provide** (emphasis added) in FY 2012-13.

Unlike some of our neighboring counties who are looking at program failures countywide, Josephine County is able to **maintain essential services** (emphasis added) in most programs, although at reduced levels, because of policies put in place by the Board of County Commissioners in the last few years.

Rosemary Padgett, CFO/Budget Officer

### **Josephine Approved Budget Goals (page A-5)**

- 1) **Encourage public involvement** (emphasis added), through community outreach, in identifying service requirements and programs to be provided by Josephine County.
- 2) Provide sustainable funding for all **mandated and essential County government programs** (emphasis added) for the next ten years.
- 3) Provide services in a **transparent** (emphasis added), open and efficient manner to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.

**\*Departments are to explain in their budget submissions how their budget(s) meet these goals.** (emphasis added)

### **The County Process - Budget Overview**

**Josephine County uses budgeting for outcomes model.** (pages A-5 to A-6)<sup>III-1</sup>

- ☑ Budgeting for Outcomes is:
  - A departure from the traditional budgeting model of using last year as a base, adding inflation, and then cutting the result to balance the budget.
  - A type of zero-based budgeting (programs versus historical).
  - A top-to-bottom review of everything from citizens' perspectives and priorities, rather than a department or government perspective.
  - A way of establishing program priorities and allocating resources when revenues are limited.
  - A better tool for elected officials to set the direction of the County and choose the services it will provide.
- ☑ Budgeting for Outcomes focuses on:
  - Setting the price of government
  - Setting the priorities of government
  - Setting the price of each priority
  - The "keeps", not the cuts.
- ☑ Budgeting for Outcomes asks Four Basic Questions:
  - How much revenue will we have: What price of government will we charge the citizens?
  - What outcomes (results) matter most to our citizens?
  - How much should we spend to achieve each outcome?
  - How can we "best" deliver each outcome that citizens expect?
- ☑ Budgeting for Outcomes – County Level:
  - Josephine County looks at programs provided by each department and the level to which each should be funded, rather than looking at expenditure categories and line items as in the past.
  - If funding is reduced or lost, priorities will help the County determine how best to adjust service levels and choose which programs to keep.

## 6. FY Budget 2011 - 2012 Budget Excerpts

### Introduction (Outline)

#### Budget Message

One statement on guidelines set by Board of County Commissioners & mandates required by State

One explicit goal on transparency in government

One statement on budgeting for outcomes

County goals

Josephine County Approved Budget Goals 2011-12

**Budget Message** April 20, 2011. As the Budget Officer for Josephine County, I am presenting to the Budget Committee a balanced budget as required by Oregon Budget Law. The budget before you includes **citizen input on services they are willing to fund** (emphasis added), **guidelines set by the Board of County Commissioners** (emphasis added), **mandates required by the State of Oregon** (emphasis added) and **stakeholder support of programs** (emphasis added). The budgets includes **details on mandates** (emphasis added), **program outcomes** (emphasis added), revenues expenditures and personnel for each department within the respective fund. Although County government and the resulting budget is complex the **goal is to provide as much transparency in government as possible** (emphasis added) while following Oregon Budget Law.

The **County is continuing with the “Budgeting for Outcomes” model** (emphasis added), which is based on programs and service levels within the County. In FY 2010-11 the County adopted four goals related to the budget. **Each Department was requested to relate how their programs met the following goals** (emphasis added).

- 1) **Encourage public involvement, through community outreach** (emphasis added), in identifying service requirements and programs to be provided by Josephine County.
- 2) Provide **sustainable funding for all mandated and essential County government programs for the next ten years** (emphasis added).
- 3) Provide **services in a transparent, open and efficient manner** (emphasis added) to all the citizens of Josephine County
- 4) Ensure **cost effective achievement of services** (emphasis added) to the County’s citizens by providing an environment that fosters a **highly qualified and professional workforce** (emphasis added).

Josephine County requires that the majority of County programs be **self sustaining** (emphasis added) through fees, grants, state contracts, and other revenue sources that don’t rely on property taxes and/or Federal SRS 2008 dollars. With the economy continuing in a downward trend and the State’s current budget issues, many Department will face challenges to **provide services at minimal levels** (emphasis added) for our citizens.

**Fund Structure Information** 5) The County is continuing to follow the **Public Safety Plan, approved in January 2009** (emphasis added), for funding public safety departments through FY 2011-12. Funding comes from Federal SRS 2008 monies, a transfer from General Fund of 3 million dollars and dedicated revenues. New funding will be required for FY 2012-13 and beyond **in order to maintain Public Safety at the same level of service** (emphasis added). With no new funding, projections estimate the Public Safety programs will decrease at least fifty (50) percent of current service levels in FY 2012-13.

7) The centralized overhead of the County is in Fund 401, Internal Service Fund. Current overhead charges were increased from 8.5% to 9.25%.

**Impacts** With the exception of Public Safety, the proposed Budget shows the continuing impacts of reduced service levels referred to as Service Level 1 budgets, both in dollars and positions (FTE's) budgeted. Departments that were reduced beginning in FY 07-08 will continue to operate under those constraints. The Public Safety Fund, which relies on General Fund transfers and the SR 2008 federal monies, has increased service levels based on the **Public Safety Plan** (emphasis added). Without a **sustainable funding source** (emphasis added), Public Safety will be faced with service reductions beginning in FY 2012-13.

**Conclusion** During the Josephine County FY 2011-12 Budget Process, we will be discussing programs and related service levels that are currently available to our citizens. **The citizens, through their representatives, need to identify the programs that are considered necessary to maintain the quality of life we expect in Josephine County** (emphasis added). We then need to work together in providing **sustainable** (emphasis added) long term funding for those important County government services.

Rosemary Padgett, CFO/Budget Officer

### **Josephine County Approved Budget Goals: 2011-12**

- 1) **Encourage public involvement, through community outreach** (emphasis added), in identifying service requirements and programs to be provided by Josephine County.
- 2) Provide **sustainable funding for all mandated and essential County government programs for the next ten years** (emphasis added).
- 3) Provide **services in a transparent, open and efficient manner** (emphasis added) to all the citizens of Josephine County
- 4) Ensure **cost effective achievement of services** (emphasis added) to the County's citizens by providing an environment that fosters a **highly qualified and professional workforce** (emphasis added).

**Departments are to explain in their budget submissions how their budget(s) meet these goals** (emphasis added).



## 7. FY Budget 2010 - 2011 Budget Excerpts

### Introduction (Outline)

#### Budget Message

One statement on budgeting for outcomes

County goals

One statement on guidelines set by Board of County Commissioners & mandates required by State

One explicit goal on transparency in government

Josephine County Approved Budget Goals 2010-11

**Budget Message** April 27, 2010. The County is **continuing with the “Budgeting for Outcomes”** (emphasis added) model, which is based on **programs and service levels** (emphasis added) within the County.<sup>III-1</sup> For FY 2010-11, the County adopted four goals related to the budget. **Each Department was requested to relate how their programs met the following goals** (emphasis added):

- 1) **Encourage public involvement** (emphasis added), through **community outreach** (emphasis added) , in identifying service requirements and programs to be provided in Josephine County.
- 2) Provide **sustainable** (emphasis added) funding for all **mandated and essential** (emphasis added) County government programs for the next 10 years.
- 3) Provide services in a **transparent, open and efficient manner** (emphasis added) to the citizens of Josephine County.
- 4) **Ensure cost effective achievement of services** (emphasis added) to the County’s citizens by providing an environment that fosters a **highly qualified and professional workforce** (emphasis added) .

The budget before you includes **citizen input on services they are willing to fund** (emphasis added), **guidelines** (emphasis added) set by the Board of County Commissioners, **mandates required** (emphasis added) by the State of Oregon and **stakeholder support** (emphasis added) of programs. Also included in the budgets are **details on ORS mandates** (emphasis added) , **program outcomes** (emphasis added), revenues, expenditure line items and personnel for each department within the respective fund. Although County government and the resulting budget is complex, **our goal is to provide as much transparency** (emphasis added) in government as possible **while following Oregon Budget Law** (emphasis added).

Josephine County is still requiring that the **majority of County programs be self sustaining** (emphasis added) through fees, grants, state contracts, and other revenue sources that don’t rely on property taxes and/or the Federal SRS 2008 dollars. With the economy still in a downward trend and the State’s current budget issues, those Departments will have even more of a challenge to **provide services as minimal levels** (emphasis added) for our citizens. Because of the economic trends there are three requests for additional monies from the General Fund for Public Health Solid Waste program, Veterans Services, and a new request for support of the Animal Protection program.

Conclusion. Josephine County and its **citizens need to work together on a plan for sustainable** (emphasis added) long term funding for public safety and **other essential county government services** (emphasis added). Over the next few weeks, we will be **holding a number of public meetings** (emphasis added) to discuss programs and service levels that are available to our citizens, as presented in the Josephine County FY 2010-11 Budget. Today, all Josephine County **citizens will have the chance to be heard** (emphasis added) on what services they feel are important to the County and its citizens **as part of the Budget Committee process** (emphasis added).

Rosemary DeLashmutt, CFO/Budget Officer

## 8. FY Budget 2009 - 2010 Budget Excerpts

Introduction (Outline)

Budget Message

One statement on budgeting for outcomes

One statement on guidelines set by Board of County Commissioners & mandates required by State

One explicit goal on transparency in government

Budget Message. April 23, 2009. The County is **continuing with the “Budgeting for Outcomes”** (emphasis added) model, which is based on programs and service levels within the County.<sup>III-1</sup> The budget before you includes **citizen input on services they are willing to fund** (emphasis added), **guidelines** (emphasis added) set by the Board of County Commissioners, **mandates required by the State of Oregon** (emphasis added) and **stakeholder support of programs** (emphasis added). Also included in the budget is **detail on outcomes** (emphasis added), revenues, expenditure line items and personnel for each department; which includes offices, divisions and programs within the respective fund. As our Budget Officer, I will be presenting to the Budget Committee a balanced budget as required by Oregon Budget Law. Although County government and the resulting budget is complex, **our goal is to provide as much transparency in government** (emphasis added) as possible while following Oregon Budget Law.

**Impacts** With the exception of Public Safety, the proposed Budget shows the continuing impacts of reduced service levels referred to as Service Level 1 budgets, both in dollars and positions (FTE’s) budgeted. Departments that were reduced beginning in FY 07-08 will continue to operate under those constraints. However, the **Public Safety Fund** (emphasis added) that relies on General Fund transfers and federal dollars will be able to **improve service levels** (emphasis added) over the next three fiscal years but will then be faced with **service reductions** (emphasis added) beginning in FY 2012-13 when the SRS 2008 Bailout payments have ended.

