

FINANCIAL PLANNING REPORT NO. 1

A GENERAL ANALYSIS OF MULTNOMAH COUNTY'S  
FISCAL SITUATION

MULTNOMAH COUNTY, OREGON  
DECEMBER 1974

FINANCIAL PLANNING REPORT #1

A GENERAL ANALYSIS OF MULTNOMAH COUNTY'S FISCAL SITUATION:

- FINANCIAL SUMMARY AND FORECASTS
- SUMMARY OF REVENUE OPTIONS
- VOTER OPINION ON REVENUE AND  
SERVICES
- RECOMMENDATIONS

Multnomah County

December 3, 1974

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## SUMMARY AND RECOMMENDATIONS

During the budgeting process for this fiscal year, 1974-75, it became apparent that Multnomah County faced long-term financial problems. The character of those problems, however, was not completely clear. Attempts to calculate their effects led to estimates of a 1975-76 budget deficit for the County ranging from \$5 million to \$14 million.

### Summary of the Financial Situation

The purpose of this report to the Board of Commissioners is to present the most accurate picture of the County's immediate and long-term financial situation possible. The analysis in Section II of this report presents that picture and can be summarized as follows:

1. While the size of the County budget has increased from \$43.6 million to \$72.1 million since 1969-70, inflation has allowed the real purchasing power of the budget to grow only from \$41.1 million to \$42.4 million.
2. Federal revenue sharing offset the costs of inflation for two years and delayed the arrival of the current problems of budget deficits.
3. The budget deficit for the coming year, 1975-76, is estimated at \$7.2 million. It is essential to treat that figure as a working estimate of the immediate problem the County faces. It is intended as an approximate figure against which financial planning can be carried out, but it is only an estimate and will change as better data are available on which to revise it.

It is hoped that, on the whole, changes will decrease rather than increase the figure.

4. The long-term financial problems of the County are tied to the rate of inflation.
5. The present revenue sources of the County are expected to grow automatically at a rate of three percent per year.
6. If inflation raises costs at a rate of ten percent per year, for example, the County will need to raise approximately \$4.5 million in new revenue each year. That amount of new revenue will maintain a steady level of personnel and related materials, supplies, and maintenance. It will not cover new programs, capital investments in new facilities or land, the maintenance costs of new capital investments, or replacement of existing facilities.
7. New sources of revenue that are not elastic, that do not have a potential for growth comparable to the rate of inflation, may solve immediate problems in any one year, but they will not meet the County's fundamental long-term financial needs.

Potential new local sources of revenue which the Board might consider are summarized in Section II. It should be noted that none of them solves the County's long-term financial problems. Section III discusses potential ways the Board can raise revenue through fees, charges, licenses, and permits.

The comments in the summary contain an admonition to treat the estimated deficit for 1975-76 with proper care. The first major reason for doing so is that the estimate assumes that only \$700,000 of the monies

### Summary and Recommendations - 3

budgeted for this year will, in fact, not be spent. While it is expected that the cash carryover from this year will be greater than that amount, no accurate estimates are possible at this time. The estimate will be adjusted when accurate data are available.

The second major reason is that the estimate assumes a 9.75% wage, salary, and benefit increase as a result of collective bargaining that will occur during the first six months of 1975. The reasons for that assumption are twofold. Wage, salary, and benefit increases will be the largest single factor affecting the 1975-76 budget deficit, and no estimate of that deficit is possible without making an assumption about the size of the increase. The assumption of 9.75% was selected because it is comparable to similar increases resulting from collective bargaining during the first nine months of 1974 for agreements covering more than 1,000 workers. It is specifically not intended to represent in any way the position that the County should or will take in its own collective bargaining process.

The third major reason is that the estimate makes no assumptions about what the Board will do to reduce the deficit. No assumptions are made about the effects of belt-tightening in County management this year. No assumption is made about passage of the proposed business license tax which could increase County revenue next year by \$700,000. No assumption is made about the County's efforts to secure aid from the State Legislature. No assumption is made about increases in charges, fees, etc.

While the above summary presents a picture of the County's long-term financial situation that permits careful planning and budgeting to proceed,

there are four major factors which have not figured into the analysis in Section II but must be kept in mind during the course of planning and budgeting.

1. As in the case of the 1975-76 estimate, the long-term estimates in Section II make no assumptions about the degree to which the County can make more efficient use of its current revenues.
2. Because the County has not developed a plan for capital investment, the long-term costs of maintaining County facilities and the long-term needs for replacing those facilities or building new ones cannot be calculated accurately at the present time. Work has begun on a capital plan.
3. Federal revenue sharing adds approximately \$6 million per year to County revenues. The Congressional appropriation for revenue sharing expires in December, 1976. Recent reports indicate that it is not certain that the appropriation will be renewed, let alone increased.
4. The County may be required by future court or Congressional decisions to make up the unfunded liability in the retirement system at a more rapid rate than that now planned.

Improved management of County revenues should help to reduce the size of expected deficits, but currently there is no way to estimate the amount of reduction that should be expected or the time needed to achieve it. The other three factors each have the potential for making the County's long-term financial problems substantially more difficult to solve.

Summary of Public Opinion Analysis

The financial problems of the County indicated above cannot be solved without the support of the voters if current levels of service are to be maintained. Any new source of revenue with adequate growth potential to offset the costs of inflation will require approval by the voters. Section IV presents a substantial amount of information on the public's attitudes toward the County and its financial situation that can provide the Board with some of the necessary guideposts to attack the financial problems it faces.

The results of the poll are not easily summarized and, like the estimate of the 1975-76 budget deficit, need to be treated with care. A rough summary of them, however, would read as follows:

1. A sizeable majority of the public is not supportive of new or increased taxes.
2. A majority of the public is not supportive of reductions in the level of service now provided by the County.
3. A sizeable plurality, if not an actual majority, of the public believes that the County could continue current service levels with improved management of its current revenue.
4. The solutions to the County's financial situation which appear to have the greatest level of support are special excise taxes and State aid through the State income tax as well as improved County management.

When combined with the summary of the County's financial situation, these conclusions provide a framework for both immediate and long-term financial plans.



Recommendations

Short-Term Plan:

1. Attempt to increase the cash carryover from 1974-75 to 1975-76 through continued restraints on hiring to fill vacant budgeted positions, on travel, and other budgeted activities.
2. Pursue recommendations listed in Section III with respect to new or increased fees, charges, licenses, and permits.
3. Pursue passage of the business license tax.
4. Review potential new sources of revenue from excise taxes such as those listed in Section II, and direct staff to develop more detailed proposals for any excise taxes that appear practical and feasible.
5. Support NACo efforts to extend and increase appropriations for Federal revenue sharing.
6. Seek increased support from the State Legislature for services required under State law.
7. Require preparation of capital improvements and facilities management programs and budgets projected over five years.
8. Require closer review of the fiscal impact of proposals submitted to the Board for action.
9. Require development of a management compensation plan.
10. Instruct the County's collective bargaining officer to seek labor-management agreements which enable the County to provide the best management possible.
11. Create an Office of County Management to continually monitor expenses, seek new ways of getting more for the dollars available, and coordinate central management and financial planning functions.

## Summary and Recommendations - 7

### Long-Term Plan:

1. Pursue, in conjunction with other local jurisdictions, State revenue sharing through an increase in the State income tax. The rationale for doing so is that the State income tax is the most elastic source of income now available in the State and that the public opinion poll indicates a substantial level of support for such a proposal.
2. Use the capital improvements and facilities management programs to prepare special levy proposals for needed capital investments and to make better use of the County's bonding capacity.
3. Continue all possible efforts for improved management and efficient use of County revenues.
4. Pursue, in conjunction with other local jurisdictions, more detailed analysis of the fiscal impact of requirements by the State Legislature that those jurisdictions provide certain services.
5. Continue efforts to develop long-term financial forecasting and planning as a means of providing more detailed information to the public and of searching for additional options for solving long-term financial problems.

## SUMMARY OF MULTNOMAH COUNTY

### FISCAL ANALYSIS

#### I. Introduction

Multnomah County faces a particularly serious problem of adequate financial resources to continue its services. The major factor generating this problem is inflation. The Consumer Price Index in 1974 rose approximately 12 percent, but Multnomah County does not purchase the same items as consumers. Its purchases are primarily personnel, construction materials, and professional services. Based on the recent increase in these prices, a rate of inflation of ten percent per year is projected for County costs. Thus, to maintain the present level of services, an increase of about ten percent per year in financial resources will be required. Personnel and material and service costs (excluding capital expenditures) are presently about \$63,000,000, which translates into a need for \$6,300,000 in additional resources.

Multnomah County, therefore, has a revenue problem of several dimensions. First, it generates only approximately half of its total resources from its own sources of revenue. Therefore the County is highly dependent on external revenue sources over which it has little control. Second, Multnomah County's own revenue sources lack growth. Only the property tax and hotel-motel tax automatically generate additional revenue each year. These sources of revenue increase about six percent each year on a long-term basis and generate \$1,800,000 per year in additional revenue.

The difference between additional required revenue of \$6,300,000 per year and automatically generated revenue of \$1,800,000 per year means a projected revenue deficiency of \$4,500,000 for the immediate future years. Since growth in required revenue is much larger than automatically generated revenue, the deficiency will grow larger over time.

There is no automatic growth for about one half of County resources which include State and Federal funds. State and Federal grants are discretionary and inherently unpredictable. These funds are a large share of County resources. Increases in other revenues, such as fees for services, require action by the County Board of Commissioners.

Automatic revenue growth of \$1,800,000 on a total revenue base of approximately \$70,000,000 translates into a three percent rate of growth. Viewed from this perspective, the fiscal and budgetary problem of Multnomah County in the immediate future years is a ten percent growth in required revenue versus a three percent growth in actual revenue.

The problem was recognizable in past years, but the receipt of Federal revenue sharing funds in 1972 delayed the "axe from falling" by two years. Also, the budgeting system, which includes cash carryover as a resource for expenditure, gave a superficial appearance of continued resource growth and sufficiency. For example, Federal revenue sharing funds for fiscal 1974-75 are \$9.9 million of \$11.4 million in total cash carryover. About \$8.1 million of these funds will be used this year for expenditure, and cash carryover to fiscal 1975-76 will be reduced to just over \$3.0 million. Revenue sharing including cash carryover will be insufficient to make up for the deficiency in cash flow for 1975-76.

### Fiscal Analysis Summary - 3

For fiscal year 1975-76, the trends which are projected show \$77,000,000 in expenditures and \$69,800,000 in resources. Fiscal 1975-76 will show a budget deficit of \$7,200,000.

#### II. Revenue Expenditures Analysis, 1969 - 1979

Table II-A, which follows, presents fiscal data for Multnomah County over the period 1969-79. The data are comprehensive and rather detailed. Certain data items which show important relations will be extracted and shown separately in additional tables.

TABLE II-A

COUNTY RESOURCES AND EXPENDITURES IN THOUSANDS OF DOLLARS

RESOURCES	ACTUAL										FORECAST									
	FY 1969	FY 1970	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	FY 1980	FY 1977	FY 1978	FY 1979	FY 1980	FY 1977	FY 1978	FY 1979	FY 1980
PROPERTY TAXES	24396	23086	23331	25832	27040	27847	29200	31234	33108	35095	37200	39422	33108	35095	37200	39422	33108	35095	37200	39422
OTHER TAXES	0	0	0	429	285	202	220	216	232	248	264	275	232	248	264	275	232	248	264	275
PRIVATE SOURCES**	6000	7091	8159	9242	11053	7498	7246	7232	7365	7500	7639	7750	7365	7500	7639	7750	7365	7500	7639	7750
FEDERAL SOURCES (ALTERNATE)**	800	877	1233	3679	8649	11615	11913	5525	6944 (10154)	4723 (5793)	4722 (11452)	5225 (11252)	6944 (10154)	4723 (5793)	4722 (11452)	5225 (11252)	6944 (10154)	4723 (5793)	4722 (11452)	5225 (11252)
REVENUE SHARING (ALTERNATE)**	0	0	0	0	6311	5676	5815	3275	3200 (6410)	0 (5270)	0 (5270)	0 (6320)	3200 (6410)	0 (5270)	0 (5270)	0 (6320)	3200 (6410)	0 (5270)	0 (5270)	0 (6320)
OTHER FEDERAL SOURCES	800	877	1233	3679	8649	11615	11913	5525	6944 (10154)	4723 (5793)	4722 (11452)	5225 (11252)	6944 (10154)	4723 (5793)	4722 (11452)	5225 (11252)	6944 (10154)	4723 (5793)	4722 (11452)	5225 (11252)
STATE SOURCES	3376	9101	9183	9866	9765	10204	10106	10647	10999	11368	11752	12153	10999	11368	11752	12153	10999	11368	11752	12153
OTHER RESOURCES***	2856	3151	3564	4218	4452	6952	6068	6919	7254	7665	7974	8361	7254	7665	7974	8361	7254	7665	7974	8361
CASH CARRYOVER (ALTERNATE)**	2675	6603	6274	4941	4100	9331	11476	3040	2340 (2940)	-870 (2040)	-7440 (2040)	-14170 (2340)	2340 (2940)	-870 (2040)	-7440 (2040)	-14170 (2340)	2340 (2940)	-870 (2040)	-7440 (2040)	-14170 (2340)
REVENUE SHARING FUND (ALTERNATE)**	0	0	0	0	0	5540	3415	2540	1840 (1840)	0 (1840)	0 (540)	0 (140)	1840 (1840)	0 (1840)	0 (540)	0 (140)	1840 (1840)	0 (1840)	0 (540)	0 (140)
TOTAL RESOURCES (ALTERNATE)**	51103	49209	51736	56213	63264	73679	76649	68813	63262 (71452)	65169 (74498)	62111 (76621)	59063 (82762)	63262 (71452)	65169 (74498)	62111 (76621)	59063 (82762)	63262 (71452)	65169 (74498)	62111 (76621)	59063 (82762)
TOTAL EXPENDITURES	44500	43635	46795	54113	56033	62203	73609	64473	69112	72609	76281	81233	69112	72609	76281	81233	69112	72609	76281	81233

COUNTY RESOURCES AND EXPENDITURES IN THOUSANDS OF DOLLARS - 1969 PRICES

RESOURCES	ACTUAL										FORECAST									
	FY 1969	FY 1970	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	FY 1980	FY 1977	FY 1978	FY 1979	FY 1980	FY 1977	FY 1978	FY 1979	FY 1980
PROPERTY TAXES	24396	21750	20496	21611	21318	20437	17940	18023	17368	16736	16128	15542	17368	16736	16128	15542	17368	16736	16128	15542
OTHER TAXES	0	0	0	359	225	148	135	125	122	112	114	110	122	112	114	110	122	112	114	110
PRIVATE SOURCES*	6000	6681	7168	7730	8714	5203	4450	4173	3864	3576	3312	3066	3864	3576	3312	3066	3864	3576	3312	3066
FEDERAL SOURCES (ALTERNATE)**	800	826	1074	3077	6854	8522	7296	3606	3643 (3323)	2014 (5147)	2047 (4365)	2061 (4762)	3643 (3323)	2014 (5147)	2047 (4365)	2061 (4762)	3643 (3323)	2014 (5147)	2047 (4365)	2061 (4762)
REVENUE SHARING (ALTERNATE)**	0	0	0	0	4976	4358	3735	3606	1679 (3362)	0 (1133)	0 (2818)	0 (2719)	1679 (3362)	0 (1133)	0 (2818)	0 (2719)	1679 (3362)	0 (1133)	0 (2818)	0 (2719)
OTHER FEDERAL SOURCES	800	826	1074	3077	6854	4164	3561	1890	1679 (3362)	2014	2047	2061	1679 (3362)	2014	2047	2061	1679 (3362)	2014	2047	2061
STATE SOURCES	2376	8574	8069	8252	7659	7466	6372	6144	5770	5421	5055	4750	5770	5421	5055	4750	5770	5421	5055	4750
OTHER RESOURCES***	2856	2969	3131	3527	3510	5124	3716	3992	3605	3627	3457	3255	3605	3627	3457	3255	3605	3627	3457	3255
CASH CARRYOVER (ALTERNATE)**	2675	6221	5512	4133	3232	6418	7018	1754	1228 (728)	-415 (1116)	-3226 (1014)	-3585 (922)	1228 (728)	-415 (1116)	-3226 (1014)	-3585 (922)	1228 (728)	-415 (1116)	-3226 (1014)	-3585 (922)
REVENUE SHARING FUND (ALTERNATE)**	0	0	0	0	0	4066	2091	466	945 (945)	0 (677)	0 (466)	0 (466)	945 (945)	0 (677)	0 (466)	0 (466)	945 (945)	0 (677)	0 (466)	0 (466)
TOTAL RESOURCES (ALTERNATE)**	51103	47022	45450	48689	51533	54057	46335	39707	35798 (37182)	31077 (35741)	29279 (34087)	23260 (33507)	35798 (37182)	31077 (35741)	29279 (34087)	23260 (33507)	35798 (37182)	31077 (35741)	29279 (34087)	23260 (33507)
TOTAL EXPENDITURES	44500	41111	41110	45260	44176	45637	45076	38357	36254	34025	33072	31584	36254	34025	33072	31584	36254	34025	33072	31584

\* BASIS OF RESOURCES ARE BASED ON HISTORICAL GROWTH UNLESS OTHERWISE SPECIFIED

\*\* ALTERNATE ASSUMES AN ANNUAL 2.5 PERCENT INCREASE IN REVENUE SHARING FROM FY 1977 TO FY 1980

\*\*\* LOCAL GOVERNMENT SOURCES, INTEREST ON INVESTMENTS, PROPERTY SALES, ETC.

