

Priority:	Thriving Economy	Lead Agency:	Community Services
Program Offer Type:	Program Alternative /	Program Contact:	Tom Hansell
Related Programs:	90025A		

Frameworks:

Executive Summary

This program offer is written to respond to a proposed option presented by the Thriving Economy Priority Team, during the FY2005 Mid-Year Budget Priority Process. This program option proposes a 20% reduction to the city of Portland payment. This reduced payment will redirect approximately \$4.3M annually back into the transportation capital improvement program.

Program Description

In 1984, the City of Portland and Multnomah County entered into an agreement for the transition of urban services (Resolution "A"). The original agreement called for an increasing City share of a combined pool of revenues between the City and County, and a funding source for the Willamette River Bridge Fund. That combined pool includes State Motor Vehicle Sharing to the County and City, County Gas Tax and Federal Forest Receipts. This program offer promotes a change in the revenue sharing formula.

Program Justification

It's important for the County to protect the county's transportation infrastructure. Current capital needs are identified in the transportation capital improvement program at \$615 million for needed Road and Bridge improvements over the next 20 years.

Oregon county transportation program funding is limited to one dedicated revenue source. Multnomah County's transportation revenue originates from State Motor Vehicle Sharing (state highway funds), County Gas Tax (\$0.03/gallon) and Federal Forest Receipts (sunset FY2007). For fiscal year ending June 2004, Multnomah County these receipts totaled \$38.4 million. That same year the county transferred \$21.9 million to the city of Portland and \$4.7 million to county bridges leaving \$11.3 million for county roads. The County payment to Portland constituted 36% of the City's total revenue collection for this same period. The City that same year also received an equal amount of dedicated state revenue through the State and an additional 22% of their total revenues through other sources.

Oregon Statute provides cities far more financial mechanisms to maintain and expand their transportation system. The current State Motor Vehicle Revenue Sharing Formula recognizes the distinction of each government and was developed with these considerations. Multnomah County's transportation funding liability is not entirely visible to all of the State Legislature. The present revenue sharing agreement we hold with the city of Portland has become a barrier to the legislature approving new discretionary transportation funding, knowing every \$100 dollars awarded to Multnomah County, \$60 dollars will be transferred to Portland.

Multnomah County's financial capacity to adequately maintain its current transportation infrastructure with current funding is unrealistic without new revenues. A redistribution of county funds will allow the County to maintain its transportation infrastructure to support a thriving economy.

Performance Measures

The last revenue sharing amendment to this agreement occurred in 1987, when the County and City agreed to a new formula for sharing transportation resources, additional funding for the Willamette River bridges, and funds for capital improvement projects in mid-Multnomah County.

The County road funds are transferred quarterly into Portland's Department of Transportation's budget. The City commingles these funds into their transportation operating budget. The agreement did not require the City to communicate how County funds were to be used. The City prescribed allowed use of these funds are defined under ORS 366 which requires funds can only be used for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets and the administration thereof.

Summary of last year's program results and this year's expected results

N/A

Program Mandate: 4 Program and Funding Level Choice

Exercising this program offer, would require an amendment to the current agreement, which is allowed "upon mutual agreement of both parties".

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2005	2005	2006	2006
Contracts	\$0	\$0	\$0	\$17,200,000
Internal Services	\$0	\$0	\$0	\$296,700
Unappropriated & Contingency	\$0	\$0	\$0	\$4,300,000
Subtotal: Direct Exps:	\$0	\$0	\$0	\$21,796,700
Administration	\$0	\$0	\$157,116	\$0
Program Support	\$0	\$0	\$0	\$10,000
Subtotal: Other Exps:	\$0	\$0	\$157,116	\$10,000
Total GF/non-GF:	\$0	\$0	\$157,116	\$21,806,700
Program Total:	\$0		\$21,963,816	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Indirect for dep't Admin	\$0	\$0	\$156,950	\$0
Intergovernmental	\$0	\$0	\$0	\$21,706,286
Taxes	\$0	\$0	\$0	\$90,414
Program Revenue for Admin	\$0	\$0	\$157,008	\$10,000
Total Revenue:	\$0	\$0	\$313,958	\$21,806,700

Explanation of Revenues

Funds are pooled from State Motor Vehicle Sharing to the County, County Gas Tax and Federal Forest Receipts received by Multnomah County.

Significant Program Changes

The 20% (\$4.2 million) payment reduction has been budgeted under a contingency line item. A budget modification will be required to appropriate these funds during the FY 2006 budget year. These revenues would be redirected into the transportation capital improvement program.