**Conclusion** With receipt of the SRS 2008 Bailout monies from the federal government, Josephine County and its citizens have been granted an opportunity in the next three years to **work together on a plan for long term funding** (emphasis added) that will support public safety and other **essential** (emphasis added) county government services. **It is time for more of Josephine County’s citizens to be heard concerning County government** (emphasis added). The Budget Committee meeting today is the next step on the path to working together as a community to provide a safe and livable environment that will be **supported by all the citizens** (emphasis added) of Josephine County.

Rosemary DeLashmutt, CFO/Budget Officer

## 9. FY Budget 2008 - 2009 Budget Excerpts

### Introduction (Outline)

#### Budget Message

- One statement on budgeting for outcomes
- One statement on guidelines set by Board of County Commissioners & mandates required by State
- One explicit goal on transparency in government

Budget Message. **April 17, 2008** The County is **continuing with the “Budgeting for Outcomes”** (emphasis added) model, which is based on **programs and service levels** (emphasis added) within the County.<sup>III-1</sup> The budget before you today includes **citizen input on services they are willing to fund** (emphasis added), **guidelines** (emphasis added) set by the Board of County Commissioners, **mandates required by the State of Oregon** (emphasis added) and **stakeholder support of programs** (emphasis added). Also included in the **budget is the detail** (emphasis added) on expenditure line items and a listing of personnel with classifications and compensation packages for each program. With the support of the Board of County Commissioners and the cooperation of the Elected Officials, Division Managers and Program Supervisors in the preparation of this budget, I am able to present to the Budget Committee a balanced budget as required by **Local Budget Law** (emphasis added). Although County government and the resulting Budget is complex, **our goal is to provide much transparency in government** (emphasis added) as possible and still abide by Oregon Budget Law.

**Josephine County made major changes to county government in FY 07-08** (emphasis added). Because of these changes, the **majority of county government programs became self sustaining** (emphasis added) through fees, grants, and other revenue sources that did not rely on property tax and/or O&C monies from the Federal Government. Currently, no new revenue sources have been put in place or have been approved by the voters to replace the O&C monies in FY 08-09. With no replacement dollars for the approximately 12 million dollar loss of O&C funds, the FY 08-09 budget reflects additional reductions to operations and services that are not self funded.

For FY 07-08, the Budget Committee approved and the Board of County Commissioners adopted a budget that funded most county government programs at a **Service Level 1, which was based on mandated and/or self funded services** (emphasis added).

In the budget before you, new proposed positions include a **“Justification” paper on the purpose of the position** (emphasis added) and how it will be funded in future years.

**Impacts** The proposed Budget shows the continuing **impacts of a Service Level 1 budget** (emphasis added), both in dollars and positions (FTE’s) budgeted. The Offices/Divisions and Programs that were reduced in FY 07-08 will continue to operate under those constraints. The Public Safety Fund that relies on General Fund transfers and O&C dollars will have service reductions in FY 08-09.

**Conclusion Josephine County is at a turning point in its history** (emphasis added). Without a sustainable funding source for public safety and the criminal justice system, the County will be greatly impacted. The County currently has approximately thirteen million in available dollars (including contingencies) to fund service that are not dedicated and/or required by law. In FY 09-10, if the County utilizes every dollar available, the available funding drops to approximately six million dollars but leaves no monies for General Fund contingencies.

It is in the best interest of Josephine County and its citizens, that **we work together to find a long term sustainable way to fund essential county government services** (emphasis added).

## 10. FY Budget 2007 - 2008 Budget Excerpts

### Introduction (Outline)

#### Budget Message

One statement on budgeting for outcomes

One statement on goals set by the Board & mandates required by the State of Oregon

One statement on transparency in government requested by citizens

#### Addendum to Budget Message Fiscal Year 2007-08

Josephine County Adopted Budget Memorandum About Historical Data 2007-08

Budget Message. **April 26, 2007** Josephine County **continues to be in a transition period** (emphasis added). As the County copes with the reality of the loss of O&C fund, which **had been a sustainable source of revenue to fund County government for over seventy years** (emphasis added), the Board directed the preparation of the budget with two service levels. **Service Level 1** (emphasis added) is based on current revenue sources with no replace dollars for the approximately \$12 million loss of O&C funding. **Service Level 2** (emphasis added) includes revenues from a **Criminal Justice Systems Local Option Levy** (emphasis added) that is on the May ballot to fund the **Sheriff, District Attorney, and Juvenile Justice** (emphasis added). With the support of the Board of County Commissioners and the cooperation of the Elected Officials, Division Managers and Program Supervisors in the preparation of this budget, I am able to present to the Budget Committee a balanced budget as required by Local Budget Law. In order to give a clear picture of the Service Level 1 and Service Level 2 budget proposals, I have included both levels in each Fund's resources and requirements page for your review and consideration.

The County **continued with the "Budgeting for Outcomes"** (emphasis added) model which is based on programs and service levels within the County.<sup>III-1</sup> The budget before you tonight **incorporates citizen input on service levels they are willing to fund** (emphasis added), **goals set by the Board** (emphasis added), **mandates required by the State of Oregon** (emphasis added) and **stakeholder support of programs** (emphasis added). Also included in this budget is the detail on expenditure line items and a listing of FTE's with classifications and salary packages for each program, creating **the transparency in government** that our citizens have requested.

**Impacts** This was a difficult budget to prepare, with many hard decision that had to be made by the Elected Officials, Managers, and the Board of County Commissioners. With the major impact of Level 1 **reductions to county services and employees** (emphasis added), decisions impacting the overall budget will be finalized less than a week ago. The loss of O&C funds creates a major challenge for the County as a whole to **continue programs and services at the level need and expected by the citizens** (emphasis added) of Josephine County. The budget before you reflects that challenge.

Rosemary Padgett, Budget Officer

**Adopted Budget Memorandum About Historical Data 2007-08** In September 2005 and again in November 2006, the Board of County Commissioners reorganized the County's management structure. The current organization chart is included in the Personnel section of this budget book. The 2006-07 and 2007-08 budgets reflect the new organization. They also reflect the fundamental change in the fund structure and budget categories which has been done with the purpose to bring greater clarity to the County's budget for the Budget Committee and the County's citizens. Many funds have been combined to substantially reduce the number of funds, and budget categories within the funds are broken down by department and program, rather than by expenditure type (Personal Services, Materials and Services, etc.), as in the past. **Accordingly, historical data is presented in a separate Historical Section rather than with the 2006-07 and 2007-08 budget data because it is not directly comparable.**

In addition, funds that were discontinued in the 2007-08 budget are listed in this section.

## 11. FY Budget 2006 - 2007 Budget Excerpts

### Introduction (Outline)

#### Budget Message

One statement on continued mandates

One statement major change in how Josephine County budgets

Funding levels for programs and services instead of categories of expenditures

Reorganized County departments and services

Budgeting for Outcomes established based on programs and service levels

Future budgets will incorporate citizen input on services levels they are willing to fund,

Future budgets will incorporate goals set by the Board

Future budgets will incorporate stakeholder support of programs

One statement on transparency in government requested by citizens

Josephine County Adopted Budget Memorandum About Historical Data 2006-07

**Budget Message** May 11, 2006. With the support of the Board of County Commissioners and the cooperation of the Elected Officials and appointed Directors in the preparation of this budget, I am able to present to the Budget Committee a balanced budget as required by Local Budget Law. Josephine County **continues to be in a transition period** (emphasis added); coping with **tightening revenue sources** (emphasis added) including the potential loss of O&C funds, **rising costs in operations** (emphasis added), and **continued mandates** (emphasis added) to provide services. The proposed BY 2006-07 Budget reflects the challenge faced by the County.

The Budget for fiscal year 2006-07 is a major change in how Josephine County budgets. **This Budget establishes funding levels for programs and services instead of categories of expenditures** (emphasis added). The Board of Commissioners **reorganized County departments and services September 1, 2005** (emphasis added). The Budget and new fund structure is modeled after the reorganizations. The Board also supported a fundamental change in the budget process, following the **concept of a modified zero based budgeting process known as "Budgeting for Outcomes"**(emphasis added).<sup>III-1</sup> "Budgeting for Outcomes" is based on programs and service levels within the County.

Future budgets **will incorporate citizen input on services levels they are willing to fund** (emphasis added), **goals set by the Board** (emphasis added) and **stakeholder support of programs** (emphasis added).

The Budget before you clearly outlines the programs and services that the County Departments provide, **creating the transparency in government that our citizens have requested** (emphasis added). Changes include:

1. Department that provided similar services were grouped together in one fund such as Public Safety, showing the true cost of the department and its programs.
2. Twenty nine funds were consolidated into six major funds.
3. Transfers between Funds are defined, showing transfers as expenditures from one fund and a revenue source for the receiving fund.
4. The centralized overhead of the County was consolidated into the Internal Service Fund.
5. Program costs that Departments could control, such as fleet and building costs, were directly charged to their budgets and treated as internal vendors.
6. Two Reserve Funds were added to account for property and equipment capital purchases and major repairs

of the fixed assets of the County.

The Board directed Departments to prepare proposed budget for each program, showing two service levels. **Service Level One** (emphasis added) reflects mandated and/or self supporting programs and **Service Level Two** (emphasis added) recognized existing programs within the County had been funded in prior years. The two service levels are shown in Schedules A and B in your book. Schedule A is a summary of the programs within a Department. Any new programs or personnel require a justification paper explaining the need and funding source. The budget before you today show program funding at Service Level Two.

**Fund Structure Changes** The new **Public Safety Fund** (emphasis added) consolidates into one fund the departments of **Sheriff, District Attorney** (emphasis added), **Community Justice** (emphasis added), and **Court Securing**. The Fund's main revenue source is a transfer from General Fund.

**The Internal Service Fund contains departments and divisions that provide countywide support to other departments and the citizens of Josephine County** (emphasis added). This fund includes budgets for: the Board of County Commissioners, General Government, Property Management, Finance, Human Resources, Legal, Information Technology, Communications, Geographical Information Systems (GIS) and Central Services. The rate of overhead Countywide is under seven (7) percent and is assess against the operational Funds based on their personnel and materials and services budget.

The other Funds in the Budget Book are required to shown as individual funds. Because of the major format change in the Budget, prior year budget information is included in the Historical Section.

The proposed Budget **maintains current service levels in most Departments** (emphasis added), reflects the savings in personnel costs implemented last year by the Board of County Commissioners and increases the General Fund contingency for future carry over. Although the County still faces the major challenge of the loss of O&C funds, the proposed budget for FY 2006-07 represents the collaborative effort by the Board, Elected Officials and appointed Directors **to continue programs and services to the citizens of Josephine County with declining resources** (emphasis added).

Rosemary Padgett, Budget Officer

**Josephine County Adopted Budget Memorandum About Historical Data 2006-007** On September 1, 2005, the Board of County Commissioners reorganized the County's department structure. The new **organization chart** (emphasis added) is included in the Personnel section of this budget book. The 2006-07 budget reflects the new organization. It also reflects a fundamental **change in the fund structure and budget categories which has been done with the purpose to bring greater clarity to the County's budget for the Budget Committee and the County's citizens** (emphasis added). Many funds have been combined to substantially reduce the number of funds, and budget categories within the funds are broken down by department and program, rather than by expenditure type. (Personal Services, Materials and Services, etc.), as in the past. Accordingly, historical data is presented in a separate Historical Section rather than with the 2006-07 budget data because it is not directly comparable.