The generation of the current fiscal crisis can be seen from an examination of certain data contained in the above table. Table II-B presents the data. All projections are made on the assumption that the present structure of revenue sources is maintained as described in the notes accompanying Table II-A.

TABLE II-B

Fiscal Year	Expenditure	Resources	Cash Carryover*	
1969-70	\$43.6 million	\$49.9 million	\$6.6 million	
1970-71	46.8 "	51.7 "	6.3 "	
1971-72	54.1 "	58.2 "	4.9 "	
1972-73	56.0 "	65.4 "	4.1 "	
1973-74	61.8 "	73.2 "	9.3 "	
1974-75	72.9 "	76.6 "	11.5 "	
	(10%/Yr.Increase)	(Historical growth)		Annual Deficit
1975-76	\$77.0 million	\$69.9 million	\$3.8 million	
1976-77	84.8 "	71.9 "	(7.2 " )	\$7.2 million
1977-78	93.2 "	75.4 "	(20.0 " )	17.8 "
1978-79	102.6 "	79.4 "	(43.1 " )	23.2 "
1979-80	112.8 "	83.0 "	(62.9 " )	29.8 "

\*The projection for cash carryover beginning 1975-76 is based on the current data for revenues and projected expenditures. Changes are expected on the actual value. Further analysis by the budget staff and FMS reports will determine the actual value as data become available. The values in parentheses under "cash carryover" are cumulative deficits which would be realized if Multnomah County were allowed to carry this fiscal imbalance. Although local government deficits are contrary to State budget law, the values are shown to illustrate the magnitude of the problem.

The level of expenditures for Multnomah County increased steadily from 1969-70, while the amount of cash carried over decreased steadily year after year until 1973-74. Cash carryover for 1973-74 would have been \$3.8 million

rather than \$9.3 million had it not been for the Federal Revenue Sharing Fund cash carryover of \$5.5 million. See Table II-C.

TABLE II-C

YEAR	CASH CARRYOVER		REVENUE SHARING PAYMENTS
	Total All Funds	Revenue Sharing Fund	
1969-70	\$6.6 million		
1970-71	6.3 "		
1971-72	4.9 "		
1972-73	4.1 "		\$6.3 million
1973-74	9.3 "	\$5.5 million	5.9 "
1974-75	11.5 "	9.9 "	6.1 "
1975-76	3.8 "	1.7 "	6.25 "
1976-77	(7.2 " )		3.2* "
1977-78	(20.0 " )		?

\*Federal revenue sharing ends December 31, 1976. \$3.2 million is a one-half-year entitlement.

Federal revenue sharing commenced in fiscal 1972-73 with payments of \$6.3 million. Part of the \$6.3 million was a retroactive payment for the previous fiscal year. This is the reason that the Federal revenue sharing payment is lower in fiscal 1973-74.

In fiscal year 1973-74 the impending fiscal crisis could have been detected. Federal revenue sharing fortuitously relieved the budgetary pressure in that year. Without the Federal Revenue Sharing Fund balance of \$9.9 million, the 1974-75 budget would be \$1.6 million from a deficit.

The problem which the County faces for fiscal 1975-76 is almost a duplicate of the one which would have occurred in fiscal 1973-74 had Federal revenue sharing funds not been received at that time. Federal



revenue sharing is now providing a stream of revenue of approximately \$6,000,000 per year. The appropriation by the Federal Government cannot exceed the law's authorization which provides for an increase each fiscal year of slightly less than 2½ percent per year. Thus Federal revenue sharing funds, even if continued beyond December 31, 1976, will not grow adequately to keep pace with inflation. The pressure for expenditures, mainly inflation in personnel and material and service costs of 10 percent per year, is now eroding the large cash carryover of the Federal Revenue Sharing Fund.

The table above notes the total cash carryover for all funds for fiscal 1974-75 is \$11.5 million, of which \$9.9 million is in the Federal Revenue Sharing Fund. For fiscal 1975-76, the total cash carryover for all funds is projected to be \$3.8 million with \$1.7 million of it in the Federal Revenue Sharing Fund.

The basic scenario for fiscal 1975-76 is thus the same as for fiscal 1973-74. However, there does not appear to be the "bail out" prospect which Federal revenue sharing provided at this juncture in fiscal 1973-74. It is important to note that although the immediate fiscal crisis was averted in 1973-74, Federal revenue sharing, with a growth rate of entitlement of 2½ percent per year, would not have been a long-range solution to the County fiscal problem. The County's ability to continue to provide the present service level at greatly increased cost depends on its ability to raise revenue which will grow at a sufficient rate. Revenue could be generated from its own sources or funds secured from State or Federal sources.

In considering the County's own sources of revenue, it is important to note the inadequacy of the growth rate of the property tax, the source which provides most of the revenue which the County itself generates.

Table II-D describes Multnomah County's property tax and compares property tax revenues to expenditures.

TABLE II-D

FISCAL YEAR	PROPERTY TAX		EXPENDITURE	PROPERTY TAX AS PERCENT OF EXPENDITURE
	Levy	Total Collection		
1969-70	\$22.9 million	\$23.1 million	\$44.6 million	52%
1970-71	23.7 "	23.3 "	46.8 "	50%
1971-72	25.3 "	25.8 "	54.1 "	48%
1972-73	26.8 "	27.0 "	56.0 "	48%
1973-74	28.4 "	27.8 "	61.8 "	45%
1974-75	30.1 "		72.9 "	41%
1975-76	31.9 "		77.0 "	41%
1976-77	33.8 "		84.8 "	40%
1977-78	35.8 "		93.3 "	38%
1978-79	38.0 "		102.6 "	37%
1979-80	40.6 "		112.8 "	36%

As the table indicates, the property tax has been falling slowly as a percentage of total County expenditures for the fiscal years 1969-70 through 1974-75. The percentage declines even more drastically after 1974-75 due to the acceleration of the rate of expenditures which are projected to grow at about 10 percent per year. The normal 6 percent per year growth rate in property taxes cannot keep pace with that rate of inflation.

An important dimension of any new revenue source which the County develops or is allowed by the State must be the ability of the revenue from that source to grow at a pace which keeps up with inflation.

Multnomah County needs "growth elastic" or "inflation elastic" revenue sources similar to the State's tax structure. The responsiveness of the State tax structure to inflation is cogently demonstrated by the projection of a \$165 million unexpended balance in the general fund at the end of this biennium.

It is illuminating to note what has happened to the "real" value of Multnomah County expenditures from 1969-70 to 1974-75. As has been noted, the financial problem faced by Multnomah County is inflation of cost. Cost inflation is an erosion of the purchasing power of dollars for expenditure. Table II-E shows the "real" value of County expenditures in dollars of constant purchasing power.

TABLE II-E

<u>Year</u>	<u>Expenditures</u>	
	Actual Dollars	Dollars of Constant Purchasing Power - 1969 base
1969-70	\$43.6 million	\$41.1 million
1970-71	46.8 "	41.1 "
1971-72	54.1 "	45.3 "
1972-73	56.0 "	44.2 "
1973-74	61.8 "	45.3 "
1974-75	72.1 "	44.1 "
1975-76	73.5 "	42.4 "

Examination of the column "Expenditures - Dollars of Constant Purchasing Power - 1969 base" shows that there has been essentially no real growth in County expenditures. The growth in actual dollars expenditure has been approximately enough to keep pace with inflation without expansion of the level of services other than through productivity increases. For the

years following 1974-75, the real level of expenditure remains at the 1975-76 value since all projected expenditure growth is due to inflation. From 1976-77 onward, the real value of County expenditure remains at \$42.4 million if actual expenditures increase by 10 percent per year. If actual expenditures cannot increase by 10 percent per year due to deficient resource, then the real value of County expenditures will decrease. The implication of a decreased level of service by County agencies is obvious.

As a final look at the fiscal problems Multnomah County faces in the future, it is best to return to the data presented in Table II-B. That table illustrates the measure of the fiscal problem. The 1974-75 fiscal year is the last year in which a large cash carryover is available to finance current expenditures. For 1975-76 and the years following, only "normal" automatic revenue growth takes place. Resources increase \$2.0 million between 1975-76 and 1976-77. In contrast, expenditure growth between 1975-76 and 1976-77 is \$7.8 million. The deficiency in current revenue generated is \$7.8 million minus \$2.0 million, or \$5.8 million.

Table II-F draws from the data in Table II-B to summarize and make specific the increasing resource deficiencies in the following years.

TABLE II-F

<u>Year Interval</u>	<u>Growth In</u>		<u>Resource Deficiency</u>
	<u>Resources</u>	<u>Expenditures</u>	
1975-76 to 1976-77	\$2.0 million	\$7.8 million	\$5.8 million
1976-77 to 1977-78	3.5 "	8.4 "	4.9 "
1977-78 to 1978-79	4.0 "	9.4 "	5.4 "
1978-79 to 1979-80	3.6 "	10.2 "	6.6 "

In order to wipe out the resource deficiency, Multnomah County's resource structure--taxes, fees, licenses, charges, shares, etc.--must generate between \$4.9 and \$6.6 million additional dollars each year.

Put differently, if the County is to avoid cutting service each year, imposing a new tax each year, or raising rates substantially each year, it must have a revenue structure which automatically generates approximately \$5.5 million additional revenue each year.

### III. Summary of Tax Alternatives

The following is a summary of various taxes which the Board of County Commissioners may consider as candidates for raising the additional revenue that the previous section indicates is needed. The basic criteria for selection of any of these taxes by the Board should be, first, the ability of the tax to raise substantial revenue. The tax rates which are used for illustrative purposes are in the middle range of the rates which are commonly used for each of these taxes in the local government setting. Second, the taxes which are selected should be growth responsive. The elasticity figure for each tax indicates a quantitative measure of the growth responsiveness of each tax. The meaning of those figures is explained below. Third, a tax and its rate structure should be progressive. By progressive, it is meant that lower income tax paying units pay a smaller percent of their income as tax than higher income tax paying units.

The excise taxes listed require some special comment. The variety of excise taxes which have been imposed by various levels of government is truly extraordinary in scope. Only a few are mentioned here. Insurance,

fish poundage, fishing equipment, air transport, sugar, sporting goods, matches, and musical instruments are among the items taxed by various levels of governments at various times. For local government, a critical criterion is the ability to define easily that which is being taxed so that constant litigation and expensive administrative procedures do not seriously erode the revenue from the tax. Fishing equipment and sporting goods are an example of taxable entities defined by use in large part rather than the physical content. There are also rapid changes in the items in each category, giving rise to additional difficulties.

Some potential excise taxes have the undesirable effect of discouraging people from purchasing the item taxed. A tax on insurance exemplifies this. Additionally, some taxes are extraordinarily more unpopular than taxes in general. An excise tax on sugar at the present time would cause monumental protest.

Perhaps most notably excluded from the excise tax list is alcoholic beverages and tobacco products. These taxes are preempted by the State and cannot be utilized by local governments.

Elasticity requires a more precise definition. We have indicated that it is a general measure of the growth responsiveness of the tax. As used here, elasticity is defined as the percentage increase in tax revenue divided by the percentage increase in personal income in the County--a higher value of elasticity indicates greater responsiveness. A tax that is highly responsive to growth, particularly inflation-generated growth, is necessary in the present fiscal situation. However, such a tax will also be responsive to an economic downturn. At present, it is important to realize this because the current recession is expected

# Fiscal Analysis Summary - 13

to be severe and of some duration. For example, the corporate income tax, which is the tax most responsive to economic conditions, is not projected to grow during the next fiscal year. The payroll tax, which is less responsive, has more stability and is expected to have slight growth even during the expected business recession.

## Tax Alternatives--

### Revenue Generated at Middle-Range Tax Rates

#### BUSINESS NET INCOME TAX

<u>Tax Base</u>	<u>Rate</u>	<u>Revenue</u>	<u>Elasticity</u>
\$48,600,000	1.5%	\$730,000 (\$440,000 first year)	1.5

#### COUNTY PERSONAL INCOME TAX

<u>Tax Base</u>	<u>Rate</u>	<u>Revenue</u>	
\$3,500,000,000 Total	0.25%	\$16,625,000	1.5
2,800,000,000 Residents	to	14,000,000	
700,000,000 Non-Residents	1.25%	2,625,000	

With Multnomah County Homeowners and Renters Property Tax Credit:

Total	\$5,850,000	1.5
Residents	3,225,000	
Non-Residents	2,625,000	

#### COUNTY CORPORATE INCOME TAX

<u>Tax Base</u>	<u>Rate</u>	<u>Revenue</u>	
\$430,000,000	0.5%	\$2,150,000	1.5

With apportionment allowed for business done out of County - 50%

\$1,075,000

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PAYROLL TAX

<u>Tax Base</u>	<u>Rate</u>	<u>Revenue</u>	<u>Elasticity</u>
\$3,300,000,000 Total	0.3%	\$9,900,000	0.9
2,600,000,000 Residents		7,800,000	
700,000,000 Non-Residents		2,100,000	
Some exempt payroll-- local governments, etc.	Net Revenue	\$8,800,000	

PROPERTY TAX

	<u>Revenue</u>	
Elimination of discount for prepayment	\$720,000	0.5
Interest & penalty increase to 15%	250,000	

GROSS RECEIPTS

<u>Tax Base</u>	<u>Rate</u>	<u>Revenue</u>	
\$2,800,000,000	0.1%	\$2,800,000	1.0
Excludes wholesale trade, medical, legal services			

RETAIL SALES AND SELECTED SERVICES

<u>Tax Base</u>	<u>Rate</u>	<u>Revenue</u>	
\$2,450,000,000	0.25%	\$6,125,000	1.0

EXCISE TAXES

	<u>Tax Base</u>	<u>Rate</u>	<u>Revenue</u>	<u>Elasticity</u>
<u>Restaurant Meals</u>	\$160,000,000	1%	\$1,600,000	1.0
<u>Transfer of Non-Business Trucks</u>	\$15,000,000	3%	\$450,000	0.7
<u>Transfer of Motorcycles</u>	\$4,250,000	3%	\$27,000	0.7
<u>Cameras and Film</u>	\$15,000,000	3%	\$450,000	1.0
<u>Records and Tapes</u>	\$3,500,000	3%	\$105,000	1.1
<u>Auto &amp; Truck Rentals</u>	\$57,000,000	1%	\$570,000	1.0



The rates indicated with each tax alternative represent only one choice among many possible rates or rate structures. The revenue yield can be changed with a change in tax rate. As can be noted from the rates and revenue estimates given, several of the taxes individually can provide the revenue for the County to overcome its fiscal problem for the year immediately following their adoption. As previously noted, cost inflation requires the County to be able to gain an additional \$5 to \$6 million in revenue each year. None of the taxes described here have that degree of growth elasticity. To accomplish the required growth, very heavy reliance on a personal and corporate income tax structure with rates which are far higher than feasible would be necessary. Adverse locational incentives in the tax competitive environment of local government preclude this alternative.