## D. Goals from JO CO Budgets: FY 2006-07 To FY 2016-17

The Authors view goals as maintaining budget focus and balance. The process must ultimately balance operational budget requirements with the funds required to achieve long-term financial goals. This is a main reason why budgeting is never a set process but instead is one that often fluctuates each year. Goals and strategies help monitor progress, control spending, manage cash flow and make revenue and expenditure projections. A financial budget is, in reality, an action plan for achieving goals as defined by strategic financial objectives. It expresses strategic plans of local government units in measurable terms (i.e., dollars).

Important to CI/CP are both the goals and outcomes of participation. Goals should be set at the beginning of the citizen-participation process, and CI/CP outcomes should be assessed and compared to what was expected when the goals were established, including measurable objectives and performance measures. Two of the most important legal CI/CP compliance goals for JO CO are from the LBL (ORS 294.321).

- (1) To establish standard procedures for the preparation, presentation, administration and appraisal of budgets of municipal corporations;
- (2) To provide for a brief description of the programs of a municipal corporation and the fiscal policy which is to accomplish these programs;
- (3) To provide for estimation of revenues, expenditures and proposed taxes;
- (4) **To provide specific methods for obtaining public views in the preparation of fiscal policy;**
- (5) To provide for the control of revenues and expenditures for the promotion of efficiency and economy in the expenditure of public funds; and
- (6) **To enable the public, taxpayers and investors to be apprised of the financial policies and administration of the municipal corporation in which they are interested.**

The Government Finance Officers Association (GFOA) recommends that all governmental entities use some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. It is essential that the strategic plan be initiated and conducted under the authorization of the organization's chief executive (CEO), either appointed or elected. Inclusion of other stakeholders is critical, but a strategic plan that is not supported by the CEO has little chance of influencing an organization's future (GFOA 2005). Several other goals related actions are recommended by the GFOA (see Section V.H. Government Finance Officers Association Budget Presentation Award Program).

**1. Prepare a Mission Statement.** The mission statement should be a broad but clear statement of purpose for the entire organization. One of the critical uses of a mission statement is to help an organization decide what it should do and, importantly, what it should not be doing. The organization's goals, strategies, programs and activities should logically cascade from the mission statement (GFOA 2005).

**2. Develop Strategies to Achieve Broad Goals.** Strategies relate to ways that the environment can be influenced (internal or external) to meet broad goals. A single strategy may relate to the achievement of more than one goal. There should be a relatively small number of specific strategies developed to help choose among services and activities to be emphasized. Use of flowcharts or strategy mapping is encouraged in the design of strategies. To optimize the success of these strategies, opportunities should be provided for input from those who will be affected (GFOA 2005).

**3. Create an Action Plan. The action plan describes how strategies will be implemented and includes activities and services to be performed, associated costs, designation of responsibilities, priority order, and time frame involved for the organization to reach its strategic goals.** (emphasis added)  
There are various long-range planning mechanisms available to enable organizations to clarify their vision and strategy and translate them into action (GFOA 2005).

**Government Finance Officers Association Budget Presentation Award Program** What is outstanding from the Exploratory Committee’s point of view is the method of analyzing the submitted budget document, including the GFOA Questionnaire - Detailed Location Criteria Guide. For example, the judging process entails that each budget document submitted to the program is evaluated separately by three reviewers with specific Awards Criteria. Each reviewer rates a given budget document as being either **not proficient, proficient, or outstanding** (emphasis added) in regard to **27 specific criteria** (emphasis added), grouped into four basic categories. The reviewer also provides an overall rating for each of the basic categories. To receive the award, a **budget document must be rated either proficient or outstanding by at least two of the three reviewers for all four basic categories, as well as for 14 of the 27 specific criteria identified as mandatory** (emphasis added) (GFOA 2014; Section V.H; Appendix U).

The GFOA’s best practice for effective presentation of a local government’s budget document was formalized in 1996 and reconfirmed in 2014. This is because the budget document is very important, since it identifies the services to be provided (along with the funding), and the rationale behind key decisions. Because of the time required to read and understand the entire budget document, a concise summary that captures these elements is essential. Users of the budget document will benefit from a high quality report that promotes better communication, which makes it easier to comprehend the information presented (GFOA 2014 p. 1).

**GFOA Nationally Recognized Guidelines for Effective Budget Presentation** Arthur O’Hare, Finance Director & Budget Officer, in his April 30, 2015 budget message to the Josephine County Budget Committee members, wrote that JO CO had received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award, and that this award is the highest form of recognition in governmental budgeting, and shows that the JO CO budget document reflects nationally recognized guidelines for effective budget presentation. **He assured the budget committee and the public that the budget document met the collective requirements of JO CO and the GFOA** (emphasis added) .

### **Detailed Location Criteria Guide and Explanation of Criteria**

- ▣ Detailed Location Criteria guide (GFOA Questionnaire on Exploratory Committee’s web page). Government Finance Officers Association. 2014. GFOA Detailed Criteria Location Guide: Distinguished Budget Presentation Awards Program (Questionnaire). <http://www.gfoa.org/budgetaward>.
- ▣ Explanation of Criteria (GFOA 27 specific Criteria on Exploratory Committee’s web page). Government Finance Officers Association. 2015. *Distinguished Budget Presentation Awards Program*. GFOA Distinguished Budget Presentation Awards Program (Budget Awards Program) & Awards Criteria (and explanation of the criteria). <http://www.gfoa.org/budgetaward>.

What does a distinguished budget “presentation” award mean? Presentation means the proffering or giving of something to someone, especially as part of a formal ceremony. This definition is applicable as JO CO makes a presentation of its annual proposed budget to the JO CO Budget Committee and the public. So, presentation means a budget document in competition of being rated in compliance with all applicable standards and criteria (Chapters II & III) in four basic categories of 27 specific criteria.

1. Policy Tool (P).
2. Financial Plan (F).
3. Organization’s Operations (O).
4. Communications Medium (C).



Each local government budget document submitted to the GFOA's Budget Award Program is evaluated separately by three reviewers. Each reviewer rates a given budget document as being either not proficient, proficient, or outstanding in regard to 27 specific criteria, grouped into four basic categories. The reviewer also provides an overall rating for each of the basic categories. To receive the award, a budget document must be rated either proficient or outstanding by at least two of the three reviewers for all four basic categories, as well as for 14 of the 27 specific GFOA award's criteria identified as mandatory.

**All 27 Criteria** The following are the titles of all 27 criteria for each of the four major purposes: 1. Policy Tool (P), 2. Financial Plan (F), 3. Organization's Operations (O), and 4. Communications Medium (C).

1. Policy Tool (P) - 5 Criteria (e.g., strategic goals, issues, concerns, financial policies, priorities, process, procedures, etc.).

- #P1: The document should include a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues.
- #P2: The document should describe the entity's short-term factors that influence the decisions made in the development of the budget for the upcoming year.
- #P3. *Mandatory*: The document shall include a budget message that articulates priorities and issues for the upcoming year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (e.g., *transmittal letter, budget summary section*).
- #P4. *Mandatory*: The document should include a coherent statement of entity-wide long-term financial policies.
- #P5. *Mandatory*: The document shall describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption.

2. Financial Plan (F) - 10 Criteria (e.g., funds, appropriation, basis for budgeting, revenues and expenditures, revenue estimates, revenue trends, long-range financial plans, effect upon the budget and the budget process, budgeted capital expenditures, nonrecurring capital expenditures, operating budget and the services, current debt obligations, legal debt limits, effects of existing debt levels, etc.).

- #F1: The document should include and describe all funds that are subject to appropriation.
- #F2: The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.
- #F3. *Mandatory*: The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization.
- #F4. *Mandatory*: The document must include summaries of revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the current year budget and/or estimated current year actual, and the proposed budget year.
- #F5. *Mandatory*: The document shall include projected changes in fund balances, as defined by the entity in the document, for appropriated governmental funds included in the budget presentation (fund equity if no governmental funds are included in the document).
- #F6. *Mandatory*: The document shall describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends.
- #F7: The document should explain long-range financial plans and its effect upon the budget and the budget process.
- #F8. *Mandatory*: The document should include budgeted capital expenditures, whether authorized in the operating

budget or in a separate capital budget.

- #F9: The document should describe if and to what extent significant nonrecurring capital expenditures will affect the entity's current and future operating budget and the services that the entity provides.
- #F10. *Mandatory*: The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations.

**3. Organization's Operations (O) - 6 Criteria (e.g., organization charts; narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and nonmajor funds; personnel or position counts; activities, services or functions carried out by organizational units; goals and objectives of organizational units; objective measures of progress toward accomplishing the government's mission; etc.).**

- #O1. *Mandatory*: The document shall include an organization chart(s) for the entire entity.
- #O2: The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and nonmajor funds in the aggregate.
- #O3. *Mandatory*: A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided.
- #O4. (*Mandatory*): The document shall describe activities, services or functions carried out by organizational units.
- #O5: The document should include clearly stated goals and objectives of organizational units (*e.g., departments, divisions, offices or programs*).
- #O6: The document should provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific units and programs.

**4. Communications Medium (C) - 6 Criteria (e.g., table of contents; overview of significant budgetary items and trends; statistical and supplemental organization data, its community, and population; background information related to the services provided; glossary for any terminology not readily understandable to a reasonably informed lay reader; charts and graphs to highlight financial and statistical information; narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident; document produced and formatted in such a way as to enhance its understanding by the average reader; document attractive, consistent, and oriented to the reader's needs, etc.).**

- #C1. *Mandatory*: The document shall include a table of contents that makes it easier to locate information in the document.
- #C2. *Mandatory*: The document should provide an overview of significant budgetary items and trends. An overview should be presented within the budget document either in a separate section (*e.g., executive summary*) or integrated within the transmittal letter or as a separate budget-in-brief document.
- #C3: The document should include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided.
- #C4: A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader.
- #C5: Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident.
- #C6: The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs.

## **1. Budget Goals: FY 2006-07 To FY 2016-17**

**a) FY Proposed Budget 2016-17 Goals** JO CO departments are to explain in their budget submissions how their budgets(s) meet these goals.

- 1) **Improve community outreach** and communication to the public by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.
- 2) Develop a **sustainable plan** for all **mandated and essential County government programs**.
- 3) **Provide access** to County services to the citizens of Josephine County **in a transparent, open, and professional manner**.

**b) FY Budget 2015-16 Goals** Proposed Budget Goals and Directives. The Board of County Commissioners set goals to provide direction related to the “big picture” rather than listing individual actions or activities. Each department has detailed in their budget how their programs meet the following goals approved by the Board of County Commissioners on 02-12-2015:

- 1) **Improve community outreach** and communication to the public by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.
- 2) Develop a **sustainable plan** for all **mandated and essential County government programs**.
- 3) **Provide access** to County services to the citizens of Josephine County **in a transparent, open, and professional manner**.

**c) FY Budget 2014-15 Goals** This budget message outlines the financial priorities of the County and highlights major changes to the Funds. Although County government and the resulting budget is complex, our goal is to provide as much transparency in government as possible while following Oregon Budget Law.

Based on “Budgeting for Outcomes”, the FY 2014-15 budget details Oregon Revised Statute (ORS) mandates, program outcomes, revenue and expenditure line items and personnel for each department within their respective fund.<sup>III-1</sup> Each Department has detailed how their programs meet the goals set by the Board of Commissioners in FY 2014.

- 1) **Improve community outreach** and communication to the public by investing in technology that will improve efficiencies within County Departments and provide enhanced service to citizens.
- 2) Develop a sustainable plan for all **mandated and essential County government programs**.
- 3) **Provide access** to County services to the citizens of Josephine County **in a transparent, open and professional manner**.

**d) FY Budget 2013-14 Goals**

- 1) **Encourage public involvement, through community outreach**, in identifying service requirements and programs to be provided by Josephine County.
- 2) Provide sustainable funding for all **mandated and essential County government programs** for the next ten years.
- 3) **Provide services in a transparent, open and efficient manner** to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County’s citizens by providing an environment that fosters a highly qualified and professional workforce.

**e) FY Budget 2012-13 Goals** This budget message outlines the financial priorities of the County

and highlights major changes to the Funds. Although County government and the resulting budget is complex, our goal is to provide as much transparency in government as possible while following Oregon Budget Law.

Based on “Budgeting for Outcomes”, the FY 2012-13 budget details Oregon Revised Statute (ORS) mandates, program outcomes, revenue and expenditure line items and personnel for each department within their respective fund.<sup>III-1</sup> Each Department has detailed how their programs meet the goals set by the Board of Commissioners in FY 2011:

- 1) **Encourage public involvement, through community outreach**, in identifying service requirements and programs to be provided in Josephine County.
- 2) Provide **sustainable funding** for all **mandated and essential** County government programs for the next 10 years.
- 3) **Provide services in a transparent, open and efficient manner** to the citizens of Josephine County.
- 4) Ensure cost effective achievement of services to the County’s citizens by providing an environment that fosters a highly qualified and professional workforce.

**f) FY Budget 2011-12 Goals** The County is continuing with the “Budgeting for Outcomes” model, which is based on programs and service levels within the County.<sup>III-1</sup> In FY 2010-11 the County adopted four goals related to the budget. Each Department was requested to relate how their programs met the following goals.

- 1) **Encourage public involvement, through community outreach**, in identifying service requirements and programs to be provided by Josephine County.
- 2) Provide **sustainable funding** for all **mandated and essential** County government programs for the next ten years.
- 3) **Provide services in a transparent, open and efficient manner** to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County’s citizens by providing an environment that fosters a highly qualified and professional workforce.

**g) FY Budget 2010-11 Goals** The County is continuing with the “Budgeting for Outcomes” model, which is based on programs and service levels within the County.<sup>III-1</sup> For FY 2010-11, the County adopted four goals related to the budget. Each Department was requested to relate how their programs met the following goals:

- 1) **Encourage public involvement, through community outreach**, in identifying service requirements and programs to be provided in Josephine County.
- 2) Provide **sustainable funding** for all **mandated and essential** County government programs for the next 10 years.
- 3) **Provide services in a transparent, open and efficient manner** to the citizens of Josephine County.
- 4) Ensure cost effective achievement of services to the County’s citizens by providing an environment that fosters a highly qualified and professional workforce.

## h) FY Budget 2009-10 Goals

### Budget Message

- One statement on continuing budgeting for outcomes
- One statement on guidelines set by Board of County Commissioners & mandates required by State
- One explicit goal on transparency in government

The County is continuing with the “Budgeting for Outcomes” model, which is based on programs and service levels within the County.<sup>III-1</sup> The budget before you includes **citizen input on services they are willing to fund**, (emphasis added) **guidelines set by the Board of County Commissioners** (emphasis added), **mandates required by the State** (emphasis added) of Oregon and **stakeholder support of programs** (emphasis added). Also included in the budget is detail on outcomes, revenues, expenditure line items and personnel for each department; which includes offices, divisions and programs within the respective fund. The goal is to provide as much **transparency** (emphasis added) in government as possible while following Oregon Budget Law.

## i) FY Budget 2008-09 Goals

### Budget Message

- One statement on budgeting for outcomes
- One statement on guidelines set by Board of County Commissioners & mandates required by State
- One explicit goal on transparency in government

The County is continuing with the “Budgeting for Outcomes” model, which is based on programs and service levels within the County. The budget before you today includes **citizen input on services they are willing to fund** (emphasis added), **guidelines set by the Board** (emphasis added) of County Commissioners, **mandates required by the State** (emphasis added) of Oregon and **stakeholder support of programs** (emphasis added). Also included in the budget is the detail on expenditure line items and a listing of personnel with classifications and compensation packages for each program. The goal is to provide much **transparency** (emphasis added) in government as possible and still abide by Oregon Budget Law.

**Josephine County made major changes to county government in FY 07-08** (emphasis added). **Because of these changes, the majority of county government programs became self sustaining** (emphasis added) through fees, grants, and other revenue sources that did not rely on property tax and/or O&C monies from the Federal Government. Currently, no new revenue sources have been put in place or have been approved by the voters to replace the O&C monies in FY 08-09. With no replacement dollars for the approximately 12 million dollar loss of O&C funds, the FY 08-09 budget reflects additional reductions to operations and services that are not self funded.

For FY 07-08, the Budget Committee approved and the Board of County Commissioners adopted a budget that funded most county government programs at a Service Level 1, which was based on **mandated and/or self funded services** (emphasis added).

## j) FY Budget 2007-08 Goals

### Budget Message

- One statement on budgeting for outcomes
- One statement on goals set by the Board & mandates required by the State of Oregon
- One statement on transparency in government requested by citizens

Josephine County **continues to be in a transition period** (emphasis added). The Board directed the preparation of the budget with two service levels. Service Level 1 is based on current revenue sources with no replace dollars for the approximately \$12 million loss of O&C funding. Service Level 2 includes revenues from a Criminal Justice Systems Local Option Levy that is on the May ballot to fund the Sheriff, District Attorney, and Juvenile Justice.

The County continued with the “Budgeting for Outcomes” model which is based on programs and service levels within the County.<sup>III-1</sup> The budget before you tonight incorporates **citizen input on service levels they are willing to fund** (emphasis added), **goals set by the Board** (emphasis added), **mandates required by the State** (emphasis added) of Oregon and **stakeholder support of programs** (emphasis added). Also included in this budget is the detail on expenditure line items and a listing of FTE’s with classifications and salary packages for each program, creating the **transparency** (emphasis added) in government that our citizens have requested.

## k) FY Budget 2006-07 Goals

### Budget Message

- One statement on continued mandates
- One statement major change in how Josephine County budgets
  - Funding levels for programs and services instead of categories of expenditures
  - Reorganized County departments and services
  - Budgeting for Outcomes established based on programs and service levels
  - Future budgets will incorporate citizen input on services levels they are willing to fund,
  - Future budgets will incorporate goals set by the Board
  - Future budgets will incorporate stakeholder support of programs
- One statement on transparency in government requested by citizens

The Budget for fiscal year 2006-07 is a major change in how Josephine County budgets. This Budget establishes funding levels for programs and services instead of categories of expenditures. The Board of **Commissioners reorganized County departments and services September 1, 2005** (emphasis added). The Budget and new fund structure is modeled after the reorganizations. The Board also supported a fundamental change in the budget process, following the concept of a modified zero based budgeting process known as “Budgeting for Outcomes. **“Budgeting for Outcomes”** (emphasis added) is based on programs and service levels within the County.<sup>III-1</sup> **Future budgets will incorporate citizen input on services levels they are willing to fund, goals set by the Board and stakeholder support of programs** (emphasis added).

The Budget before you clearly outlines the programs and services that the County Departments provide, creating the **transparency** (emphasis added) in government that our citizens have

requested. Changes include:

1. Department that provided similar services were grouped together in one fund such as Public Safety, showing the true cost of the department and its programs.
2. Twenty nine funds were consolidated into six major funds.
3. Transfers between Funds are defined, showing transfers as expenditures from one fund and a revenue source for the receiving fund.
4. The centralized overhead of the County was consolidated into the Internal Service Fund.

The Board directed Departments to prepare proposed budget for each program, showing two service levels. **Service Level One reflects mandated and/or self supporting programs** (emphasis added) and **Service Level Two recognized existing programs** (emphasis added) within the County had been funded in prior years. The two service levels are shown in Schedules A and B in your book. Schedule A is a summary of the programs within a Department. Any new programs or personnel require a **justification paper** (emphasis added) explaining the need and funding source. The budget before you today show program funding at Service Level Two.

## **2. CI/CP Goals: FY 2006-07 To FY 2016-17**

### **a) FY Proposed Budget 2016-17 CI/CP Goals**

- 1) Improve community outreach.
- 3) Provide access in a transparent, open, and professional manner.
- \* Future budgets will incorporate (see FY Budget 2006-07)
  1. Future budgets will incorporate mandates required by the State of Oregon.
  2. Future budgets will incorporate citizen input on services levels they are willing to fund.
  3. Future budgets will incorporate goals set by the JO CO BCC.
  4. Future budgets will incorporate stakeholder support of programs.

Analysis/assessment was not provided to support the BFO commitments, including State mandated, or the BFO.

### **b) FY Budget 2015-16 CI/CP Goals**

- 1) Improve community outreach.
- 3) Provide access in a transparent, open, and professional manner.
- \* Future budgets will incorporate (see FY Budget 2006-07)

Analysis/assessment was not provided to support the BFO commitments, including State mandated, or the BFO.

### **c) FY Budget 2014-15 CI/CP Goals**

- 1) Improve community outreach.
- 3) Provide access in a transparent, open, and professional manner.
- \* Future budgets will incorporate (see FY Budget 2006-07)

Analysis/assessment was not provided to support the BFO commitments, including State mandated, or the BFO.

### **d) FY Budget 2013-14 CI/CP Goals**

- 1) Encourage public involvement, through community outreach.
- 3) Provide services in a transparent, open and efficient manner.
- \* Future budgets will incorporate (see FY Budget 2006-07)

Analysis/assessment was not provided to support the BFO commitments, including State mandated, or the BFO.

### **e) FY Budget 2012-13 CI/CP Goals**

- 1) Encourage public involvement, through community outreach.
- 3) Provide services in a transparent, open and efficient manner.
- \* Future budgets will incorporate (see FY Budget 2006-07)

Analysis/assessment was not provided to support the BFO commitments, including State mandated, or the BFO.