Tax Alternatives - Detailed Information

BUSINESS NET INCOME TAX

**Tax Base:** Net Income - \$97,200,000.  
Taxable Income - \$48,600,000.

**Tax Rate:** Minimum \$25.00.  
1.5% of taxable income.  
Taxable income is 25% net income for non-corporations generally. Specific rules for corporations.

**Revenue:** \$730,000 with tax in full effect.  
\$440,000 estimated for first year due to compliance and administrative difficulties.

**Elasticity Estimate:** 1.5 - Factors: business income sensitive to economic fluctuations.

**Problems Associated with Tax:** Apportionment of business done outside County.  
Fluctuating revenue.  
Complex to administer.

**Favorable features:** Non-general tax.

COUNTY PERSONAL INCOME TAX SUBSTITUTION FOR PROPERTY TAX

Tax Base:	\$3,500,000,000	Personal Income
(1975-76)	\$ 700,000,000	Non-residents
	\$2,800,000,000	Residents

Proposed Rate Structure - no exempt, deduct, splitting credit against property tax up to 100% of County property tax

<u>Income</u>	<u>Bracket Rate</u>	<u>Average Rate</u>
0 - 5,000	.0025	.0025
5 -10,000	.005	.00375
10 -20,000	.01	.0069
20 -30,000	.015	.0096
30,000 and over	.02	.0122

ESTIMATED REVENUE OF INCOME TAX

<u>Non-residents</u>	70,000
Average income	\$10,000
Average tax rate	.00375
Average tax	\$37.50
TOTAL REVENUE	\$2,625,000

<u>Residents</u>	250,000 returns.
Average income	\$11,200
Average tax rate	.005
Average tax	\$56.00
TOTAL REVENUE	\$14,000,000

Homeowners property tax  
maximum credit against income tax  
\$9,475,000

Renters property tax credit  
maximum credit against income tax  
\$1,300,000

Revenue from residents after credit  
\$3,225,000

TOTAL REVENUE	Non-residents and residents
	\$5,850,000

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### CORPORATE INCOME TAX

Tax Base            \$430,000,000  
(1975-76)

### RATE STRUCTURE AND REVENUE ESTIMATES

<u>Tax Rate</u>	<u>Revenue</u>
1/10 of 1%	\$ 430,000
3/10 of 1%	1,290,000
5/10 of 1%	2,150,000
3/4 of 1%	3,225,000
1%	4,300,000
1.5%	6,450,000
2.0%	8,600,000

Elasticity estimate 1.5  
factors - corporate profits highly cyclical

Problems associated with tax  
Apportionment of business done outside of  
County -- magnitude not known but base  
attrition of 50% possible  
Highly organized resistance  
No growth expected for 1975-76, possible decline  
Likely to be unstable and unpredictable revenue

Favorable features  
Tax on business, not general population

## Fiscal Analysis Summary - 19

### PAYROLL TAX

Tax Base  
(1975-76) \$3,300,000,000

#### RATE STRUCTURE AND REVENUE ESTIMATES

1/10 of 1%	\$ 3,300,000
3/10 of 1%	9,900,000
5/10 of 1%	16,500,000
3/4 of 1%	24,750,000
1%	33,000,000

Elasticity estimate 0.8 -1.0

Factors in elasticity  
only wage and salary income  
proportional rate of tax

Problems associated with tax

Payroll tax used by TRI-MET, now considering increase  
in rate

Non-taxation of other sources of income -- dividends,  
interest rents, proprietors

Possible exemption of government employees

Highly visible tax to organized group, local taxpayer-business

Favorable factors

Taxation of non-residents of County

PROPERTY TAX

Suggested revisions

Make all payments due in fiscal year for which tax is levied.

Requires change in State law.

Additional revenue \$1,900,000

Eliminate 3% discount for prepayment. Requires change in State law.

Additional revenue \$700,000

(Effective discount rate approximately 2.3% of tax levy of \$30,082,858)

Impose 15% interest and penalty

Additional revenue \$250,000

(Approximately double present revenue of \$140,000 from interest and penalties presently charged 8%. \$30,000 subtracted for incentive effect in direction of on time payment.)

Tax Base (True Cash Value)	\$6,601,803,000
(1974-75)	

Tax Rate	\$4.59/\$1,000 TCV
----------	--------------------

Tax Base	\$30,082,858
----------	--------------

Tax Revenue (latest estimate)	\$26,472,900
-------------------------------	--------------

Constitutionally limited BASE increased, 6% per year

Fiscal Analysis Summary - 21

GROSS RECEIPTS

Tax Base:	\$7,705,169,000	\$2,658,000,000
Includes:	Agriculture, Forest, Fish Contract construction Manufacturing Wholesale Retail Selected services Engineering, Architecture, Accounting	Excludes wholesale trade, financial services
Excludes:	Medical, Legal, Financial, Educational, Cultural Non-Profit	Includes estimate of medical and legal services

	<u>Rates</u>	<u>and</u>	<u>Revenue</u>
1/10 of 1%	\$	7,705,169	\$2,658,000
2/10 of 1%		15,410,338	5,316,000
3/10 of 1%		23,115,507	7,974,000

Elasticity estimate (nominal) 1.0 - 1.2

Factors in elasticity - export sales out of region, regional growth

Problems associated with tax

Wholesale Trade:

Massive base attrition: wholesale trade  
\$5,501,285,000 would switch sales offices to  
out of County

Legality: interference with interstate and inter-city  
commerce

Pyramiding of taxes on within County sales taxed at  
manufacturing, wholesale, and retail levels

Wholesale, Retail, and Services

Inflationary tax

RETAIL SALES AND SELECTED SERVICES

Tax Base                      \$2,697,000,000  
(1975-76)

includes: Retail trade: inflated from 1972 data by growth of 30%  
Selected Services - includes medical, legal; excludes  
financial, non-profit, cultural  
current estimate

RATES AND REVENUE

1/4 of 1%	\$ 6,742,000
1/2 of 1%	13,490,000
3/4 of 1%	20,230,000
1%	26,970,000
1.5%	40,460,000
2.0%	53,940,000

Elasticity estimate    0.8 - 1.2

Factors in elasticity + approximately 60% of  
household expenditures subject to tax

- : income growth
- : population growth in county
- : attrition of sales to outside of county locations

Problems associated with tax

Regressive tax

Politically unpopular

Inflationary

Minor business locational disincentive

Some business inputs taxed



## EXCISE TAXES

## Restaurant Meals

Tax Base (1974) \$157,496,000

## RATES AND REVENUE

1%	\$1,570,000
2%	3,140,000
3%	4,720,000
4%	6,300,000
5%	7,870,000

Elasticity estimate 0.8 - 1.4

## Factors in elasticity

greater than proportional growth of eating out  
than family income

Portland and Multnomah County tourist and  
convention activity growth

Some attrition to outside of county

## Problems associated with tax

Definition of RESTAURANT MEALS vs other food consumed on premises

Organized resistance expected to be strong

## Sharing with City of Portland

### Favorable factors

Approximately 1/2 of tax revenue from non-residents

### Discretionary activity

Progressive tax

### Non-Business Trucks

Tax Base	30,000 vehicles	\$15,000,000 sales yearly
		10,000 sales yearly

## RATES AND REVENUE

1%	\$150,000
2%	300,000
3%	450,000
4%	600,000
5%	750,000

Elasticity estimate 0.5 - 1.0

## Problems associated with tax

Transfer tax rather than use tax

## Favorable features

Identified as luxury expenditures or objectional population of users

# Fiscal Analysis Summary - 24

## Excise Taxes, contd

### Motorcycles

Tax Base            17,000 motorcycles       \$4,250,000 sales yearly  
                     8,500 sales yearly

RATES AND REVENUE		AD VALOREM TAX RATE	REVENUE
\$5/transfer	\$ 42,500	2%	\$ 85,000
\$10/transfer	85,000	4%	170,000
\$15/transfer	127,500	6%	255,000
\$20/transfer	170,000	8%	340,000

Elasticity estimate    0.6 - 1.0

Problems associated with tax  
NONE

Favorable factors  
Motorcycles viewed as nuisance  
Small organized resistance

### Cameras and Films

Tax Base       \$15,000,000

RATES AND REVENUE	
1%	\$ 150,000
2%	300,000
3%	450,000
5%	750,000
8%	1,200,000
10%	1,500,000

Elasticity estimate    0.8 - 1.6

Factors in elasticity  
individual expenditure elastic

Problems associated with tax  
Some business inputs taxed  
Possible attrition of base to out of county

Favorable factors  
Identified as discretionary or luxury expenditure  
Progressive tax

Fiscal Analysis Summary - 25

Excise Taxes - Continued

Records and Tapes

Tax Base     \$3,500,000

RATES AND REVENUE

2%	\$ 70,000
4%	140,000
5%	175,000
6%	210,000
10%	350,000

Elasticity estimate 0.8 - 1.4

Auto Rentals

Tax Base     \$57,000,000

RATES AND REVENUE

1%	\$ 570,000
2%	1,140,000
3%	1,710,000
4%	2,280,000
5%	2,850,000
7%	3,990,000
10%	5,700,000

Elasticity estimate 0.5 - 1.5

Factors in elasticity

Very high rate of growth recently

Problems associated with tax

Possible attrition to out of county locations

Inclusion in Base of possibly large number of

business use trucks -- no estimate available

Organized resistance

Favorable factors

Likely large portion of tax on non-residents

Luxury expenditure

Progressive tax

IV. Detailed Analysis, Fiscal Year 1975-76 and 1974-75 Comparison

This section gives detail of the major categories of expenditure and revenue of the Budget of Multnomah County. The projections for 1975-76 are based upon the latest data available for money values and information on programs and revenues. We expect the values to be revised throughout the year as more information becomes available.

The business license net income tax revenue estimate is not included in this analysis.

TABLE IV-A

## TOTAL - ALL FUNDS

<u>Expenditures</u>	<u>Budget 1974-1975</u>	<u>Estimated 1975-1976</u>
Total Personnel Services	\$38,634,912	\$42,956,832
Salaries	32,770,194	36,374,915
Fringe Benefits	5,864,718	6,581,917
FICA	1,700,059*	1,887,065
SAIF	557,100*	618,381
Medical Insurance	1,230,800*	1,415,400
Dental Insurance	468,000*	538,200
Life Insurance	103,200*	118,700
Retirement	1,805,559*	2,004,171
PERS	90,880*	100,877
Uniformed Officers	429,009*	476,200
Other Retirement Contrbts.	1,285,670*	1,427,094
Total Materials and Services	24,237,808	27,636,600
Total Capital Outlay	6,924,507	3,665,100
Other	<u>3,077,398</u>	<u>2,805,800</u>
TOTAL EXPENDITURES	<u>\$72,874,625</u>	<u>\$77,064,332</u>

\*Estimated; explanation following.

TABLE VI-A - CONTINUED

<u>Revenues</u>	<u>Revised 1974-1975</u>	<u>Estimated 1975-1976</u>
Cash Carried Over	\$11,476,000	\$ 3,774,400
Taxes	29,520,500	31,432,100
Licenses and Permits	563,000	544,000
Service Charges and Fees	4,618,000	4,660,500
Fines and Forfeitures	2,085,000	2,170,000
Grants and Shares	24,952,500	24,083,200
Miscellaneous	<u>3,434,000</u>	<u>3,205,100</u>
<b>TOTAL REVENUES</b>	<u><u>\$76,649,000</u></u>	<u><u>\$69,869,300</u></u>

## EXPENDITURES

Total Personnel Services

Total personnel service costs are projected to increase about 11 percent above the fiscal year 1974-75 level. The 11 percent increase is based upon an across-the-board wage, salary, and benefit increase of about 9.75 percent, and step increases of about 1.25 percent. The 9.75 percent increase in wage is comparable to the average for the private economy during the first nine months of 1974 for agreements covering more than 1,000 workers.

Salaries

As indicated above, the projection is based on a general across-the-board wage and salary increase of 9.75 percent.

Our analysis of the personnel expenditures in the budget shows that each one percent increase in wages for fiscal 1975-76 generates \$331,000 in additional salary costs. In addition, personnel costs which

depend on salary level increase \$42,000 for each one percent increase in wages. These costs are Federal Insurance Contribution Assessed (FICA), State Accident Insurance Fund (SAIF), and Retirement. In total, each one percent increase in wages translates into additional personnel costs in fiscal 1975-76 of \$373,000.

#### Fringe Benefits

The budget for FY 1974-75 does not disaggregate fringe benefits. Components had to be estimated. This is the best approach for projecting fringe benefits into FY 1975-76 because it allows assumptions about changes in each of the components rather than blanket assumptions about aggregated change in fringe benefits. All fringe benefits which are dependent on the wage or salary level are adjusted upward for the general 11 percent increase.

#### FICA

Federal Insurance Contribution Assessed was estimated by inflating salaries to the 1975-76 projection from previous years and adjusting the taxable base upward as called for under present FICA financing.

#### SAIF

The premium paid by the County has been reduced. The rate varies somewhat, but Fiscal Management Section advised that a rate of 1.7 percent of total salaries is a good estimate.

Insurance Benefits

Monthly insurance contributions for the latest month available were annualized and increased by 15 percent on the advice of the Fiscal Management Section.

PERS

The County makes a contribution toward retirement equal to 8.37 percent of salaries for persons eligible for Public Employees' Retirement System benefits. PERS payments were estimated as a percentage of total PERS employee salaries. PERS employees salaries in 1975-76 were determined and the contribution calculated.

Uniformed Officers

The County makes a contribution towards uniformed officers' retirement equal to 8.8 percent of their salaries. Salaries were projected in FY 1975-76 using the expansion factor for salaries of 11 percent described above. The retirement payments for FY 1975-76 were obtained as 8.8 percent of the projected salaries.

Other Retirement Contributions

The FY 1974-75 estimate was obtained by subtracting the FY 1974-75 estimates of FICA, SAIF, medical insurance, dental insurance, life insurance, PERS, and uniformed officers' retirement payments from the total fringe benefits budgeted for FY 1974-75. The projection into FY 1975-76 was estimated by applying the expansion factor for salaries of 11 percent described above to the estimated other retirement contributions for FY 1974-75.

Unemployment Insurance

This fringe benefit is not shown explicitly because it appears in the FY 1974-75 budget as an appropriation for materials and services. The projected figure for FY 1975-76 is also in the materials and services expenditures and is \$116,100. This would allow payment of the current maximum benefit (\$88 for 26 weeks) to 2.0 percent of the 2,534 full-time positions in the budget for FY 1974-75.

Total Materials and Services

This represents expenditures for materials and services not provided by agencies within the County government. The figure for FY 1974-75 is the appropriation for materials and services shown on Page 33 of the Budget (\$28,150,864) net of those provided by the Building Management Section, the Motor Pool Section, and Central Stores, shown on Page 33 of the Budget as Working Capital Fund Service Reimbursements (\$3,912,876). The estimate for FY 1975-76 was obtained after some disaggregation. The \$2.5 million payment to the State for Multnomah Hospital was projected into FY 1975-76 without being inflated. The \$1,000,000 Unfunded Liability for Retirement on Page 49 of the Budget was increased to \$1,060,000 for FY 1975-76. The remaining FY 1974-75 appropriations for materials and services were increased by 16.1 percent for FY 1975-76. The increase is the FY 1973-74 rate of inflation of goods and services purchased by all state and local governments from the private sector. It was derived from data in the National Income and Product Accounts and conceptually equal to the implicit price deflator for state and local purchases of goods and services.



Total Capital Outlay

The figure for FY 1974-75 is taken from Page 33 of the Budget. A number of the budgeted projects will be completed before FY 1975-76. They were deleted before projecting FY 1974-75 capital spending into FY 1975-76. The deleted projects were the air conditioning and elevator work at the Courthouse, two new building purchases, remodeling for the Hoyt Hotel, the Vance Pit restoration project, the improvement project at Inverness Plant, and the acquisition of new equipment by DPA. Another adjustment was made by reducing the appropriation for acquisition of Glendoveer from \$1,000,000 to \$600,000. The remainder was projected to FY 1975-76 by inflating it 10.0 percent. This inflation factor is not entirely arbitrary; during 1973, highway and street construction costs rose 10.3 percent, and public building construction costs rose 9.5 percent. Projection of capital expenditures is the most difficult task as these are major policy decision of the Board of County Commissioners.

Other

This includes contingency fund balances, appropriations for the debt fund, and loans to service districts out of the Road Fund and the Sewage Facilities Fund. Adjustments were made as appropriate on the basis for present payment schedules, ending of liabilities, and cost inflation.

Total Expenditures

The figure for FY 1974-75 is equal to the "Total Cash" on Page 33 of the Budget (\$73,307,550) with certain transfers and unappropriated balances deleted.

## REVENUES

The revenue projections are derived primarily from the revised estimates of revenue for FY 1974-75. Unless there was a clear trend identifiable or there was information about major changes occurring in FY 1975-76, the revised revenue estimates for FY 1974-75 were carried without change into FY 1975-76. The main exception to this rule was for programs funded through the Federal/State Program Fund. For these programs, the only revenues projected for FY 1975-76 were those deriving from programs already committed. This process yielded the revenue estimates for FY 1975-76 of \$69,869,300. Total cash carried over was revised down to \$3,774,400 from \$3,787,000 on the basis of the revenue and expenditure totals for FY 1974-75 shown in the table at the beginning of this section.

Tax revenues for the General Fund were re-estimated following the procedure for revenue estimates for FY 1974-75. The property tax base for FY 1975-76 will be \$31,887,800. Payments by the four major utilities were separately analyzed. Discounts and delinquencies were estimated. Current and prior years collections, interest and penalties were estimated. The revenue from the hotel-motel tax was projected based on the 1974-75 revision.

Grants and shared revenues for the General Fund were adjusted up by \$300,000 to include payment for administration of grant programs, an addition which had not been counted in the original projections of FY 1975-76 revenues.

The total effect of these adjustments is to reduce projected FY 1975-76 revenues from \$70,354,000 down to \$69,869,300.

V. Conclusion

The recurrent fiscal crisis which Multnomah County has now faced twice in the 1970s is the result of a revenue-producing structure which cannot keep pace with inflation. The rate of increase in the costs of personnel, material, and services which the County purchases has far exceeded the ability to finance these from its own resources. In 1973-74, the County's problem was temporarily solved by Federal revenue sharing. The fiscal crisis is again at hand.

If the County is to be able to plan effectively and manage its own budget, it will require new revenue sources. These may be new taxes levied at the local level or an unconditionally assured share of State revenue. Our analysis is pessimistic concerning the ability of Multnomah County to solve its own fiscal problem with its limited powers, revenue-raising capacity, and competition position vis a vis neighboring governments. It is our conclusion that the superior capacity of the State government for revenue raising must be called for. The extent to which this effort will be successful is not known.

ANALYSIS OF COUNTY FEES/CHARGES/LICENSES/PERMITS

Multnomah County  
November 29, 1974

## ANALYSIS OF COUNTY FEES/CHARGES/LICENSES/PERMITS

### Introduction

There has not been a systematic or comprehensive review of fees and charges for services provided by Multnomah County since 1970. The Program Objectives Productivity System (POPS) staff is currently conducting such a study on a department-by-department basis and a final report will be available later this month. While reliance on fees and charges as a source of revenue varies widely from department to department, a change in revenue strategy calling for an adjustment of fee schedules to cover the costs of specific services would likely have the greatest impact in the Department of Environmental Services and the Department of Human Services.

Procedural requirements for implementing changes in fees and charges vary widely. In many instances, fee revisions can be accomplished rather simply by departmental action or by Board Order. In other instances, it can be accomplished by amendment to existing ordinances. In still other instances, new ordinances need to be adopted by the Board. Moving beyond Multnomah County, fees or charges for a number of important services are set by the State Legislature.

Revenues derived from service charges, fees, licenses, and permits in the last few years are summarized on the following page.

It is apparent that fees and charges have rather consistently accounted for approximately 8% of County revenues in the past and can be expected to continue to generate revenues at about that rate in the future unless the Board adopts new policies relative to fees and charges. Even more significant, revenues attributed to fees and charges are rapidly falling behind the annual increase in expenditures for County services.

REVENUES  
(minus cash carryovers)

	Actual 1973-74	Budget 1974-75	Revised 1974-75	Estimated 1975-76
		.4%	.4%	
Fees/Service Charges/ Licenses/Permits	\$ 5,160,047(8%)	\$ 5,116,653(8%)	\$ 5,181,000(8%)	\$ 5,204,500(8%)
All Other Revenues	58,392,290	58,945,705	59,992,000	60,890,400
Total Revenues	<u>\$63,552,337</u>	<u>\$64,062,358</u>	<u>\$65,173,000</u>	<u>\$66,094,900</u>

While the above table includes only a general summary, it should be noted that the amount of revenue generated by any single charge or fee is relatively small when compared to total County revenues. At one end of the continuum, patient care charges at Edgefield Manor (mostly state transfers) yield approximately \$900,000 in revenue annually. (Even in this instance, however, the County will need to subsidize patient care at Edgefield by approximately \$650,000 during FY 1974-75). At the other end of the continuum, the County currently receives no revenues for a number of services where charges, fees, or permits would be appropriate.

In sum, the foregoing analysis suggests that any significant change in the proportion of County revenues derived from fees and charges will be realized only if the Board has an opportunity to study and revise existing or proposed fee schedules for a wide range of County services. Preliminary analysis has already identified areas in which almost \$700,000 in new revenues could be obtained by Board action.

#### Possible Board Actions

Except in cases specifically noted by Ordinance, the Board, at the present time, does not have a County-wide policy governing service charges and fees. The Board should consider a number of strategy alternatives which would have a significant revenue impact.

1. Wherever practical and feasible, Board policy should require that existing fee and service charge schedules be adjusted to cover direct and indirect costs.
2. The Board should direct staff to review all County services and programs where no fees or charges are presently collected to determine whether fees or charges for such services/programs would be appropriate, and at what level. (While all services would be reviewed, particular attention would be directed to those services where fee schedules could be established by Board or department action.)

Recognizing that fees and charges for some services provided by the County are established by the State Legislature, the Office of Inter-Governmental Relations, as part of the preparations for the upcoming legislative session, should work with staff in coordinating the preparation of a legislative strategy document which would:

- a) seek adjustments in existing fee schedule so that resultant revenues would more nearly cover the costs of selected services; and
  - b) promote legislation which would give counties greater latitude in establishing fee schedules for selected services.
4. Board policy should direct the appropriate management unit to conduct a systematic annual review of all fee and service charge schedules and submit recommended adjustments to the Board for discussion and action prior to the annual budgeting process.
  5. The appropriate management unit should be directed to prepare a fee and charge package for Board consideration which would increase revenues at least 25% (\$1,300,000) above 1975-76 estimates for this revenue source.



	<u>Current Fee/Charge</u>	<u>Proposed Fee/Charge</u>	<u>Net Increase in Revenues</u>	<u>Action Required</u>
DEPARTMENT OF ENVIRONMENTAL SERVICES (review and analysis complete)				
<u>Sanitation</u>				
Plumbing Code Permits	\$2-40	\$3-50	\$ 24,400	Amend. Ord. 67
Plumbers' Licenses	\$15-25	\$25-100	15,900	" " "
FHA Plan Review Permits	\$10.00	\$25.00	6,800	Board Order
<u>Animal Control</u>				
Dog Licenses	\$5.00	\$7.50	100,000	Revise Ord.
Pound Fees	\$1.25	\$2.00	15,000	" "
<u>Insect and Rodent Control</u>				
Elm Leaf Beetle	0	\$5.00/tree	14,500	Board Order
<u>Land Use Planning</u>				
Zone Check Fee	0	\$120	24,500	Board Order
Zoning Inspection Fee	0	\$20/inspec.	12,000	" "
Hearing Reschedule Fee	0	\$100/case	3,000	" "
<u>Parks and Memorials</u>				
Blue Lake Rec. Ctr.	\$.25/person	{ \$.65 adults .35 children .50/car \$1/night (sliding scale)	5,500	Board Order
Parking (Blue Lake)	0\		5,000	" "
Camping Fees (Oxbow)	0		4,000	" "
Picnic Shelter Res.	0		15,000	" "
<u>Public Works</u>				
Right-of-Way Permits	(various)	(various)	50,000	Board Order
Permit Streets	Hrly. Charge	Cost	60,000	Department
Filing Fee (St. vacation)	0	\$250	5,000	Board Order
Road Widening (permit)	0	Hrly. cost	150,000	" "
Subdivision Plan Review	0	Hrly. cost	40,000	" "
Culvert Installation	0	Cost	10,000	" "
			<hr/> \$560,000	

<u>Current Fee/Charge</u>	<u>Proposed Fee/Charge</u>	<u>Net Increase in Revenues</u>	<u>Action Required</u>
-------------------------------	--------------------------------	-------------------------------------	----------------------------

DEPARTMENT OF ADMINISTRATIVE SERVICES (review and analysis underway)

(At this point, no services have been identified where Board action to adjust fees or charges would yield a significant increase in revenues.)

DEPARTMENT OF JUSTICE SERVICES (review and analysis underway)

Courts Processing

Legal blanks/forms	0	\$.15 ea.	\$ 21,000	Board Order
Writs of attachment/ execution, notes of garnishment, filing and recording, etc.	0	\$1.00-2.00 ea.	22,600	Board Order
Alimony handling fees	\$1-3 sliding scale	\$1-4 step increase scale	50,000	Board Order

District Attorney

Copies of Police Reports	0	\$5.00 ea.	<u>12,500</u>	Board Order
			\$106,100	

DEPARTMENT OF HUMAN SERVICES (review and analysis underway)

Public Guardian Section

Initial Conservation Fee	0	2-2.5% of total assets	} \$ 9,000	Board Order
Annual Conservation Fee	0	.5 of total cash		Board Order

Medical Care Section

Foreign Travel Immunization	5	\$10	<u>16,000</u>	Board Order
			\$ 25,000	

GRAND TOTAL			\$691,200	
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Consultants to Decision-Makers

Information/Planning/Analysis

107 N.W. 5th Avenue Portland, Oregon 97209

503/226-3976

**Yaden/Associates, Inc.**

\* \* \* \* \*

MAJOR FISCAL IMPLICATIONS OF PUBLIC ATTITUDES

TOWARD MULTNOMAH COUNTY GOVERNMENT

REVENUE AND SERVICES:

Conclusions from a Survey of

Multnomah County Voters

\* \* \* \* \*

NOVEMBER 26, 1974

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## INTRODUCTION

This is a report of the major fiscal implications for Multnomah County resulting from existing attitudes of voters toward the County government, its revenue sources, and the services it provides to the public. The purpose of this report is to examine public opinion as if the County's voting constituency were a person rather than to analyze differences among groups. It is a study of the direction of public attitudes on various issues rather than a study of the distribution of opinion among groups (male, female; young, old; low income, high income; etc.) within the community.

The specific objectives of this study are to assess the following:

- \* Level of public awareness of County activities and basic public attitudes toward County government
- \* Public beliefs and attitudes regarding County revenue and funding
- \* Attitudes toward alternative solutions to revenue shortages
- \* Relative preferences among services when costs are specified as less, the same, or more taxes

Overall, we have tried to assess public support for funding of County programs and relative public demands for various services, as well as public preference among alternative County actions to deal with the current shortage of revenue required to maintain services at existing levels during the next fiscal year. In essence,

we tried to pose for the public the same issues facing the County Commissioners.

However, the public does not possess the same level of information available to County officials. Thus, in asking people about cutting service levels or increasing taxes, we are really measuring public willingness to support various services at whatever level the public currently believes them to exist. The answers are more a reflection of the relative value to the public of various programs than a statement of desired cuts and increases based upon full information of what those programs currently provide.

Officials are in a position to reconcile total revenue with total service expenditures. However, there is no currently feasible way to have the public make all the choices officials need to make within the context of a balanced budget. The best we can attain, and what we have attained in this survey, is a public willingness to either increase or decrease programs at either an increase or a savings in taxes.

Having citizens play the role of County Commissioner is an ideal. Only when a group of people share the same basic facts and information do expressed choices truly reflect preferences and values rather than differing levels of information and misinformation. (This is the theory behind the jury trial.)

We are limited, however, in controlling information levels. First, no local government is able to precisely

specify unit costs associated with various programs, nor to compare the trade-offs among all programs. Secondly, public opinion research currently lacks the tools necessary to provide valid and reliable preference estimates among a set of public programs with costs and benefits specified; information overload diminishes the capacity of most people to deal with the full set of decisions comprising the budgeting process. Part of the reason for an incremental budget is the inability of even the government to assimilate and relate all the information which a comprehensive set of "rational" choices would require.

Thus, we are unable to specify how much more library service is desired in relation to police protection. The best we can say is that it is more, the same, or less. Moreover, we cannot compare all programs with each other. We settle for making the choice between more or less services in relation to taxes.

In sum, this report presents guidelines which establish the order of public preferences--between taxes and services, and between various services--but not the magnitude of preferences. It accepts the levels of information that exist among the populace, and recognizes that preferences may be based on erroneous information. The latter condition is realistic in the sense that elections take place without perfect or equal information among voters. While realistic, it falls short of the ideal of allowing us to know what choices the public would make if placed in the position of the government officials.

Overall, the data in this study should be read as indicators of support for the County and its activities rather than demands, in the economic sense, for services. Support is more generalized than demand in this sense and does not connote "need." Demand for services is best measured where some pricing scheme relates costs to service provision; this exists only for certain services for which a fee is charged and for which a substitute exists.

Treating public opinion about government programs as demands presumes that people have more accurate information about service levels and costs than is warranted, based on most public opinion research. Treating it as an indication of support, on the other hand, allows for the expression of values regardless of levels of information.

This somewhat esoteric point is not necessary to evaluation by the County of the results reported herein. It is merely a caution that what the public wants, as presented here, is not necessarily what the public wants in the way of services under market conditions where people would be free to directly purchase services at clearly specified costs. The concept of support for the County, as used here, incorporates the indivisible and redistributational aspects of many government activities; it partially expresses the willingness of people to support programs from which they receive little or no direct benefit.

The political substitute for economic demand for



services is presentation by groups of verbal requests for service. Demands, in this way, are specific, while support is diffuse.

### Method of the Study

The narrative and tables in this report are results of in-home interviews with a sample of 296 registered Multnomah County voters. All interviews used a carefully constructed and pre-tested questionnaire involving both structured-answer questions and free-answer questions. Interviewing took place between October 16th and November 11th, 1974.

The sample is a systematic random selection of individuals from the voter registration lists of Multnomah County. As such it is a nearly pure probability sample, yielding the lowest possible error margin for its size. In 95 cases out of 100, a sample of this size and type will give results which are within 6 percent of the true value which would be found by conducting a complete census of the population from which the sample is drawn.

A more detailed explanation of the method and sampling results is found in Appendix B.

The questionnaire is included at Appendix A, with the frequencies and percentages of responses to each question. In the narrative, reference will be made to the data in Appendix A rather than duplicating it in the body of the report.

## S U M M A R Y

1. Multnomah County faces a constituency divided roughly as follows:

35% generally supportive of the County

45% conditionally or latently supportive

20% non-supportive of the County.

These are rough estimates, but it is clear that the County is generally supported without question by a minority. A majority of people are either unsure or likely to raise questions about what the County is doing before giving support. Ultimate support is measured by willingness to pay the costs of government through self-imposed taxes, though support for specific County programs is higher than willingness to pay would indicate.

Generalized support is measured by awareness of what the County provides to the public, rating of the County's performance, recognition of the fiscal capacity of the County to perform its activities, and willingness to entertain new sources of revenue or increased taxation to support County activities.

2. Visibility of County activities among the public is low. Three-fifths of the sample was unable to identify more than two activities of the County government.
3. There is a strong public mandate to hold the line on both taxes and delivery of services. There is a strong commitment to the status quo on both the revenue side and the service side.
4. There is no tax revolt. There is no clear demand to reduce the level of local taxes, even though there is a strong minority desiring this. A bare majority says that present tax levels are either about right or not high enough, considering what local government provides in the way of services. Given the option of using additional County

revenue to either reduce the level of property taxes or increase public services (human services, police protection, parks and recreation), one-third favored a tax reduction and two-thirds favored an increase in services.