**f) FY Budget 2011-12 CI/CP Goals**

- 1) Encourage public involvement, through community outreach.
- 3) Provide services in a transparent, open and efficient manner.
- \* Future budgets will incorporate (see FY Budget 2006-07)

Analysis/assessment was not provided to support the BFO commitments, including State mandated, or the BFO.

**g) FY Budget 2010-11 CI/CP Goals**

- 1) Encourage public involvement, through community outreach.
- 3) Provide services in a transparent, open and efficient manner.
- \* Future budgets will incorporate (see FY Budget 2006-07)

Analysis/assessment was not provided to support the BFO commitments, including State mandated, or the BFO.

**h) FY Budget 2009-10 CI/CP Goals** There was no explicit list of BCC goals in the budget. The following statement was provided in the budget, but no analysis/assessment was provided to support the four components of the statement, or the BFO (i.e., \* Future budgets will incorporate; see FY Budget 2006-07). “Guidelines” set by the Board of County Commissioners was identified instead of “Goals.”

“The budget before you includes citizen input on services they are willing to fund, guidelines set by the Board of County Commissioners, mandates required by the State of Oregon and stakeholder support of programs.”

**i) FY Budget 2008-09 CI/CP Goals** There was no explicit list of BCC goals in the budget. The following statement was provided in the budget, but no analysis/assessment was provided to support the four components of the statement, or the BFO (i.e., \* Future budgets will incorporate; see FY Budget 2006-07). “Guidelines” set by the Board of County Commissioners was identified instead of “Goals.”

“The budget before you today includes citizen input on services they are willing to fund, guidelines set by the Board of County Commissioners, mandates required by the State of Oregon and stakeholder support of programs.”

**j) FY Budget 2007-08 CI/CP Goals** There was no explicit list of BCC goals in the budget. The following statement was provided in the budget, but no analysis/assessment was provided to support the four components of the statement, or the BFO (i.e., \* Future budgets will incorporate; see FY Budget 2006-07).

“The budget before you tonight incorporates citizen input on service levels they are willing to fund, goals set by the Board, mandates required by the State of Oregon and stakeholder support of programs.”

**k) FY Budget 2006-07 CI/CP Goals** There was no explicit list of BCC goals in the budget. The following statement was provided in the budget, but no analysis/assessment was provided to support the four components (i.e., statement on continued [State] mandates separate, but added to the three below) of the statement, or the BFO.

The Budget for fiscal year 2006-07 is a major change in [how] Josephine County budgets. This Budget establishes funding levels for **programs and services** (emphasis added) instead of categories of expenditures. The Board of Commissioners reorganized County departments and services September 1, 2005. The Budget and new fund structure is modeled after the reorganizations. The Board also supported a fundamental change in the budget process, following the concept of a modified zero based budgeting process known as “Budgeting for Outcomes. **“Budgeting for Outcomes”** (emphasis added) is based on **programs and service levels** (emphasis added) within the County.<sup>III-1</sup> Future budgets will **incorporate citizen input on service levels they are willing to fund** (emphasis added), **goals set by the Board** (emphasis added) and **stakeholder support of programs** (emphasis added).

The Budget before you clearly outlines the programs and services that the County Departments provide, creating the **transparency** (emphasis added) in government that our citizens have requested.

**Authors Observations/Questions** It was difficult to understand CI/CP budget goals when terms and phrases (e.g., 1. improve community outreach, 2. provide access in a transparent, open, and professional manner, 3. encourage public involvement, through community outreach, 4. provide services in a transparent, open and efficient manner, future budgets will incorporate, citizen input on service levels they are willing to fund, stakeholder support of programs, etc.) were not defined in the budgets or companion CI/CP documents (e.g., handbook, manual, plan, etc.).

Authors could not find any analysis/assessments, or references of availability, to support the three committed FY 2006-07 Budgeting for Outcomes (BFO) components and statements on continued State mandates for future budgets (i.e. FY 2006-07 To FY 2016-17).

1. Future budgets will incorporate mandates required by the State of Oregon.
2. Future budgets will incorporate citizen input on services levels they are willing to fund.
3. Future budgets will incorporate goals set by the JO CO BCC.
4. Future budgets will incorporate stakeholder support of programs.

To enable the public, taxpayers and investors to be “apprised” of the financial policies meets the CI/CP goal of informing (ORS 294.321(6), and perhaps educating participants.

**3. Summary Of Major CI/CP Goal Themes: FY 2006-07 To FY 2016-17** Important to citizen participation in budgeting are its goals. Five potential goals for CI/CP have been identified in the literature by Ebdon and Franklin (there are many more; Sale 2005; IAP2 2015): 1. informing decision making, 2. educating participants on the budget, 3. gaining support for budget proposals, 4. influencing decision making, and 5. enhancing trust and creating a sense of community (Ebdon & Franklin 2006, p. 441). However, the focus of budgeting goals are normally not CI/CP as the major reason for the budget would remain without public input - balance the budget per the priorities of community law and need. To enable the public to be apprised of the financial policies probably meets the CI/CP goal of informing and perhaps educating participants (ORS 294.321(6)).

Public involvement is about people, their perceptions, beliefs, aspirations, knowledge, and understanding, as much (if not more) an art as a science. Perspectives frequently vary about the success of public involvement

**There is a critical distinction between measuring the *success of the public involvement program (or process) itself and the success of the project (enterprise) the public involvement program.***

efforts, often depending on who was involved and whether their needs were met in the process. So how can you measure success in public involvement efforts and what does it mean to be "successful"? Practical criteria for the measurement of public involvement efforts are based on evaluation of participants' goals and expectations. *Process* criteria evaluates the CI/CP means or approach. *Outcome-based* success measures have different criteria. Measuring success of *outcomes* is trickier to quantify because of the diversity of preferred results. In this respect, Evans (2002) makes a critical distinction between measuring the *success of the public involvement program (or process) itself and the success of the project (enterprise) the public involvement program supports* (Sale 2005, p. 1; Appendix P).

In general, the literature indicates a preference for a mix of process and outcome goals, as well as a mix of tools and techniques. A **number of CI/CP factors are key** (emphasis added) in developing an effective public involvement process that can attain the goals of local government and address the expectations of participants. **These include early involvement, inclusiveness, two-way communication, adequate information and resources, an appropriate degree of citizen control, incentives and/or compensation, agency clarity, openness, and management commitment, development of trust, prior community experience, agreement on goals, and going beyond legal minimums** (emphasis added) (Sale 2005, p. 2; Appendix P).

**a) FY Budget 2016-17 through 2014-15 Goals (same for three years)**

- 1) **Improve community outreach** and communication to the public by investing in technology that will improve efficiencies within County departments and **provide enhanced service** to citizens.
- 2) **Develop a sustainable plan** for all **mandated and essential County government programs**.
- 3) **Provide access** to County services to the citizens of Josephine County in a **transparent, open, and professional manner**.
- 4) **Budgeting for Outcomes** Based on Programs and Service Levels (continuous commitment of budgeting for outcomes from FY 2006-07).
  - Future budgets will incorporate citizen input on services levels they are willing to fund.
  - Future budgets will incorporate goals set by the Board.
  - Future budgets will incorporate stakeholder support of programs.

**Authors Statements/Opinions On Major CI/CP Goal Themes** on the following major CI/CP goal themes follow.

- Goal 1) Theme. Improve Community Outreach.
- Goal 2) Theme. Develop Sustainable Level of Service Plan for Mandated and Essential Programs.
- Goal 3) Theme. Provide Access in a Transparent, Open, and Professional Manner.
- Goal 4) Theme. Compliance With Budgeting for Outcomes Incorporation Commitments.

**Goal 1) Improve Community Outreach** Improving community outreach (2016-17 through 2014-15) is a positive improvement over encouraging public involvement through community outreach (2013-14 through FY Budget 2010-11). Questions involve understanding how JO CO's CI/CP Program defines CI/CP and public outreach. Improve implies a positive CI change over the baseline of a program to encourage. What was the CI/CP baseline? How was it measured? Was it measured?

Practical criteria for the **measurement of public involvement efforts are based on evaluation of participants' goals and expectations**. There are three types of criteria.

- CI/CP Process Criteria.
- Outcome-based Success Measure Criteria.
- Measuring Success of Outcome Criteria.

**CI/CP Process Criteria** (evaluating the means or approach) can include the following.

- Accessibility to Affect Decision Making.
- Diversity of Views.
- Opportunities for Participation or Information Exchange.
- Identification and Integration of Concerns.
- Independence of the Facilitator.
- Inclusiveness.
- Adaptability.
- Amenability.
- Resiliency.
- Durability.

***Outcome-based Success Measures*** can include the following.

- Project or Decision Acceptability.
- Project Efficiency.
- Cost Avoidance.
- Mutual Learning and Respect.
- Improved Understanding.
- The Amount of Conflict Resolution Required.
- The Degree of Consensus Achieved.
- Influence on and Participation in Decision-making.
- Participant Satisfaction with the Results of the Process.

**Measuring success of *outcomes*** is trickier to quantify because of the diversity of preferred results. For example, an agency might consider public support or ease of implementation as an appropriate outcome, while the public might consider the extent to which the community can achieve its goals or alter or block decisions, as better measures of success.

**Goal 2) Develop Sustainable Level of Service Plan for Mandated and Essential Programs.**

Developing a sustainable plan (2016-17 through 2014-15) is a positive improvement over providing sustainable funding (2013-14 through FY Budget 2010-11). Questions involve understanding how JO CO defines “Developing a sustainable plan” and “Providing sustainable funding.” Providing sustainable funding could be as simple as balancing the budget. Developing a plan involves a lot more.

The question of mandated and essential County government programs is serious as the Authors do not believe JO CO has accomplished the goal of developing a sustainable plan for all mandated and essential County government programs. Regardless that many professional government and private **opinions** have addressed the issue of not being in compliance with mandatory State and minimally acceptable level of public safety services (MALPSS) standards. The Authors do not believe programs can be in compliance with mandated and essential standards when mandated and essential county government programs have never been defined in a logical scientific way (see Exploratory Committee’s MALPSS web page).

Minimally Acceptable Level of Public Safety Services (MALPSS)  
Exploratory Committee  
Hugo Neighborhood Association & Historical Society  
<http://www.hugoneighborhood.org/malpss.htm>

**Goal 3) Provide Access in a Transparent, Open, and Professional Manner.** This goal could be successful with a few exceptions. For example, the Budget Director seems to be too busy to respond to requests for information and/or an audience, and the FY 2006-07 Budgeting for Outcomes decision/commitment has not been successful in providing any analysis in the budget, or a reference in any budget for 10 years (FY 2006-07 TO FY 2016-17).