5. However, there is strong resistance to new taxes or increased levels of taxation. Only a minority, albeit a surprisingly large one, believes the County has inadequate revenue to "meet the real needs of the community." Moreover, the public is united in believing that public officials have a tendency to ask for more money than is needed, and that newly imposed taxes are bound to go up once imposed.
6. On the other side of the status quo, the public is not willing to have the County cut back on services it provides. When asked for ideas about what the County should do when revenues fall short of meeting needs, less than one-fifth of the sample volunteered that the government should cut back on services. On a forced choice between cutting service levels or asking for new taxes, the public was just about split. Among those who favored cutting services, however, many felt that services would not actually need to be cut, given better management of the County. Among a range of seven different actions the County could take in a situation of a revenue shortage, cutting services ranked low. Finally, among 26 specific County programs, the public favored an actual reduction in only 8.
7. The public tends to reject either cutting services or increasing revenues as the best solution to the current budget problem. A plurality believes that improved management can squeeze enough from existing revenues to maintain services at existing levels. The primary thrust of volunteered solutions to the budget shortfall rank as follows:
  1. Improve internal management and efficiency
  2. Find new revenue sources or raise taxes
  3. Cut services

The priorities of the public among specific actions open to the County emerge as follows:

1. Create special excise taxes
  2. Seek greater revenue from the State for State-mandated County programs
  3. Cut the number of County employees
  4. Use direct service charges as much as possible
  5. Cut all services by the same amount
  6. Increase the property tax
  7. Cut programs for groups with special needs, such as the poor or the elderly
8. Less than a majority currently favors any of the suggested tax measures. Moreover, a property tax relief feature added to the various proposals does not significantly increase support, except for the sales tax. Among the suggested tax measures, the following ranking emerges, with the percentage in favor shown in parentheses; except for the property tax measures, all involve a property tax relief feature as part of the tax:
- (40%) 1. Increase in State income tax, with the additional revenue to be given to local governments
  - (39%) 2. Local sales tax, with food and drugs exempt
  - (35%) 3. One-year special property tax levy of \$6 million
  - (32%) 4. Local income tax
  - (32%) 5. Increase in property tax base of \$6 million
9. Overall there is greatest relative public support for maintaining specific social services, especially health services, less support for criminal justice services, and least support for environmental services.

1. MULTNOMAH COUNTY AND ITS CONSTITUENTS: BASIC RELATIONSHIP

1.1 Support and Non-Support of the County

As indicated in the Introduction, because of the difficulty of specifying public "demands" upon County government, we have focused on public "support," which is a more generalized measure of the degree of public satisfaction with the direction and performance of County policy. This recognizes that the County has fairly wide latitude within which to set policy.

It also shifts our attention from setting up a shopping list of priority "needs" to examining the conditions under which public support waxes and wanes. We find that a substantial and critical portion of the total public support for the County is conditional and latent; willingness of a majority to support, or approve, County actions depends upon certain conditions.

In crude form we are able to identify three basic divisions (segments) among the total County Constituency:

	<u>Approximate Percentage of County Constituency</u>
<u>Support:</u>	
A segment of generalized support, which is consistent and unconditional	30-35%
<u>Conditional Support:</u>	
A plurality tending to support the County, but hesitant until certain conditions are met	40-50%
Generally and consistently a minority resistant to County actions (Non- Support)	20-25%

This division shows expected long-range support as measured by acceptance of responsibility for financing of County services. The crucial bloc of Conditional Support takes refuge in wanting more information or saying, "I agree if...." Without fairly large shifts in the current patterns, which are unlikely to occur spontaneously, the County can rely on a base of secure generalized support that will be less than a majority.

Chart 1.1 shows the distribution of support for the County using a variety of indicators. An approximate, conservative averaging was done to locate the points which partition the electorate into three levels of support. The cut-off points are of course somewhat arbitrary; we have chosen those that seem most applicable to the overall reliable knowledge and support for the County.

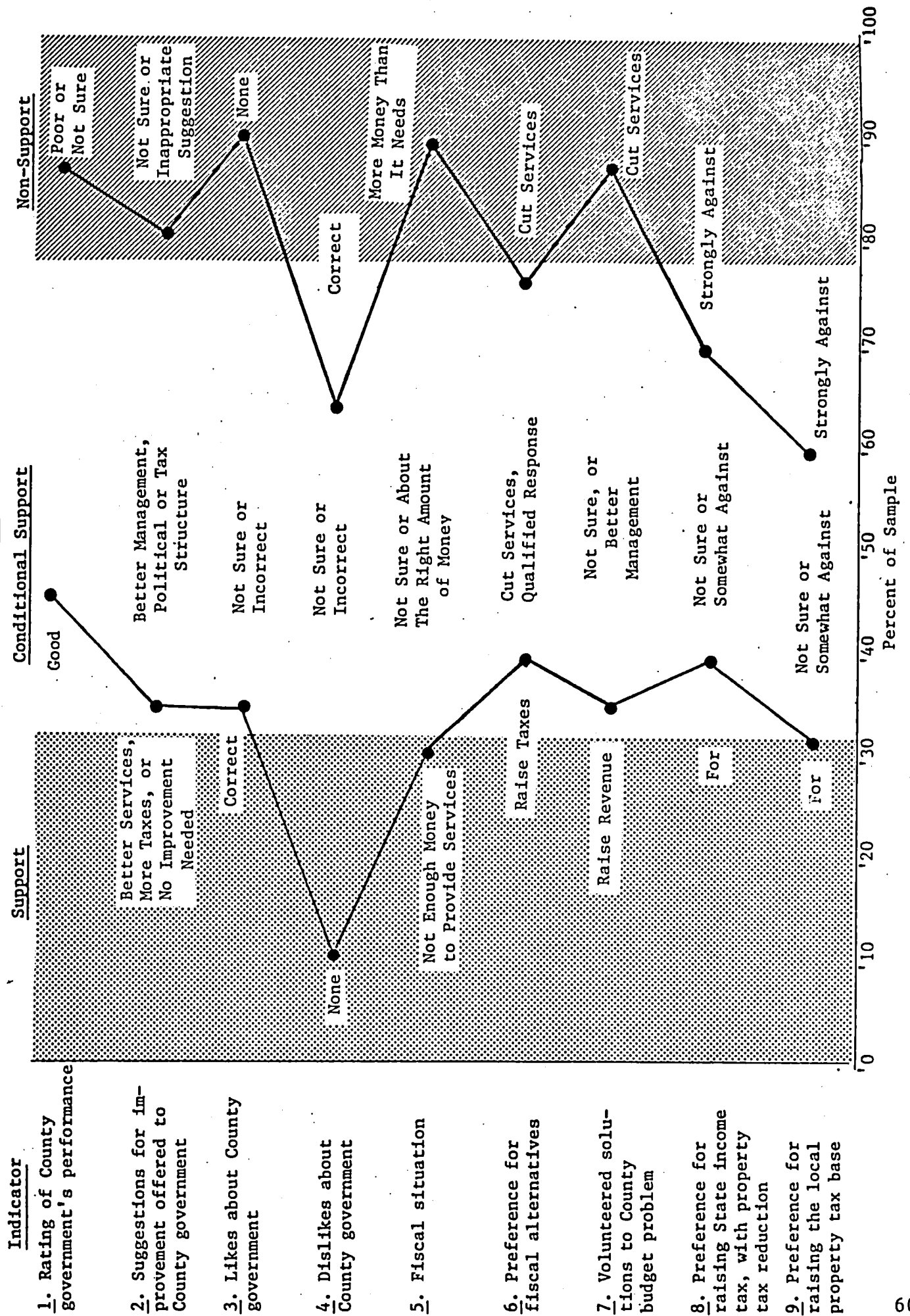
The meaning of individual indicators will be discussed in more detail in the following pages. Attention now should be focused on the broad middle area in Chart 1.1. It is this area which represents latent support of the County necessary to create majorities.

The most significant characteristic of this latent support is that it floats between support and opposition<sup>1</sup>

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<sup>1</sup>Actually, "non-support" is more descriptive than "opposition." Latent support largely means that judgement is withheld pending some change in the environment or information available to people. Only where people are required to make an "approve-disapprove" decision, as in a referendum, does the support-opposition dichotomy materialize.

Chart 1.1 Support Levels of County Government



according to the issue and situation. It is less consistent in the direction of its reactions to the County and less intense than the two more extreme regions. Conversely, it is more subject to change from gaining new information, and from shifting circumstances.

The size of this broad band of latent support indicates, in one sense, the latitude within which the County's performance can affect majority approval or disapproval.

One key factor is the level and quality of information people hold about the County.

#### 1.2 Levels of Information and Knowledge About the County

Just as we divided the electorate into segments according to levels of general support, we divided it according to levels of information held about the County. Again, this division is somewhat arbitrary. Chart 1.2 portrays some of the indicators of levels of information, and the distribution of the electorate on them.

Generally, there are small portions of the constituency which exhibit either high or low levels of awareness, with a very broad band of people having moderate awareness. Roughly, we divide the electorate as follows:

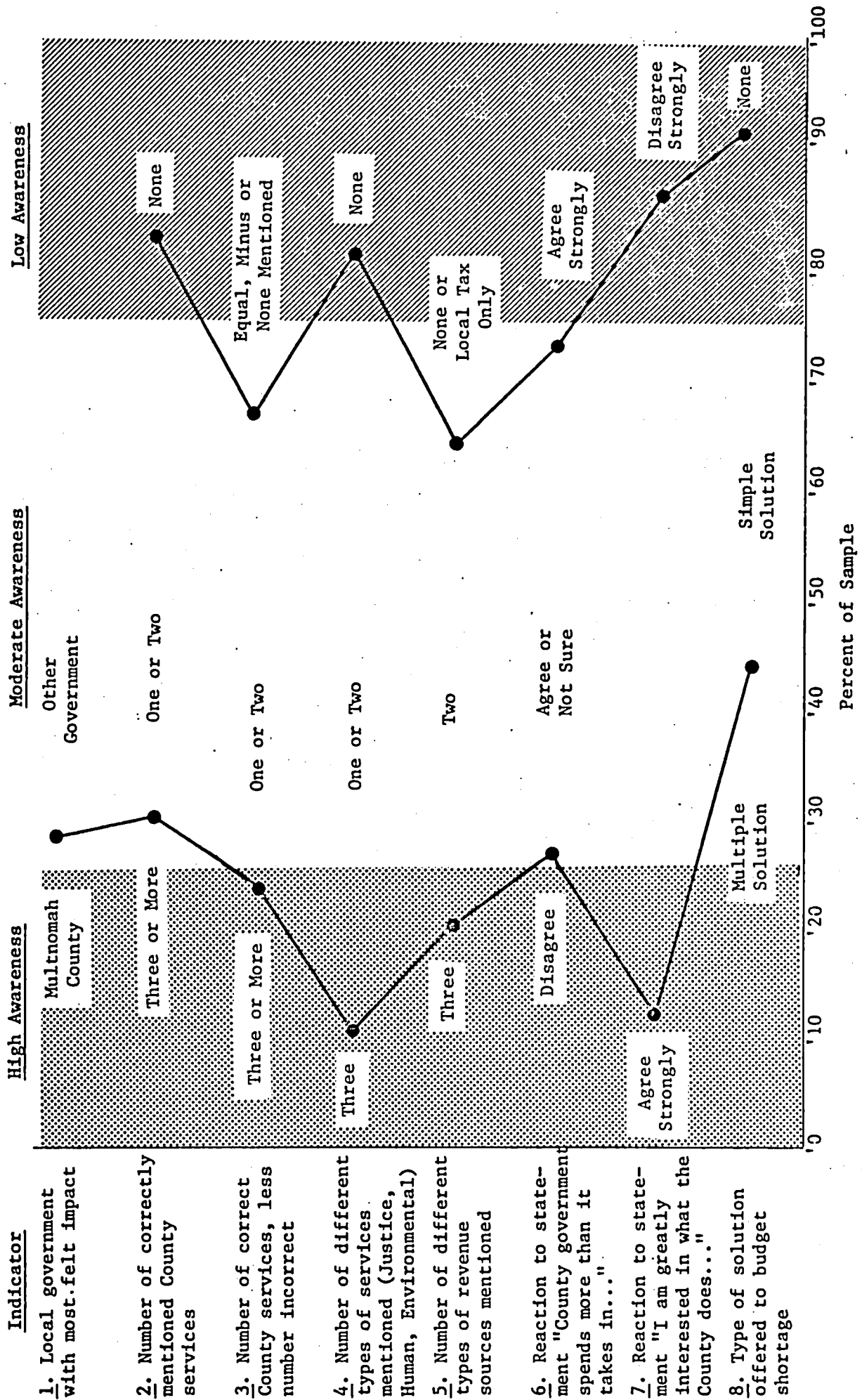
##### High awareness:

25%

Single the County out as the local government with most impact and are able to name more than two services and revenue sources of the County



Chart 1.2 Levels of Awareness of Multnomah County



<u>Moderate awareness:</u>	50%
Able to correctly name one or two services or revenue sources and having some interest in what the County does	
<u>Low awareness:</u>	25%
Generally incorrect or uninformed about County services or revenue	

### 1.3 Visibility of County Activities

It is striking that 70 percent of the sample could name no more than two activities or services of Multnomah County government, and that 17 percent could not name correctly even one County activity. In contrast, just 4 percent of the sample was unable to name anything that any "local government" does; 75 percent named three or more activities of local governments.

Ten times as many people were able to name five or more local government activities as were able to name five or more County activities. (See items 2 and 2a in Appendix A.)

Fully half the sample volunteered at least one activity in which the County does not engage. Moreover, one-third of the sample was unable to mention more correct than incorrect activities. (Item 2, Appendix A.)

When the activities of the County mentioned in the interviewing are coded into the four departments of the County, we can see which are most visible. Up to five separate items were coded. Based on total number of

mentions, Environmental Services if first, with Human Services,<sup>2</sup> Justice Services and Administrative Services following in order.

Not only is the overall visibility of the County quite low, the range of activities individual people are able to identify is small. More than half the sample was unable to name activities of more than one department. Just 12 percent could name an activity in all three service departments (Justice, Environmental, Human).

As a final indication of the low visibility of the County, we note that less than half the sample named a County activity in the Justice Services field, while three-fourths were able to name a local government activity in the field of criminal justice. More people were able to name "streets and roads" as a local government activity than were able to name any County activity in the Environmental Services area.

Human services is somewhat unique. As the following table shows, fewer people in the total sample were able to name at least one County activity pertaining to Human Services, yet Human Service activities received more total mentions than did Justice Services. Those who could name a Human Service activity generally could name more than one. In essence, Human Services has a smaller constituency of awareness, but it tends to be better informed about activities in that area.

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<sup>2</sup>Human Services includes libraries for our analysis. If Libraries are excluded, Human Services follows Justice Services in total mentions.

Table 1.1      Comparison of Relative Visibility to  
the Public of County Departmental Services

<u>Department:</u>	<u>Percent of Sample Naming at Least One Activity</u>	<u>Total Mentions, % of Sample</u>	<u>Average Number of Different Activities Named by Each Person</u>
Environmental Services .....	50.9%	69.3%	1.36
Justice Services .....	50.0%	52.7%	1.05
Human Services .....	38.5%	59.5%	1.55

#### 1.4 Awareness of County Revenue Sources

Nearly everyone knows about the property tax. In fact, people are generally more aware of revenue sources of the County than they are of services it provides. Eighty-five percent of the sample volunteered the property tax as one revenue source, a greater percentage than could name any group of services. Compared to the extent of County revenue received from various sources, there is a disproportionate public spotlight on property taxes.

Other individual revenue sources were mentioned by less than one-fourth of the sample, but half of the sample recognized that the County shares in the taxes collected by other levels of government. (See item 9, Appendix A.)

While the public has at least a moderate awareness

of County revenue sources, its overall knowledge about County finances is probably not very sophisticated. Despite the prohibition against deficit financing, two-thirds of the sample agreed with the statement that: "County government spends more than it takes in too much of the time to suit me." (See item 24b, Appendix A.)

### 1.5 Evaluation of the County's Performance

How people evaluate the performance of the County is very much dependent upon the depth and range of information they have about County activities. It is not surprising, then, to find that people are generally cautious in expressing an overall evaluation. Just 5 percent rate the County's performance as "excellent," and 9 percent as "poor;" 80 percent rate it either "good" or "fair." (See item 4, Appendix A.)

On balance, opinions about the performance of the County tend to be critical. More people rated the County "fair" or "poor" than rated it "good" or excellent." Items 6 and 7 in Appendix A show that more dislikes than likes were mentioned about recent County actions, and more people were able to cite something they dislike than could cite something they liked.

A further indication of the low visibility of the County is that less than half the sample was able to correctly name a County action they liked or disliked. In addition, in both categories, approximately one-seventh of the sample incorrectly attributed actions to the County.

### 1.6 Suggested Improvements for County Government

In view of the current squeeze on services caused by relatively inelastic revenue sources, it is significant that there were more requests for improvements in County services than for any other improvement.

The next most mentioned categories are improvements in the political and decision making style of the County and in the management and administration of the County.

There were relatively few demands for changes on the revenue side, as Table 1.2 shows. Item 5, Appendix A shows the details of the responses to this question.

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Table 1.2      "In what ways, if any, do you feel that  
Multnomah County government could be  
improved?" (Responses grouped into  
major categories)

<u>Category</u>	<u>Total Mentions, % of Sample</u>
Improve services .....	51.8%
Improve politics and manner of making decisions; improve quality of people in government .....	35.9
Improve management and efficiency; coordinate or consolidate programs .....	29.1
Reduce taxes; make cuts in salaries, programs, number of employees .....	12.2
Improve or expand revenue sources; raise taxes .....	2.0
Inappropriate responses .....	5.1
No improvements needed .....	5.7
Not sure .....	15.2

---

## 2. COMMITMENT TO STATUS QUO ON TAXES AND SERVICES

There is public resistance to either reducing or increasing taxes for local government. Equally, there is strong public support for maintaining the level of public services people now believe to exist. The public mandate is to hold the line on both taxes and services.

### 2.1 Willingness to Sustain Present Tax Levels -

While a substantial portion of the electorate would like to see tax burdens actually decreased, a majority seems to accept the present levels of taxation for local government. Several different items support this conclusion:

- \* more people believe current taxes for local government are at about the right level or too low than believe they are too high (Item 3, Appendix A)
- \* less than half the sample would require the County to cut services before it asks the people for more taxes; while 45 percent of the sample prefer to cut services, nearly half of those qualify their choice by saying that service cuts could be avoided by better management (Items 16 and 16a, Appendix A)
- \* less than one-third would use a windfall of \$10 million in new revenue for the County to cut taxes instead of increasing some services (Item 20, Appendix A)

### 2.2 Resistance to New or Increased Taxes

A later section of the report will specify the degree of the public's reluctance to accept specific new taxes

or to increase property tax rates. This section examines some of the reasons for this public resistance. Table 2.1 lists the percentage of the sample who agree with a series of statements designed to discover underlying beliefs about local government finances.

The pattern of responses indicates very clearly that local government has an ingrained tendency to seek increased tax revenue regardless of needs of the community.

---

Table 2.1      Percentage of Sample Agreeing With  
Selected Statements About Local Government Finance

<u>Item, from Appendix A</u>	<u>Percentage</u>
<u>24a.</u> Public officials always feel they need more taxes, even if they are providing all the services needed in the community .....	67.2%
<u>24b.</u> County government spends more than it takes in too much of the time to suit me .....	66.2
<u>24d.</u> Even if government needs taxes, it is wise to vote against some tax proposals just to keep officials in line .....	43.5
<u>24h.</u> We don't have as many problems as politicians say we do .....	47.0
<u>24i.</u> The quality of services I get depends directly on the amount of taxes I pay ...(% disagree) ....	59.1
<u>24j.</u> The property tax relief program in Oregon helped me greatly this year...(% disagree) .....	53.4
<u>24n.</u> The present tax system helps the rich because they pay a smaller proportion of their income for taxes than do middle or lower income people .....	79.4
<u>24p.</u> Once we get a new tax, it is bound to go up ...	86.5
<u>24q.</u> People often vote against tax measures just because they don't understand them .....	86.2

---



These responses throw light on some seeming paradoxes about public beliefs regarding taxation. A very substantial majority believes the present tax structure tends to favor the rich, yet resistance to experimenting with changes in structure is evident in the belief that new taxes, once imposed, are bound to increase. There is also an obvious suspicion that public officials seek increased tax revenue regardless of need, and, in fact, seek out "problems" which may not exist.

Perhaps the most diagnostic finding from this series of statements, is that nearly half the sample feels it is wise to vote against some tax measures which are needed, just to keep officials in line.

The overwhelming agreement that people often vote against tax measures because they do not understand them should point toward the extreme care which must be taken in presenting proposals to the people so that intent and consequences are very clearly and directly stated. It is axiomatic that people are not able to vote on the merits of proposals when the proposals are not clearly understood.

### 2.3 Support for Existing Service Levels

The public's willingness to accept present tax levels is balanced by its desire to maintain services at existing levels. For most specific services, a plurality chooses to maintain services at existing levels, even if that means a slight increase in taxes; smaller percentages would cut most specific services to hold

taxes at present levels. This, of course, does not mean that the public will vote to pay more taxes; it is more properly a reflection of the degree to which the public supports specific services. It might be that referenda on specific programs, with clearly specified tax costs would give far different results than traditional proposals to increase taxes or impose new taxes.

The general commitment to maintain existing service levels is reflected in response to several questions:

- \* In a free-response question about what the County should do in the face of a potential \$6 million budget deficit, less than one-fifth gave as the main thrust of their answer cutting programs or services (Item 10, Appendix A)
- \* In a forced-choice question between cutting services or asking for more taxes, a plurality favored cutting services, but this plurality was split between those who simply wanted to cut services and those who qualified their answer by saying service cuts could be avoided by more efficient management (Items 16 and 16a, Appendix A)
- \* Two-thirds of the sample would use a windfall of revenue for the County to increase services rather than reduce taxes (Item 20, Appendix A)
- \* Of 7 specific actions the County could take to cope with the potential budget deficit, cutting services generally and cutting specific services for groups with special needs ranked fifth and seventh (Items 18 and 19, Appendix A)
- \* When given a choice between varied service and tax levels for 26 specific County programs, our sample chose to cut taxes by reducing service levels for just 8 (Items 21a-21z, Appendix A)

### 3. SOLUTIONS TO COUNTY BUDGET DEFICIT

The public's desire to hold the line on both taxes and existing service levels seems to contain a contradiction. However, a plurality of the electorate denies that there is a simple choice between services and taxes by holding to the view that improved management and better efficiency within government could squeeze more services from each tax dollar.

Among specific actions the County could take, there is most support for increased use of specific excise taxes and for having the State pay more for services it requires the County to provide.

#### 3.1 Public Recognition of the County's Fiscal Situation

Despite the low visibility of the County and the resistance to increasing taxes, nearly one-third of the sample stated that the County "does not have enough money to meet the real needs of the community." Just 11 percent said the County has too much money. (Item 8, Appendix A)

#### 3.2 Public Suggestions for Solving the Budget Deficit

A central part of each interview was a free-response question about what the County should do in the face of a \$6 million budget deficit to keep services at existing levels, when that deficit is caused largely by inflation. (See Item 10, Appendix A for exact wording and detail of responses.)

Table 3.1 groups the responses to this question in several ways. The first array shows the primary thrust of each person's answer. The second array shows the percentage giving different combinations of solutions.

Public insistence upon more efficient management--whether realistic or not--dominates, followed by finding a way to increase revenue and then cutting services.

Table 3.1 Public Suggestions for Solving County  
Budget Deficit (coded into major categories from  
Item 10, Appendix A)

	Primary Thrust of Answer % of Sample	% of Sample Mentioning Action
<u>Action:</u>		
Improve management and efficiency .....	43%	57%
Find new revenue sources; expand revenue sources; raise taxes .....	34	44%
Cut services and programs .....	13	28%
Not sure .....	9	
	100%	
-----		
<u>Combinations of Actions:</u>		<u>% of Sample</u>
Improve management only .....		26%
Raise new revenue only .....		23
Cut services only .....		6
Improve management and raise revenue .....		13
Improve management and cut services .....		14
Raise revenue and cut services .....		4
All three .....		4
Not sure .....		9
		100%

### 3.3 Public Preferences Among Specific County Actions to Solve the Budget Deficit

The sample was given seven specific actions the County might take to alleviate the budget deficit. The full wording and response pattern should be examined at Items 18 and 19, Appendix A.

The order of public preferences among these actions is as follows (actions re-worded):

1. Create special excise taxes
2. Get the State to pay more from State taxes for locally-mandated services
3. Cut the number of County employees even if that might reduce services
4. Use direct service charges as much as possible for County services
5. Cut the level of all County services by 10%
6. Increase property taxes
7. Cut programs for which we all pay but which help only those with special needs

None of these proposals even approaches being the choice of a majority, but the use of excise taxes is the clear leader. On balance, all but the last two items are rated as at least "fair" ideas.

### 3.4 Selected County Actions to Improve Efficiency

We asked people to tell us whether they felt specific proposals were "good" ideas or "poor" ideas for making local government more efficient. Of 6 proposals, 4 were rated as good, and 2 as poor ideas. (Item 22, Appendix A)

The order in which the public feels these proposals to be good ideas follows:

	<u>% Rating Idea "Good"</u>
1. Keep salaries equal to private industry to attract good people .....	72.6%
2. Purchase and remodel old buildings for County offices rather than renting .....	60.5%
3. Make use of computers instead of clerical workers for routine tasks and record keeping .....	52.0%
4. Cut down on number of County employees .....	52.0%
5. Replace old equipment, such as cars, in order to cut down on maintenance expenses .....	37.8%
6. Increase amount of budget spent on planning and research .....	28.4%

### 3.5 Regionalizing Selected County Activities

With one exception, there is a fairly close split among the public on whether it is best to keep certain services at the local government level or to regionalize the services. There is strong support for having a regional agency handle large parks and recreation facilities. The public is ambivalent about water and sewer facilities, solid waste disposal, and the zoo. (See Item 23, Appendix A)

#### 4. PUBLIC ATTITUDES TOWARD SELECTED TAX SOURCES OF COUNTY REVENUE

Items 11 through 15a in Appendix A show the public's response to specific proposals for generating new revenue for the County from various taxes. They should be closely examined.

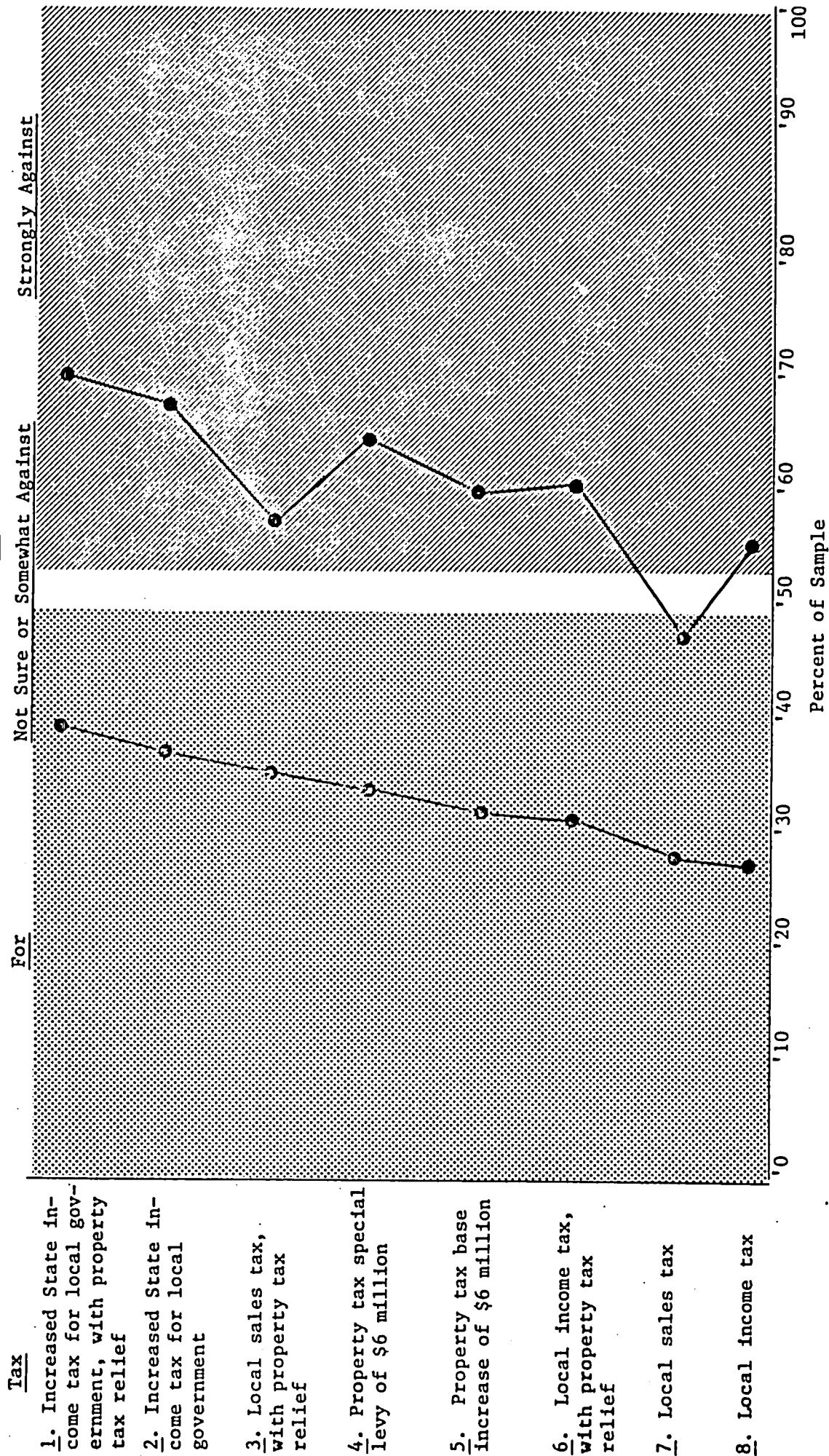
It is clear that a majority is presently opposed to each of the various proposals at this time.

It is also clear that adding a property tax relief feature to new types of taxes adds little support, except for the local sales tax.

An increase in State income taxes with the additional revenue to be used by local government is the clear preference among the alternatives posed.

Chart 4.1 is a summary of public attitudes toward these various tax proposals. For purposes of presentation, we have divided the electorate into three groups: those for each proposal; those not sure or somewhat against each proposal; and those strongly against each proposal. We have put those "somewhat against" each proposal in the middle and treated those "somewhat for" as being firmly for each on the grounds that these proposals were presented "cold" to the sample with no discussion of how the money would be used. This does not mean that a portion of those who are "somewhat for" each proposal might not shift toward opposition.

Chart 4.1 Public Attitudes Toward Selected Taxes





The public is split in its preference for type of tax. Less than a majority chooses one best type from among an increase in property taxes, a local sales tax, or a local income tax. (See Items 17, 17a and 17b, Appendix B)

## 5. PUBLIC SUPPORT FOR SPECIFIC COUNTY PROGRAMS

Item 21 in Appendix A should be examined for public support of specific County programs. We summarize here only the extremes--programs most supported and least supported.

Of the 26 programs listed, the public would cut the level of service for the following 8:

- Building new county roads
- Maintaining and running regional parks
- Maintaining and running neighborhood parks
- Programs to train County employees
- Animal control programs
- Land use planning and control of development
- Decentralizing County services
- Maintaining County roads

The programs with the greatest support are:

- Visits by public health nurses to elderly, the handicapped and poor
- Controlling contagious diseases with vaccination programs and health inspections
- Nursing homes for the elderly
- Providing financial help for private health care to those not on welfare but unable to provide health care for themselves

The public indicates support for all other programs in varying degree by willingness to accept additional tax burdens.

This listing and the results for each item should

be read as indication of relative preference among programs, not actual willingness to accept increased taxes. As indicated earlier, referenda on these specific items might confirm public willingness to in fact accept a higher level of taxes for the specific items, but we are not warranted in drawing that conclusion from this survey.

In terms of major categories of programs, greatest public support exists for specific programs related to health, moderate support for criminal justice and non-health social services, and least support for environmental services.

A P P E N D I X    A

FREQUENCIES AND PERCENTAGES OF  
RESPONSES TO QUESTIONNAIRE ITEMS

	<u>N</u>	<u>%</u>
Area in which respondent lives:		
City of Portland	194	65.5
Other part of County	<u>102</u>	<u>34.5</u>
	296	100.0%

1. Which local government in this area do you feel affects you most--city government, Multnomah County government, a local school district, or a service district?