#### Goal 4) Compliance With Budgeting for Outcomes (BFO) Incorporation Commitments.

Area 1. Budgeting for Outcomes Is.  
Area 2. Budgeting for Outcomes focuses On.  
Area 3. Budgeting for Outcomes asks Four Basic Questions

Commitment #1. Citizen input on services levels they are willing to fund.  
Commitment #2. Goals set by the Board.  
Commitment #3. Stakeholder support of programs.

There was no information for commitments #1 and #3. Goals were identified for FY 2016-17 through 2014-15.

#### **b) FY Budget 2013-14 through FY Budget 2010-11 Goals (same for four years)**

- 1) **Encourage public involvement, through community outreach**, in identifying service requirements and programs to be provided by Josephine County.
- 2) **Provide sustainable funding** for all mandated and essential County government programs for the next ten years.
- 3) **Provide services in a transparent, open and efficient manner** to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.
- 5) **Budgeting for Outcomes** Based on Programs and Service Levels
  - Future budgets will incorporate citizen input on services levels they are willing to fund
  - Future budgets will incorporate goals set by the Board
  - Future budgets will incorporate stakeholder support of programs

#### **Authors Statements/Opinions**

Goal 1) Encourage Public Involvement Through Community Outreach The goal of encouraging public involvement through community outreach (FY 2013-14 through FY 2010-11) could be positive. Questions involve understanding how JO CO's CI/CP Program defines CI and public outreach. What kind of program does the county have? Public outreach is normally a government function. Since the goals are the JO CO BCC, it is assumed that it is encouraging the county elected officials and county department heads to perform public involvement through community outreach. True?

Practical criteria for the measurement of public involvement efforts are based on evaluation of participants' goals and expectations are covered in Goal 1) Improve Community.

Goal 2) Provide Sustainable Funding for All Mandated and Essential County Government Programs. Providing sustainable funding (FY 2013-14 through FY 2010-11) is very different from developing a sustainable plan for mandated and essential JO CO programs (2016-17 through 2014-15). Questions involve understanding how JO CO defines “Developing a sustainable plan” and “Providing sustainable funding.” Providing sustainable funding could be as simple as balancing the budget.

The question of mandated and essential JO CO programs is serious as the Authors do not believe the county has accomplished the goal even though many professional government opinions have addressed it because it has not defined mandated and essential county government programs in a logical scientific way (see Exploratory Committee’s MALPSS web page).

Goal 3) Provide Services in a Transparent, Open and Efficient Manner. Providing services in a transparent, open, and efficient manner is different than providing access. This goal seems to be successful with a few exceptions. For example, the JO CO Finance Department seems to be too busy to respond to requests for information and/or an audience (Section ??), and the FY 2006-07 Budgeting for Outcomes decision/commitment has not been successful as there had not been in any analysis in the budget, or a reference to BFO in any budget for 10 years (FY 2006-07 TO FY 2016-17).

Goal 4) Budgeting for Outcomes (BFO) Incorporation Commitments The BFO commitments from FY 2006-07 are spotty at best. The big deficit is that nowhere, to the Authors’ knowledge, has a budgeting for outcomes analysis been in any the budget, or a reference in any budget for 10 years (FY 2006-07 TO FY 2016-17). There have been simple statements in each budget that it occurred, and for the three budgets from 2016-17 through 2014-15, there has been a detailed outline of what budgeting for outcomes does for the following three areas.

- Area 1. Budgeting for Outcomes Is.
- Area 2. Budgeting for Outcomes focuses On.
- Area 3. Budgeting for Outcomes asks Four Basic Questions

- Commitment #1. Citizen input on services levels they are willing to fund.
- Commitment #2. Goals set by the Board.
- Commitment #3. Stakeholder support of programs.

There was no information in the budgets for commitments #1 and #3. Goals were identified for FY 2013-14 through FY 2010-11.

**c) FY Budget 2009-10 through FY Budget 2006-07 Goals** Except for Budgeting for Outcomes, the goals for these four years were not identified in easy to understand lists (i.e., not as explicit as the later seven years that followed).

**(1) FY 2009-10 To FY 2006-07 Goals** Practical criteria for the measurement of public involvement efforts are based on evaluation of participants' goals and expectations are covered in Goal 1) Improve Community.

**(a) FY 2009-10 Budget Goals**

Budget Message

- One statement on continuing budgeting for outcomes
- One statement on guidelines set by Board of County Commissioners & mandates required by State
- One explicit goal on transparency in government

The County is continuing with the “Budgeting for Outcomes” model, which is based on programs and service levels within the County.<sup>III-1</sup> The budget before you includes citizen input on services they are willing to fund, guidelines set by the Board of County Commissioners, mandates required by the State of Oregon and stakeholder support of programs. Also included in the budget is detail on outcomes, revenues, expenditure line items and personnel for each department; which includes offices, divisions and programs within the respective fund. The goal is to provide as much transparency in government as possible while following Oregon Budget Law.

Budgeting for Outcomes Based on Programs and Service Levels

- Future budgets will incorporate citizen input on services levels they are willing to fund
- Future budgets will incorporate goals set by the Board
- Future budgets will incorporate stakeholder support of programs

**(b) FY 2008-09 Budget Goals**

Budget Message

- One statement on budgeting for outcomes
- One statement on guidelines set by Board of County Commissioners & mandates required by State
- One explicit goal on transparency in government

JO CO is continuing with the “Budgeting for Outcomes” model, which is based on programs and service levels within the County. The budget before you today includes citizen input on services they are willing to fund, guidelines set by the Board of County Commissioners, mandates required by the State of Oregon and stakeholder support of programs. Also included in the budget is the detail on expenditure line items and a listing of personnel with classifications and compensation packages for each program. The goal is to provide much transparency in government as possible and still abide by Oregon Budget Law.

Budgeting for Outcomes Based on Programs and Service Levels

- Future budgets will incorporate citizen input on services levels they are willing to fund
- Future budgets will incorporate goals set by the Board
- Future budgets will incorporate stakeholder support of programs



**(c) FY 2007-08 Budget Goals**

Budget Message

- One statement on budgeting for outcomes
- One statement on goals set by the Board & mandates required by the State of Oregon
- One statement on transparency in government requested by citizens

The County continued with the “Budgeting for Outcomes” model which is based on programs and service levels within the County.<sup>III-1</sup> **The budget before you tonight incorporates citizen input on service levels they are willing to fund, goals set by the Board, mandates required by the State of Oregon and stakeholder support of programs** (emphasis added). Also included in this budget is the detail on expenditure line items and a listing of FTE’s with classifications and salary packages for each program, creating the **transparency** (emphasis added) in government that our citizens have requested.

Budgeting for Outcomes Based on Programs and Service Levels

- **Future budgets will incorporate citizen input on services levels they are willing to fund**
- **Future budgets will incorporate goals set by the Board**
- **Future budgets will incorporate stakeholder support of programs**

**(d) FY 2006-07 Budget Goals**

Budget Message

- One statement on continued mandates
- One statement major change in Josephine County budgets
  - Funding levels for programs and services instead of categories of expenditures
  - Reorganized County departments and services
  - Budgeting for Outcomes established based on programs and service levels
  - Future budgets will incorporate citizen input on services levels they are willing to fund,
  - Future budgets will incorporate goals set by the Board
  - Future budgets will incorporate stakeholder support of programs
  - One statement on transparency in government requested by citizens

The Budget for fiscal year 2006-07 is a major change in how Josephine County budgets. This Budget establishes funding levels for programs and services instead of categories of expenditures. The Board of Commissioners reorganized County departments and services September 1, 2005. The Budget and new fund structure is modeled after the reorganizations. The Board also supported a fundamental change in the budget process, following the concept of a modified zero based budgeting process known as “Budgeting for Outcomes. “Budgeting for Outcomes” is based on programs and service levels within the County.<sup>III-1</sup> Future budgets will incorporate citizen input on services levels they are willing to fund, goals set by the Board and stakeholder support of programs.

## (2) Summary For FY 2009-10 To FY 2006-07 Goals

### FY Budget 2009 - 2010 Goals

- One statement on continuing budgeting for outcomes.
- One statement on guidelines set by Board of County Commissioners & mandates required by State.
- One explicit goal on transparency in government.

### FY Budget 2008-09 Goals

- One statement on budgeting for outcomes.
- One statement on guidelines set by Board of County Commissioners & mandates required by State.
- One explicit goal on transparency in government.

### FY Budget 2007-08 Goals

- One statement on budgeting for outcomes
- One statement on goals set by the Board & mandates required by the State of Oregon
- One statement on transparency in government requested by citizens

### FY Budget 2006-07 Goals

- One statement on continued mandates
- One statement on major change in Josephine County budgets
  - Funding levels for programs and services instead of categories of expenditures
  - Reorganized County departments and services
  - Budgeting for Outcomes established based on programs and service levels
  - Future budgets will incorporate citizen input on services levels they are willing to fund,
  - Future budgets will incorporate goals set by the Board
  - Future budgets will incorporate stakeholder support of programs
  - One statement on transparency in government requested by citizens

**Authors Statements/Opinions** From the budget year goal statements that could be found the Authors concluded that there were an aggregate four goals for FY 2009-10 to FY 2006-07.

**Goal 1) JO CO BCC Provides Goals Per Budgeting for Outcomes** A significant FY 2006-07 commitment was that the BCC **would provide goals for all future budgets. Goal statements from FY 2006-07 for FY 2009-10 to FY 2007-08 appeared fragmentary and incomplete.**

**Goal 2) Budgeting for Outcomes (BFO) Incorporation Commitments** The BFO commitments from FY 2006-07 are spotty at best. **The big deficit is that nowhere, to the Authors' knowledge, has a budgeting for outcomes analysis been in any the budget, or a reference in any budget for 10 years (FY 2006-07 TO FY 2016-17).** There have been simple statements in each budget that it occurred, and for the three budget from 2016-17 through 2014-15, there has been a detailed outline of what budgeting for outcomes does for three areas.

- Area 1. Budgeting for Outcomes Is.
- Area 2. Budgeting for Outcomes focuses On.
- Area 3. Budgeting for Outcomes asks Four Basic Questions

- Commitment #1. Citizen input on services levels they are willing to fund.
- Commitment #2. Goals set by the Board.
- Commitment #3. Stakeholder support of programs.

The following statements were found for the three years (FY 2009 - 2010 through 2007-08) following the FY 2006-07 BFO commitment year, but they were not explicit lists of goals. These statement and others were fragmentary and incomplete compared to later years.

*FY 2009-10 Budget Goals. The budget before you includes citizen input on services they are willing to fund, guidelines set by the Board of County Commissioners, mandates required by the State of Oregon and stakeholder support of programs.*

*FY 2008-09 Budget Goals. The budget before you today includes citizen input on services they are willing to fund, guidelines set by the Board of County Commissioners, mandates required by the State of Oregon and stakeholder support of programs.*

*FY 2007-08 Budget Goals. The budget before you tonight incorporates citizen input on service levels they are willing to fund, goals set by the Board, mandates required by the State of Oregon and stakeholder support of programs.*

### Goal 3) Compliance With Mandated JO CO Programs.

- FY Budget 2009 - 2010 One statement on **mandates** required by State.
- FY Budget 2008-09 One statement on **mandates** required by State.
- FY Budget 2007-08 One statement on **mandates** required by the State of Oregon.
- FY Budget 2006-07 One statement on **continued** mandates.