	<u>N</u>	<u>%</u>
City Government . . . .	155	52.4
Multnomah County . . . .	87	29.4
School District . . . .	38	12.8
Service District . . . .	1	.3
Not Sure . . . . .	<u>15</u>	<u>5.1</u>
	296	100.0%

2. What are the main services, activities, or benefits that come to mind that Multnomah County government provides around here? (What are the things that come to mind that County government does?)

(Coded into Major County Departments)

	First Mention		Total Mentions	
	N	%	N	%
Environmental services . . . . .	80	27.0	205	69.3
Human services <sup>1/</sup> . . . . .	51	17.2	176	59.5
Justice services . . . . .	72	24.3	156	52.7
Administrative services . . . . .	9	0.3	27	9.1
Incorrect items . . . . .	49	16.6	153	51.7
County does not provide any services . . . . .	6	0.2	6	0.2
Not sure; unable to name any services . . . . .	29	9.8	29	9.8
	296	99.9%	296	252.3%
			(752)	
<sup>1/</sup> Includes libraries: . . . . .	12	4.1%	37	12.5%

Number of County Services Correctly Mentioned

	N	%
None correct . . . . .	51	17.2
One . . . . .	82	27.7
Two . . . . .	73	24.7
Three . . . . .	46	15.5
Four . . . . .	30	10.1
Five . . . . .	6	2.0
Six/More . . . . .	8	2.7
	296	100.0%

Median = 2.2

Net of Correctly Mentioned & Incorrectly Mentioned  
County Services

	N	%
None mentioned . . . . .	36	12.2
More incorrect than correct . . . . .	22	7.4
Equal . . . . .	37	12.5
One or two more correct than incorrect . . . . .	131	44.3
Three or more correct than incorrect . . . . .	<u>70</u>	<u>23.6</u>
	296	100.0%

Range of Correctly Identified County Services  
(Excluding Administrative)

	N	%
None or administrative only mentioned . . . . .	53	17.9
Justice service only . . . . .	37	12.5
Environmental services only . . . . .	38	12.8
Human services only . . . . .	35	11.8
Justice and environmental services . . . . .	54	18.2
Justice and human services . . . . .	20	6.8
Environmental and human services . . . . .	22	7.4
All three . . . . .	<u>37</u>	<u>12.5</u>
	296	100.0%

2a. (Other than those services) What do local governments in general provide in this area?

Percentage of Sample Mentioning at  
Least One Specific Local Government  
Activity in Each Group, Including  
County Activities

	<u>N</u>	<u>%</u>
Criminal justice; protection; courts; prosecution; corrections .....	223	75.3%
Streets and roads .....	185	62.5
Fire protection .....	142	48.0
Schools .....	102	34.5
Parks and recreation .....	91	30.7
Water service .....	75	25.3
Human and social services, excluding health and public welfare .....	58	19.6
Sewers and sewage treatment .....	50	16.9
Welfare .....	50	16.9
Health care .....	49	16.6
Transportation; transit .....	47	15.8
Libraries; cultural facilities .....	46	15.5
Planning and zoning .....	32	10.8
Administrative services .....	29	9.8
Nuisance control .....	23	7.7
Housing .....	6	2.0
Pollution control .....	1	.3
Solid waste disposal .....	1	.3
Other services; services too general to code .....	28	9.5
None correctly named .....	11	3.7
	<u>296</u>	<u>418.0%</u>

Total Number of Correctly Mentioned Local Services

	<u>N</u>	<u>%</u>
None . . . . .	11	3.7
One or two . . . . .	63	21.3
Three or four . . . . .	95	32.1
Five or six . . . . .	63	21.3
Seven or more . . . . .	63	21.3
No answer . . . . .	<u>1</u>	<u>.3</u>
	296	100.0%

3. Considering what local government provides in the way of services, would you say that local taxes are too high, about right, or not high enough?

	<u>N</u>	<u>%</u>
Too high . . . . .	125	42.2
About right . . . . .	144	48.6
Not high enough . . . . .	9	3.0
Not sure . . . . .	<u>18</u>	<u>6.1</u>
	296	100.0%

4. In general, how would you rate the performance of Multnomah County government--as excellent, good, fair, or poor?

	<u>N</u>	<u>%</u>
Excellent . . . . .	14	4.7
Good . . . . .	113	38.2
Fair . . . . .	125	42.2
Poor . . . . .	27	9.1
Not sure . . . . .	16	5.4
No answer . . . . .	<u>1</u>	<u>.3</u>
	296	100.0%



5. In what ways, if any, do you feel that Multnomah County government could be improved?

	First Mention		Total Mentions	
	N	%	N	%
Improve services, general . . . . .	5	1.7	6	0.2
Improve justice services . . . . .	29	9.8	45	15.3
Improve environmental services . . . . .	35	11.8	71	24.1
Improve human services . . . . .	13	4.4	36	12.2
Improve revenue & tax structure, general . . . . .	2	0.7	3	1.0
Reduce taxes . . . . .	2	0.7	6	2.0
Find other revenue sources . . . . .	1	0.3	1	0.3
Raise more from taxes . . . . .	2	0.7	2	0.7
Improve management or efficiency, generally . . . . .	20	6.8	37	12.5
Reduce salaries or number of employees . . . . .	9	3.0	22	7.5
Cut ineffective or inefficient programs . . . . .	6	2.0	8	2.7
Coordinate programs or governments . . . . .	7	2.4	14	4.7
Consolidate programs or governments . . . . .	25	8.4	35	11.9
Political improvements, general . . . . .	10	3.4	17	5.8
Improve officials, staff . . . . .	23	7.8	32	10.8
Pay more attention to people . . . . .	25	8.4	44	14.9
Eliminate dishonesty . . . . .	6	2.0	8	2.7
Make decisions openly . . . . .	0	0.0	2	0.7
Build Mt. Hood freeway . . . . .	2	0.7	3	1.0
Inappropriate . . . . .	9	3.0	15	5.1
No improvements needed . . . . .	17	5.7	17	5.7
Not sure . . . . .	45	15.2	45	15.2
No answer . . . . .	2	0.7	2	0.7
	295	99.7%	295	157.7%

## 6. What has County government done lately that you like?

	First Mention		Total Mentions	
	N	%	N	%
County services (correct) . . . . .	65	22.0	86	29.1
Revenue and taxes (correct) . . . . .	3	1.0	3	1.0
Management (correct) . . . . .	28	9.5	36	12.2
Political (correct) . . . . .	6	2.0	9	3.0
Services (incorrect) . . . . .	16	5.4	23	7.8
Revenue and taxes (incorrect) . . . . .	2	0.7	2	0.7
Management (incorrect) . . . . .	8	2.7	13	4.4
Political (incorrect) . . . . .	4	1.4	4	1.4
Nothing . . . . .	32	10.8	32	10.8
Not sure . . . . .	124	41.9	124	41.9
No answer . . . . .	8	2.7	8	2.7
	296	100.0%	296	115.0%

## 7. What has County government done lately that you dislike?

	First Mention		Total Mentions	
	N	%	N	%
County services (correct) . . . . .	38	12.8	62	20.9
Revenue and taxes (correct) . . . . .	8	2.7	10	3.4
Management (correct) . . . . .	31	10.5	49	16.6
Political (correct) . . . . .	40	13.5	50	16.9
Services (incorrect) . . . . .	7	2.4	12	4.1
Revenue and taxes (incorrect) . . . . .	4	1.4	6	2.0
Management (incorrect) . . . . .	14	4.7	20	6.8
Political (incorrect) . . . . .	9	3.0	11	3.7
Nothing . . . . .	28	9.5	28	9.5
Not sure . . . . .	108	36.5	108	36.5
No answer . . . . .	9	3.0	9	3.0
	296	100.0%	296	123.4%

8. What is your view of Multnomah County government--would you say it has more money than it needs to meet the real needs of the people, just about the right amount of money it needs, or it does not have enough money to meet the real needs of the community?

	<u>N</u>	<u>%</u>
More money than it needs . . . . .	34	11.5
About right amount of money . . . .	125	42.2
Not enough money . . . . .	92	31.1
Not sure . . . . .	43	14.5
No answer . . . . .	<u>2</u>	<u>0.7</u>
	296	100.0%

9. What is your impression of where Multnomah County government gets its money--name as many sources as come to mind. (What type of taxes, specifically?)

	<u>First Mention</u>		<u>Total Mentions</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Taxes, unspecified . . . . .	15	5.1	18	6.1
Property, personal property, house tax . . . . .	193	65.2	242	81.8
Business property, business tax . . .	7	2.4	42	14.2
State taxes, general . . . . .	14	4.7	49	16.6
State income tax . . . . .	4	1.4	21	7.1
Gasoline tax . . . . .	8	2.7	51	17.2
Highway tax, road tax . . . . .	5	1.7	12	4.1
Federal taxes, revenue-sharing . . . .	15	5.1	71	24.0
Luxury taxes (cigarettes, liquor, motel) . . . . .	1	0.3	18	6.1
Fees, licenses, permits . . . . .	8	2.7	47	15.9
Fines . . . . .	2	0.7	19	6.4
Bonds, bond interest . . . . .	3	1.0	16	5.4
Private endowments, contributions . .	4	1.4	5	1.7
Admission charges, service charges . .	0	0.0	8	2.7
Race track--horses, dogs . . . . .	1	0.3	1	0.3
Incorrectly identified . . . . .	8	2.7	42	14.2
Not sure . . . . .	<u>8</u>	<u>2.7</u>	<u>8</u>	<u>2.7</u>
	296	100.0%	296	226.5%

## Index of Revenue Knowledge

	N	%
None identified correctly . . . . .	18	6.1
Local tax only . . . . .	76	25.7
Shared tax only . . . . .	11	3.7
Other sources only . . . . .	3	1.0
Local tax plus shared tax . . . . .	79	26.7
Local tax plus other source . . . . .	35	11.8
Shared tax plus other source . . . . .	13	4.4
All three . . . . .	<u>61</u>	<u>20.6</u>
	296	100.0%

10. Next year Multnomah County government may be short \$6 million in what it needs to provide the same level of services it now provides. This is about 8 percent of the current County budget. Inflation is a main reason for this shortage. What do you feel the County should do about this situation? (What would you do if you were in charge of the County government?)

	First Mention		Total Mentions	
	N	%	N	%
Spend less, not sure how . . . . .	20	6.8	27	9.1
Cut services . . . . .	31	10.5	55	18.6
Cut number of employees, salaries . . . . .	49	16.6	83	28.0
Cut waste, inefficiency, frills . . . . .	54	18.2	92	31.1
Find new revenue source, taxes . . . . .	41	13.9	77	26.0
Raise taxes . . . . .	46	15.5	68	23.0
Cut programs or waste, then raise taxes . . . . .	3	1.0	3	1.0
Consolidate or merge functions . . . . .	10	3.4	18	6.1
Other . . . . .	10	3.4	23	7.8
Do not believe there is a problem . . . . .	2	0.7	2	0.7
Inappropriate solution . . . . .	7	2.4	15	5.1
Not sure . . . . .	22	7.4	22	7.4
No answer . . . . .	<u>1</u>	<u>0.3</u>	<u>1</u>	<u>0.3</u>
	296	100.0%	296	164.2%

11. Use this card to tell me how you feel about each of the following proposals. A property tax base increase for Multnomah County government that would give the County \$6 million more each year than it now gets, in order to maintain services at present levels; this would increase the property tax bill of the average taxpayer about 3 percent.

	<u>N</u>	<u>%</u>
Strongly for . . . . .	23	7.8
Somewhat for . . . . .	71	24.0
Not sure . . . . .	4	1.4
Somewhat against . . . . .	74	25.0
Strongly against . . . . .	123	41.6
No answer . . . . .	<u>1</u>	<u>0.3</u>
	296	100.0%

12. A one year special property tax levy of \$6 million for Multnomah County government that would add about 3 percent for one year only to the average property tax bill.

	<u>N</u>	<u>%</u>
Strongly for . . . . .	30	10.1
Somewhat for . . . . .	75	25.3
Not sure . . . . .	5	1.7
Somewhat against . . . . .	76	25.7
Strongly against . . . . .	<u>110</u>	<u>37.2</u>
	296	100.0%

13. Would you be for or against a local sales tax for Multnomah County government, with food and drugs exempt, that would provide enough money to keep services at the present level with no increase in property tax rates?

	<u>N</u>	<u>%</u>
Strongly for . . . . .	30	10.1
Somewhat for . . . . .	55	18.6
Not sure . . . . .	1	0.3
Somewhat against . . . . .	51	17.2
Strongly against . . . . .	157	53.0
No answer . . . . .	<u>2</u>	<u>0.7</u>
	296	100.0%

- 13a. If it reduced property taxes as well as kept services at existing levels, would you be for or against a local sales tax with food and drugs exempt?

	<u>N</u>	<u>%</u>
Strongly for . . . . .	39	13.2
Somewhat for . . . . .	77	26.0
Not sure . . . . .	6	2.0
Somewhat against . . . . .	36	12.2
Strongly against . . . . .	136	45.9
No answer . . . . .	<u>2</u>	<u>0.7</u>
	296	100.0%

14. A local income tax for Multnomah County that would provide enough money to keep services at the existing level with no increase in property tax rates?

	<u>N</u>	<u>%</u>
Strongly for . . . . .	15	5.1
Somewhat for . . . . .	65	22.0
Not sure . . . . .	9	3.0
Somewhat against . . . . .	68	23.0
Strongly against . . . . .	136	45.9
No answer . . . . .	<u>3</u>	<u>1.0</u>
	296	100.0%

- 14a. If it reduced property taxes as well as maintained existing service levels, would you be for or against a local income tax for Multnomah County government?

	<u>N</u>	<u>%</u>
Strongly for . . . . .	25	8.4
Somewhat for . . . . .	71	24.0
Not sure . . . . .	11	3.7
Somewhat against . . . . .	68	23.0
Strongly against . . . . .	117	39.5
No answer . . . . .	<u>4</u>	<u>1.4</u>
	296	100.0%

15. An increase in State income taxes with the additional money to be given to local governments for maintaining existing levels of service and no increase in property taxes?

	<u>N</u>	<u>%</u>
Strongly for . . . . .	28	9.5
Somewhat for . . . . .	89	30.1
Not sure . . . . .	9	3.0
Somewhat against . . . . .	65	22.0
Strongly against . . . . .	99	33.4
No answer . . . . .	<u>6</u>	<u>2.0</u>
	296	100.0%

- 15a. If it included a reduction in property taxes as well as money for local governments to maintain existing services, would you be for or against an increase in State income taxes?

	<u>N</u>	<u>%</u>
Strongly for . . . . .	30	10.1
Somewhat for . . . . .	90	30.4
Not sure . . . . .	9	3.0
Somewhat against . . . . .	70	23.6
Strongly against . . . . .	92	31.1
No answer . . . . .	<u>5</u>	<u>1.7</u>
	296	100.0%

16. In general, do you feel Multnomah County should cut the level of services it provides before it asks people for more taxes, or should it ask for more taxes to maintain services as they are? (Generally, do you feel governments should cut services before they ask for more taxes, or ask for more taxes first?)

	<u>N</u>	<u>%</u>
Cut services . . . . .	132	44.6
Ask for more taxes . . . . .	121	40.9
Not sure . . . . .	42	14.2
No answer . . . . .	<u>1</u>	<u>0.3</u>
	296	100.0%

## 16a. Why do you feel that way?

	First Mention		Total Mentions	
	N	%	N	%
<u>Cut Services:</u>				
Should get rid of inefficiency first .	41	13.9	49	16.6
Too many services provided, not needed . . . . .	36	12.2	43	14.5
Easier to get taxes if services cut .	13	4.4	18	6.1
People won't vote for more taxes . . .	5	1.7	6	2.0
Taxes are high enough now . . . . .	18	6.1	20	6.8
Taxes are too high now . . . . .	10	3.4	12	4.1
Other . . . . .	6	2.0	14	4.7
<u>Raise Taxes:</u>				
Services are needed, money needed . .	61	20.6	65	22.0
Once cut it's hard to get service back . . . . .	2	0.7	6	2.0
Not enough service is provided now . .	21	7.1	25	8.4
People should vote on more tax . . . .	28	9.5	33	11.1
Other . . . . .	4	1.4	8	2.7
No answer . . . . .	<u>51</u>	<u>17.2</u>	<u>51</u>	<u>17.2</u>
	296	100.0%	296	118.2%

## 17. If you had to make a choice between the kind of tax you prefer, would you be most in favor of an increase in property taxes, a sales tax, or an income tax?