The Authors assumes that the four years of simple “mandates” statements will be the equivalent of the goal statements for mandates from 2010-11 to FY 2016-17 which would be to “Develop a Sustainable Plan” and/or “Provide Sustainable Funding” for all State of Oregon mandated JO CO programs

- FY Budget 2016-17 through 2014-15 Goals: *Develop a sustainable plan for all mandated and essential County government programs.*
- FY Budget 2013-14 through FY Budget 2010-11 Goals: *Provide sustainable funding for all mandated and essential County government programs for the next ten years.*

Developing a sustainable plan (2016-17 through 2014-15) is a positive improvement over providing sustainable funding (2013-14 through FY Budget 2010-11). Questions involve understanding how JO CO defines “Developing a sustainable plan” and “Providing sustainable funding.” Providing sustainable funding could be as simple as balancing the budget. Developing a plan involves a lot more.

The question of mandated and essential County government programs is serious as the Authors do not believe JO CO has accomplished the goal even though many professional JO CO department opinions have addressed it. This is because the **JO CO BCC’s fiscal policies have not defined mandated and essential county government programs in a logical scientific way.**

#### Goal 4) Provide Access in a Transparent, Open, and Professional Manner.

- FY Budget 2009 - 2010 One explicit goal on **transparency** in government.
- FY Budget 2008-09 One explicit goal on **transparency** in government.
- FY Budget 2007-08 One statement on **transparency** in government requested by citizens.
- FY Budget 2006-07 One statement on **transparency** in government requested by citizens.

The Authors assumes that the four years of simple “transparency in government” statements will be the equivalent of the goal statements for transparency from 2010-11 to FY 2016-17 which would be to “Provide Access to County Services” and/or “Provide Services” in a transparent, open and professional/efficient manner.

- FY Budget 2016-17 through 2014-15 Goals: *Provide access to County services to the citizens of Josephine County in a transparent, open, and professional manner.*
- FY Budget 2013-14 through FY Budget 2010-11 Goals: *Provide services in a transparent, open and efficient manner to all the citizens of Josephine County.*

The transparency in government goal seems to be successful with only a few exceptions encountered by the Authors. However, **it depends on the definition of transparency** (emphasis added). For example, the JO CO Finance Department seems to be too busy to respond to requests for information and/or an audience with the Authors, and the FY 2006-07 Budgeting for Outcomes decision/commitment has not been successful judged by any analysis in the budget, or a reference in any budget for 10 years (FY 2006-07 TO FY 2016-17). From the Authors’ point of view it does not exist because it is not available to them.

**Effective fiscal transparency entails the intelligibility and usability as well as availability of budget and financial information, to nonspecialists (most citizens and many public officials) as well as to budget analysts and other specialists and budget-process insiders** (emphasis added). It also entails the existence of an attentive and comprehending audience, which for purposes of democratizing budgeting would have to include non-specialists. The intelligibility and usefulness of financial information for supporting decision making by a particular audience help to distinguish effective from illusory fiscal transparency (Heald, 2003). We cannot expect reliable and valid preference formation, deliberation, and revelation unless participants first understand their fiscal situation, options and the likely tradeoffs and other consequences associated with their choices (Robbins et al., 2004). That is, **there can be no authentic participation in budgeting without effective transparency** (emphasis added). Participation is meaningless if not well informed, and participants can only be well informed if there is effective transparency. At the same time, it does not seem reasonable to expect participants – particularly non-specialists – to have unlimited time and attention to devote to comprehending and making use of relevant information. Thus, transparency needs to be achieved in such a way that understanding and acting on the information provided does not divert too much scarce attention (Simon, 1978) from the rest of the decision-making effort or increase the costs of participation and knowledge so much that ignorance and nonparticipation become the rational choices of citizens without already salient personal interests or expertise in budget analysis (Justice 2009, pps. 263-265; Appendices I & O).

**d) Summary CI/CP Goal Themes With Questions: FY Budget 2016-17 To FY 2006-07** For this papers' purpose, potential CI/CP goal themes come from Arnstein, Ebdon, Sale, and IAP2. This literature review is followed by a summary of JO CO' budget CI/CP goal themes.

**(1) Literature CI/CP Goal Themes** Important to citizen participation in budgeting are its goals. Five potential goals for CI/CP in budgeting have been identified in the literature (Ebdon 2005).

1. Informing Decision Making.
2. Educating Participants on the Budget.
3. Gaining Support for Budget Proposals.
4. Influencing Decision Making.
5. Enhancing Trust and Creating a Sense of Community.

Public involvement is about people, their perceptions, beliefs, aspirations, knowledge, and understanding, as much (if not more) an art as a science. Perspectives frequently vary about the success of public involvement efforts, often depending on who was involved and whether their needs were met in the process. So how can you measure success in public involvement efforts and what does it mean to be "successful"? In general, the literature indicates a preference for a mix of process and outcome goals, as well as a mix of tools and techniques. A number of CI/CP factors are key in developing an effective public involvement process that can attain the goals of the sponsor and address the expectations of participants (Sale 2005, p. 2; Appendix P).

- Early Involvement.
- Inclusiveness.
- Two-way Communication.
- Adequate Information and Resources.
- An Appropriate Degree of Citizen Control.
- Incentives And/or Compensation.
- Agency Clarity.
- Openness, and Management Commitment.
- Development of Trust.
- Prior Community Experience.
- Agreement on Goals.
- Going Beyond Legal Minimums.

A Ladder of Citizen Participation (Arnstein 1969). Sherry Arnstein, writing in 1969 about citizen involvement in planning processes in the United States, described a "ladder of citizen participation" that showed participation ranging from high to low. The ladder is a guide to seeing who has power when important decisions are being made. It has survived for so long because people continue to confront processes that refuse to consider anything beyond the bottom rungs. Here is how David Wilcox describes the 8 rungs of the ladder at [www.partnerships.org.uk/part/arn.htm](http://www.partnerships.org.uk/part/arn.htm).

1. Manipulation and 2. Therapy. Both are non participative. The aim is to cure or educate the participants. The proposed plan is best and the job of participation is to achieve public support through public relations.

3. Informing. A most important first step to legitimate participation. But too frequently the emphasis is

on a one way flow of information. No channel for feedback.

4. Consultation. Again a legitimate step attitude surveys, neighborhood meetings and public enquiries. But Arnstein still feels this is just a window dressing ritual.
5. Placation. For example, co-option of hand-picked 'worthies' onto committees. It allows citizens to advise or plan ad infinitum but retains for power holders the right to judge the legitimacy or feasibility of the advice.
6. Partnership. Power is in fact redistributed through negotiation between citizens and power holders. Planning and decision-making responsibilities are shared e.g. through joint committees.
7. Delegation. Citizens holding a clear majority of seats on committees with delegated powers to make decisions. Public now has the power to assure accountability of the programme to them.
8. Citizen Control. Have-nots handle the entire job of planning, policy making and managing a program (i.e., neighborhood corporation with no intermediaries between it and the source of funds).

IAP2 Spectrum of Public Participation Goals (IAP2 2015). IAP2's Spectrum of Public Participation was designed to assist with the selection of the level of participation that defines the public's role in any public participation process. The Spectrum shows that **differing levels of participation are legitimate and depend on the goals, time frames, resources, and levels of concern** (emphasis added) in the decision to be made. The IAP2 Spectrum of Participation is a resource that is used on an international level and can be found in many public participation plans.

- Inform Goal. To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.
- Consult Goal. To obtain public feedback on analysis, alternatives and/or decisions.
- Involve Goal. To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
- Collaborate Goal. To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
- Empower Goal. To place final decision making in the hands of the public.

IAP2 Spectrum of Public Participation Promises To the Public (IAP2 2015).

- Inform Promise. We will keep you informed.
- Consult Promise. We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. We will seek your feedback on drafts and proposals.
- Involve Promise. We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.
- Collaborate Promise. We will work together with you to formulate solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.
- Empower Promise. We will implement what you decide.

IAP2 Quality Assurance Standard for Community and Stakeholder Engagement (IAP2 2015). The terms public participation and community and/or stakeholder engagement are interchangeable in the context of this standard. IAP2 Core Values: The spectrum shows that **differing levels of engagement (i.e., referred to by IAP2 as ‘participation’) are warranted and legitimate, depending on the goals, time frames, resources and levels of concern in the decision to be made** (emphasis added). The core values define the expectations and aspirations of the public participation process. Practitioners should adhere to these values for community engagement to be effective and of the highest quality. **The extent to which the core values (which follow) can be adhered to is impacted by the level of influence** (emphasis added) (IAP2 2015, pps. 7 & 10).

1. Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
2. Public participation includes the promise that the public’s contribution will influence the decision.
3. Public participation promotes sustainable decisions by recognising and communicating the needs and interests of all participants, including decision makers.
4. Public participation seeks out and facilitates the participation of those potentially affected by or interested in a decision.
5. Public participation seeks input from participants in designing how they participate.
6. Public participation provides participants with the information they need to participate in a meaningful way.
7. Public participation communicates to participants how their input affected the decision.

However, the focus of budgeting goals are normally not CI/CP as the major reason for the budget would be needed without public input - balance the budget per the priorities of community law and need. To enable the public to be apprised of the financial policies probably meets the CI/CP goal of informing (ORS 294.321(6)), and perhaps educating public participants.

**(2) JO CO' Budget CI/CP Goal Themes** The following CI/CP goal themes, and/or potential themes, may, or may not, continue as identified budget issues (Chapter VI) for the JO CO budget process.

- Goal Theme: Enhanced CI/CP Public Trust Value. The JO CO budgets and CI/CP goals do not enhance public trust as measured by participation at budget meetings open to the public. The lack of public trust in government by a majority of its voting citizens is a major issue and the most significant as the context for all other issues.
- Goal Theme: JO CO BCC Provides Goals Per Budgeting for Outcomes A significant FY 2006-07 commitment was that the BCC would provide goals for all future budgets. In general the identification of goals was accomplished, especially for FY 2010-11 to FY 2016-17. Missing was identification of key words in the goals and a process for how to implement them by department.
- Goal Theme: Budgeting for Outcomes (BFO) Incorporation Commitments The BFO commitments from FY 2006-07 focus on three areas: 1, budgeting for outcomes is, 2. budgeting for outcomes focuses on, and 3. budgeting for outcomes asks four basic questions. How will the JO CO BCC's three BFO commitments be accomplished?

- Commitment #1. **Citizen input on services levels they are willing to fund.**
- Commitment #2. Goals set by the Board.
- Commitment #3. **Stakeholder support of programs.**

Implementing the BFO commitments from FY 2006-07 to future budget documents was spotty at best. The big deficit is that nowhere, to the Authors' knowledge, has a budgeting for outcomes analysis been provided in any the budget, or a reference to BFO in any budget for 10 years (FY 2006-07 TO FY 2016-17). There have been simple statements in each budget that it occurred, and for the three budgets from 2016-17 through 2014-15, there has been a detailed outline of what budgeting for outcomes is supported to accomplish for three areas. **Therefore, until JO CO provides evidence of accomplishment beyond outline statements, it is assumed there is non-compliance for commitment #2.**

It is unknown if the three incorporation commitments were accomplished as the BFO analysis/assessment was not provided in any budget, nor referenced for any budget. **Therefore, until JO CO provides evidence of accomplishment beyond outline statements, it is assumed there is non-compliance for commitments #1 and #3.** There are also questions about how the BCC gathered public input for Commitment #1 and stakeholder support for Commitment #3.



- Goal Theme: Improve Community Outreach **Improving** community outreach is a positive improvement over **encouraging** public involvement through community outreach. Questions involve understanding how JO CO's CI/CP Program defines CI and public outreach. Improve implies an active government strategy to change CI over the baseline with a program to encourage.
- Goal Theme: IAP2 Spectrum of Public Participation: Inform, Consult, Involve, Collaborate, and Empower. **Using the IAP2 Spectrum of Public Participation, the JO CO "Improve" Community Outreach goal theme was accomplished for all budgets at the "inform" citizen participation level, but not for the higher levels of consult, involve, collaborate, or empower (IAP2 2015).** The next level of CP, "consult" was not met because the local governing body did not provide an opportunity for the public to comment on any analysis, alternative, or decisions, except one proposed budget. In addition, the BCC did not provide written feed back for the public's concerns and aspirations, nor how the public's input influenced the decision. It also did not seek feedback on what were internal draft financial policies prior to the proposed budget being presented to the JO CO Budget Committee.
- Goal Theme: Develop a sustainable plan for all mandated and essential County government programs. Developing a sustainable plan is a positive improvement over providing sustainable funding. Questions involve understanding how JO CO defines "Developing a sustainable plan" and "Providing sustainable funding." Providing sustainable funding could be as simple as balancing the budget. Developing a plan involves a lot more.

The question of mandated and essential County government programs is serious as **JO CO has not accomplished the goal of developing a sustainable plan for any defined mandated and essential county program.** Sadly mandated, essential, and minimally acceptable level of public services (MALPSS) was not defined for the huge majority of the JO CO budget programs.

Many professional government and private opinions have addressed the issue of not being in compliance with mandatory State and minimally acceptable level of public safety services (MALPSS) standards with backed up with only their opinions. The Authors do not believe programs can be in compliance with mandated and essential standards when mandated and essential county government programs have never been defined in a logical scientific way in any analysis, or assessment (see Exploratory Committee's MALPSS web page).

- Goal Theme: Provide public access in a **transparent** (emphasis added), open, efficient, and professional manner. Effective fiscal transparency entails the intelligibility and usability as well as availability of budget and financial information, to nonspecialists (most citizens and many public officials) as well as to budget analysts and other specialists and budget-process insiders (Section III.D.3.c)(2), Justice 2009, pps. 263-265; Appendices I & O).

- Goal Theme: Goal Compliance. JO CO BCC compliance in continuing to develop explicitly clearer understandable goals. To its credit the JO CO BCC identified goals, but without definitions and objectives and, therefore, they are not understandable by the Authors. For a public understanding, the different voting citizens have to develop their own individually assumptions, definitions, and processes for using the goals.
- Goal Theme: Goals As Requirements. Will goals ever be compliance requirements, or will they remain non-mandatory provisions? “Should” in JO CO goals is implied to indicate a goal which must be addressed by the design, but is not formally verified and does not have legal performance standards (Appendix F).
- Goal Theme: Third Party Intermediation (Appendices I & O). A third-party intermediation might facilitate meaningful citizen participation in resource allocation, and thereby promote the developmental as well as protective functions of democracy. Some degree of third-party fiscal-information intermediation is needed, to improve transparency by reducing the expertise, time, and attention demands of participation, and by helping citizens to understand what fiscal information is important. It complements the government model; it does not replace it.
- Goal Theme: CI/CP Programs. CI/CP recognized as a program focusing on opportunities higher up on the “ladder of citizen participation” (Ordinances/Resolutions).
- Goal Theme: Monitoring & Evaluation. The JO CO budget process is in compliance with the accounting standards from the LBL. How about goal performance indicators, benchmarks, and performance standards for CI/CP?
- CI/CP Goal Theme: Monitoring & Evaluation – Goal Performance Indicators, Benchmarks, and Performance Standards. The JO CO budget process is good for compliance with the CI/CP “inform” standards from the LBL. It is a failure for compliance with enhanced CI/CP standards of consult, involve, collaborate, and empower (see IAP2 Quality Assurance Standard for Community and Stakeholder Engagement Standards; Appendix S).
- IAP2 Quality Assurance Standard for Community and Stakeholder Engagement Standards promote the right of individuals who are affected by a decision to have a say in the decision-making process, highlighting the benefits of this to organizations, governments and individuals. The set of standards are used to measure any engagement process in order to ensure it meets best practice principles leading to confidence in the outcome for all involved (Appendix S); IAP2 2015, p. 3).

Community and stakeholder engagement is now required and accepted as a standard component of any significant project as much as traditional disciplines such as planning, development and implementation. Engagement is in fact intrinsic to the successful functioning of all of these conventional disciplines, as the outcomes should ultimately influence project development and completion (IAP2 2015, p. 6).

The IAP2 Quality Assurance Standard has been designed to respond to market requirements for evidence that effective community and stakeholder engagement has been delivered and in particular that it accords with the professional communities perspective of quality. The terms public participation and community and/or stakeholder engagement are interchangeable in the context of this Standard (IAP2 2015, p. 7).

#### 4. Goal Outcomes Assessed Per statements in the annual JO CO budgets, “Budgeting for Outcomes” (BFO) has been used in the county since the JO CO FY 2006-07 Budget.

The Budget for fiscal year 2006-07 is a major change in how Josephine County budgets. This Budget establishes funding levels for programs and services instead of categories of expenditures. The Board of Commissioners reorganized County departments and services September 1, 2005. The Budget and new fund structure is modeled after the reorganizations. The Board also supported a fundamental change in the budget process, following the concept of a modified zero based budgeting process known as “Budgeting for Outcomes. “Budgeting for Outcomes” is based on programs and service levels within the County. **Future budgets will incorporate citizen input on services levels they are willing to fund, goals set by the Board and stakeholder support of programs** (emphasis added).

Measuring the success of CI/CP techniques, processes or projects can provide valuable feedback to practitioners, project proponents, and the public. Yet, while there seems to be general agreement that measuring the success or effectiveness of CI/CP is important, actually measuring success does not seem to be a broadly applied practice, possibly due to added costs, concerns over the appropriateness or applicability of different metrics, a lack of understanding of the tools and techniques, or other reasons (Sale 2005, p. 4). For whatever the reasons, JO CO is with the majority in not measuring CI/CP success. The Authors could not find any information in the JO CO budgets (FY 2016-17 to FY 2006-07) on measuring or assessing the success of the JO CO CI/CP budget goals, including BFO.

- Stakeholders: any individual, group of individuals, organization or politics entity with an interest or stake in the outcome of a decision.
- Public: those stakeholders who are not typically part of the decision-making entity or entities.
- Public Participation: and process that involves the public in problem-solving or decision-making and that uses public input to make better decisions.

Governments and industry across the globe are increasingly recognizing the value of community and stakeholder engagement as an essential part of significant project planning and decision-making. **The paradigm of decision making consideration has shifted from a culture of “announce and defend,” to one of “debate and decide”** (emphasis added) (IAP2 2015, p. 6).

The IAP2 Public Participation Spectrum is designed to assist with the level of influence that is required, depending on the community or stakeholder’s role in the engagement. **The spectrum shows that differing levels of influence in engagement (referred to by IAP2 as ‘participation’) are warranted and legitimate, depending on the goals, time frames, resources and levels of influence in the decision to be made** (emphasis added). However, most importantly, the spectrum sets out the commitment being made to the public at each level to ensure transparency. This IAP2 standard acknowledges that individual projects vary as to their position on the IAP2 Spectrum. In this way the standard specifically responds to the spectrum’s recommended strategy for dealing with the various levels of influence the community has (IAP2 2015, p. 11). A IAP2 Public Participation Spectrum incorporated into a JO CO CI/CP Budgeting Plan (i.e., ordinance) would explain the local governing body’s public outreach and participation strategy.

Perhaps the most significant shift in thinking about community engagement has come with recognition that the engagement may now be motivated from within the community or even led by the community itself **rather than the one-way path from government or organization to community** strategy. Similarly in the commercial context it may arise from within the business or even be led by the staff and members (IAP2 2015, p. 12).

**IAP2 Quality Assurance Standard** As well as adopting the IAP2 “Core Values” as the underlying principles for community and stakeholder engagement, **a standard process is used in order to ensure a quality community engagement exercise** strategy. The standard below summarizes the steps of this process. More detail is provided to the practitioner with guidelines for adoption in the original (IAP2 2015, pps. 14 - 22)

1. Problem Definition.
2. Agreement of Purpose/Context and Identification of Negotiables and Non-negotiables
3. Level of Participation.
4. Stakeholder Identification and Relationship Development.
5. Project Requirements.
6. Development and Approval of Engagement Plan.
7. Execution of Engagement Plan.
8. Feedback.
9. Evaluation and Review.
10. Monitoring.
11. Documentation of Evidence.

**IAP2 Audit** An Auditing process will be developed to establish the requirements for an audit of a Community and Stakeholder Engagement project to determine the level of adherence to the “Quality Assurance Standard” and adoption of the process set out for community and stakeholder engagement activities. The auditing process will require the auditor to review documented evidence and report on the quality of this evidence against the requirements set out in the standard process as illustrated in the standard (IAP2 2015, pps. 22 - 25). All this means is that CI/CP in budgeting will be addressed with a level of significance equal to that of the LBL’s accounting standards.

**E. Directives from JO CO Budgets: FY 2006-07 To FY 2016-17 (not started)**

1. Directives
  - a) FY Proposed Budget 2016 - 2017 Directives
  - b) FY Budget 2015 - 2016 Directives
  - c) FY Budget 2014 - 2015 Directives
  - d) FY Budget 2013 - 2014 Directives
  - e) FY Budget 2012 - 2013 Directives
  - f) FY Budget 2011 - 2012 Directives
  - g) FY Budget 2010 - 2011 Directives
  - h) FY Budget 2009 - 2010 Directives
  - i) FY Budget 2008 - 2009 Directives
  - j) FY Budget 2007 - 2008 Directives
  - k) FY Budget 2006 - 2007 Directives
2. Summary Directive Themes