	<u>N</u>	<u>%</u>
Increase in property tax . . . . .	57	19.3
Sales tax . . . . .	96	32.4
Income tax . . . . .	124	41.9
Not sure . . . . .	14	4.7
No answer . . . . .	<u>5</u>	<u>1.7</u>
	296	100.0%



17a. Why do you favor (tax)? (Why is that tax better than the others?)

	First Mention		Total Mentions	
	N	%	N	%
<u>Property Tax:</u>				
Would cost me the least . . . . .	12	4.1	14	4.7
Based on ability to pay . . . . .	17	5.7	19	6.4
More convenient than other . . . . .	12	4.1	13	4.4
Other reasons for favoring property tax . . . . .	12	4.1	16	5.4
Not sure why favor property tax . . .	3	1.0	3	1.0
<u>Sales Tax:</u>				
Would cost me the least . . . . .	9	3.0	10	3.4
Based on ability to pay . . . . .	22	7.4	26	8.8
Is easier to pay as you go . . . . .	12	4.1	12	4.1
Taxes out-of-state people . . . . .	17	5.7	25	8.4
Would be anti-inflationary . . . . .	2	0.7	6	2.0
Would hit everyone . . . . .	22	7.4	33	11.1
Other reasons for favoring sales tax . . . . .	7	2.4	14	4.7
<u>Income Tax:</u>				
Would cost me the least . . . . .	5	1.7	8	2.7
Based on ability to pay . . . . .	78	26.4	81	27.4
Everyone would pay . . . . .	17	5.7	25	8.4
Other taxes would hurt poor . . . . .	5	1.7	20	6.8
Easiest kind of tax to pay . . . . .	11	3.7	11	3.7
Other reasons for favoring income tax . . . . .	11	3.7	21	7.1
Not sure why favor income tax . . . .	3	1.0	3	1.0
No answer . . . . .	19	6.4	19	6.4
	296	100.0%	296	100.0%

## 17b. Which do you favor least?

	<u>N</u>	<u>%</u>
Increase in property tax . . . . .	93	31.4
Sales tax . . . . .	137	46.3
Income tax . . . . .	54	18.2
Not sure . . . . .	5	1.7
No answer . . . . .	<u>7</u>	<u>2.3</u>
	296	100.0%

18. Considering both what you personally prefer and what would be effective, tell me how you feel about each of the following things the County government might do about its budget shortage next year. Use this card to give me your answers.

		<u>Excel-</u>				<u>No</u>	
		<u>lent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Not</u>	<u>Ans-</u>
		<u>Idea</u>	<u>Idea</u>	<u>Idea</u>	<u>Idea</u>	<u>Sure</u>	<u>wer</u>
a. Cut the costs of government by reducing the number of employees even if that might reduce services. . . . .	N) 41	80	80	88	6	1	(296)
	%) 13.9	27.0	27.0	29.7	2.0	0.3	(100.0%)
b. Get the State to pay for more from State taxes for services which it now requires county government to provide from local taxes . . . . .	N) 41	152	57	33	12	1	(296)
	%) 13.9	51.4	19.3	11.1	4.1	0.3	(100.0%)
c. Cut the level of all services provided to the public by the same amount, say 10% . . . . .	N) 10	60	78	137	9	2	(296)
	%) 3.4	20.3	26.4	46.3	3.0	0.7	(100.0%)
d. Increase property taxes on all taxpayers . . . . .	N) 4	25	47	218	2		(296)
	%) 1.4	8.4	15.9	73.6	0.7		(100.0%)

		<u>Excel-</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Not</u>	<u>No</u>
		<u>Idea</u>	<u>Idea</u>	<u>Idea</u>	<u>Idea</u>	<u>Sure</u>	<u>Ans-</u>
							<u>wer</u>
e.	For all services possible, charge people directly for the services they actually use, such as for sewers, or admission to parks, rather than supporting them from taxes. (Charge fees for services available to all people when people actually use those services.) . . . . .	N) 33	101	52	101	8	1
		%)	11.1	34.1	17.6	34.1	2.7
							0.3
							(296)
							(100.0%)
f.	Create special taxes, such as a tax on hotel-motel rooms, a tax on liquor or beer served in bars, or a tax on billboards . . . . .	N) 81	114	46	51	4	
		%)	27.4	38.5	15.5	17.2	1.4
							(296)
							(100.0%)
g.	Cut back on programs which we all pay for but which help only part of the population, such as the poor, the elderly, or other groups with special needs . . . . .	N) 7	23	34	227	5	
		%)	2.4	7.8	11.5	76.7	1.7
							(296)
							(100.0%)

19. Which (of items in Q. 18) would you say should be done first by the County?

	<u>N</u>	<u>%</u>
Reduce number of employees . . . . .	51	17.2
Have State pay more . . . . .	69	23.3
Cut all services . . . . .	14	4.7
Increase property tax . . . . .	7	2.4
Increase use of direct service charges . . . . .	36	12.2
Create special excise taxes . . . . .	102	34.5
Cut selected programs . . . . .	3	1.0
Not sure . . . . .	3	1.0
No answer . . . . .	<u>11</u>	<u>3.7</u>
	296	100.0%

20. If the County received an extra \$10 million this year, from this list, what is the first thing you would like to see if do with that money?  
RANK ALL What next, etc.

	<u>Rank 1</u>		<u>Rank 2</u>		<u>Rank 3</u>		<u>Rank 4</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Reduce property taxes .	94	31.8	70	23.6	74	25.0	54	18.2
Increase human and social services . .	107	36.1	73	24.7	83	28.0	27	9.1
Increase police protection . . . . .	85	28.7	107	36.1	70	23.6	27	9.1
Increase public parks .	6	2.0	40	13.5	61	20.6	180	60.8
No answer . . . . .	<u>4</u>	<u>1.4</u>	<u>6</u>	<u>2.0</u>	<u>8</u>	<u>2.7</u>	<u>8</u>	<u>2.7</u>
	296	100.0%	296	100.0%	296	100.0%	296	100.0%

21. Now I am going to give you some specific cases where the County could either cut the level of service it provides, or increase taxes to provide the service. In each case, use this scale to tell me which you prefer to do.

"1" means a fairly large cut in the service or activity in order to get a reduction in taxes.

"2" means somewhat of a cut in the service or activity to keep taxes where they are; the cut in service would be necessary since inflation has increased the costs of providing services.

"3" means keeping services just as they are but paying somewhat more in taxes; again, inflation means it would cost somewhat more than at present just to keep services as they are.

"4" means that an increase in the service or activity would require a larger increase in taxes (than would be required just to keep services where they are now).

		Less service and less taxes	Somewhat less service and same taxes	Same service and somewhat more taxes	More service and more taxes	Not sure	No Answer	
a. Maintaining County								
roads . . . . .	N)	25	124	109	30	7	1	(296)
	%)	8.4	41.9	36.8	10.1	2.4	0.3	(100.0%)
b. Building new County								
roads . . . . .	N)	120	99	50	16	10	1	(296)
	%)	40.5	33.4	16.9	5.4	3.4	0.3	(100.0%)
c. Maintaining and								
running neigh-								
borhood parks . .	N)	53	116	98	24	3	2	(296)
	%)	17.9	39.2	33.1	8.1	1.0	0.7	
d. Maintaining and								
running regional								
parks such as								
Blue Lake and								
Oxbow . . . . .	N)	53	122	98	15	6	2	(296)
	%)	17.9	41.2	33.1	5.1	2.0	0.7	(100.0%)
e. Maintaining patrols								
by Sheriff's								
deputies in the								
County . . . . .	N)	16	55	142	72	9	2	(296)
	%)	5.4	18.6	48.0	24.3	3.0	0.7	(100.0%)

		Less service and less taxes	Somewhat less service and same taxes	Same service and somewhat more taxes	More service and more taxes	Not sure	No Answer	
f.	Land use planning and control of development (deciding what can be built in different areas and how land should be used) . . . . .	N) 69	94	64	53	14	2	(296)
		%) 23.3	31.8	21.6	17.9	4.7	0.7	(100.0%)
g.	Multnomah County Public Library . . . . .	N) 19	72	157	41	6	1	(296)
		%) 6.4	24.3	53.0	13.9	2.0	0.3	(100.0%)
h.	Providing financial help for private health care to those not on welfare but unable to provide health care for themselves . . . . .	N) 24	54	116	93	7	1	(296)
		%) 8.1	18.2	39.2	31.4	2.3	0.7	(100.0%)
i.	Running and maintaining a juvenile detention center (a juvenile home) . . . . .	N) 20	64	135	56	20	1	(296)
		%) 6.8	21.6	45.6	18.9	6.7	0.3	(100.0%)
j.	Rehabilitation programs outside of jail for persons convicted of crimes (for persons serving sentences) . . . . .	N) 55	59	98	72	10	2	(296)
		%) 18.6	19.9	33.1	24.3	3.3	0.7	(100.0%)
k.	Decentralizing county services so that they are available easily in each area of the county . . . . .	N) 76	69	74	51	23	3	(296)
		%) 25.7	23.3	25.0	17.2	7.7	1.0	(100.0%)
l.	Mental health counseling . . . . .	N) 30	67	119	67	10	3	(296)
		%) 10.1	22.6	40.2	22.6	3.3	1.0	(100.0%)

		Less service and less taxes	Somewhat less service and same taxes	Same service and somewhat more taxes	More service and more taxes	Not sure	No Answer	
m.	Rehabilitation of alcoholics unable to afford private treatment . . . . .	N) 54 %) 18.2	79 26.7	86 29.1	66 22.3	9 3.0	2 0.7	(296) (100.0%)
n.	Controlling contagious diseases with vaccination programs, and health inspections of food and water . . . . .	N) 7 %) 2.4	36 12.2	172 58.1	76 25.7	3 1.0	2 0.7	(296) (100.0%)
o.	Visits by public health nurses to the elderly, handicapped and poor . . . . .	N) 7 %) 2.4	37 12.5	148 50.0	96 32.4	7 2.3	1 0.3	(296) (100.0%)
p.	Nursing homes for the elderly . . . . .	N) 19 %) 6.4	45 15.2	120 40.5	102 34.5	8 2.7	2 0.7	(296) (100.0%)
q.	Providing jail facilities . . . . .	N) 34 %) 11.5	67 22.6	132 44.6	48 16.2	12 4.1	3 1.0	(296) (100.0%)
r.	Dental health programs for the poor . . . . .	N) 31 %) 10.5	81 27.4	102 34.5	71 24.0	10 3.4	1 0.3	(296) (100.0%)
s.	Money for the courts to reduce delays between arrest and trials . . . . .	N) 45 %) 15.2	65 22.0	86 29.1	81 27.4	17 5.7	2 0.7	(296) (100.0%)
t.	Merging some of the services of the City policy and County Sheriff . . . . .	N) 35 %) 11.8	63 21.3	90 30.4	78 26.4	22 7.4	8 2.7	(296) (100.0%)

		Less service and less taxes	Somewhat less service and same taxes	Same service and somewhat more taxes	More service and more taxes	Not sure	No Answer	
u.	Improving communication and records system for the sheriff in order to provide faster police service . . . .	N) 35 %) 11.8	67 22.6	92 31.1	85 28.7	15 5.1	2 0.7	(296) (100.0%)
v.	Programs to train County employees . . . .	N) 83 %) 28.0	84 28.4	85 28.7	31 10.5	12 4.1	1 0.3	(296) (100.0%)
w.	Increasing the re- tirement benefits for retired County employees in order to keep up with the cost of living . . . . .	N) 43 %) 14.5	66 22.3	108 36.5	61 20.6	16 5.4	2 0.7	(296) (100.0%)
x.	Day care programs for the children of low-income work- ing mothers . . . .	N) 38 %) 12.8	56 18.9	110 37.2	80 27.0	9 3.0	3 1.0	(296) (100.0%)
y.	Financial aid to people with in- comes below the poverty level . . . .	N) 41 %) 13.9	74 25.0	96 32.4	71 24.0	7 2.4	7 2.4	(296) (100.0%)
z.	Animal control pro- grams . . . . .	N) 55 %) 18.6	75 25.3	100 33.8	53 17.9	8 2.7	5 1.7	(296) (100.0%)



22. Which of the following do you feel is a good way and which is a poor way to make government more efficient (get most for what it spends):

		<u>Good</u>	<u>Poor</u>	<u>Not Sure</u>	<u>No Ans- wer</u>	
a. Make use of computers instead of clerical workers for routine tasks and record keeping . . . . .	.N)	154	122	19	1	(296)
	%)	52.0	41.2	6.4	0.3	(100.0%)
b. Keep salaries equal to private industry in order to attract good people . . . . .	.N)	215	63	13	5	(296)
	%)	72.6	21.3	4.4	1.7	(100.0%)
c. Increase amount of budget spent on planning and research . . . . .	.N)	84	188	22	2	(296)
	%)	28.4	63.5	7.4	0.7	(100.0%)
d. Cut down on number of County employees . . . . .	.N)	154	106	31	5	(296)
	%)	52.0	35.8	10.5	1.7	(100.0%)
e. Replace old equipment, such as cars, in order to cut down on maintenance expenses . . . . .	.N)	112	157	25	2	(296)
	%)	37.8	53.0	8.4	0.7	(100.0%)
f. Purchase and remodel old buildings for County offices rather than renting space . . . . .	.N)	179	75	38	4	(296)
	%)	60.5	25.3	12.8	1.4	(100.0%)

23. Each of the following services is now provided by each local government in this area, including Multnomah County. Some people say these services should be done by a regional agency which would take in the entire Portland urban area. Tell me how you feel about each--whether you prefer to have local governments do it or to have a regional agency do it? (A regional agency would take in several counties and provide one or more services for that entire area.)

		<u>Local</u> <u>Govern-</u> <u>ment</u>	<u>Reg-</u> <u>ional</u> <u>Agency</u>	<u>Not</u> <u>Sure</u>	<u>No</u> <u>Answer</u>
a.	Water and sewer facilities . . . . .	N) 147 %) 49.7	136 45.9	13 4.4	(296) (100.0%)
b.	Solid waste (garbage) disposal . . . . .	N) 131 %) 44.3	149 50.3	16 5.4	(296) (100.0%)
c.	Cultural facilities such as the zoo . . . . .	N) 131 %) 44.3	152 51.4	13 4.4	(296) (100.0%)
d.	Large parks and recreation facilities . .	N) 99 %) 33.4	185 62.5	12 4.1	(296) (100.0%)

24. For each of the statements I read, use this scale to tell me how you feel:

	<u>Agree Strongly</u>	<u>Agree Somewhat</u>	<u>Not Sure</u>	<u>Disagree Somewhat</u>	<u>Disagree Strongly</u>	<u>No Answer</u>
a. Public officials always feel they need more taxes, even if they are providing all the services needed in the community.....	N=98 %=33.1	101 34.1	1 .3	61 20.6	32 10.8	3 1.0
b. County government spends more than it takes in too much of the time to suit me .....	N=80 %=27.0	116 39.2	19 6.4	63 21.3	14 4.7	4 1.4
c. There is a lot to be done in this area to make it a good place to live .....	N=80 %=27.0	79 26.7	1 .3	96 32.4	36 12.2	4 1.3
d. Even if government needs taxes, it is wise to vote against some tax proposals just to keep officials in line .....	N=46 %=15.5	83 28.0	1 .3	71 24.0	91 30.7	4 1.4
e. Most studies and plans are a waste of money .....	N=39 % 13.2	96 32.4	1 .3	112 37.8	44 14.9	4 1.4
f. Decentralizing services into local neighborhoods would mean better services for the public .....	N=37 %=12.5	106 35.8	15 5.1	90 30.4	44 14.9	4 1.4
g. Governments should keep the public better informed about what they are doing, even if this means spending more money .....	N=119 %= 40.2	104 35.1	5 1.7	56 18.9	7 2.4	5 1.7
h. We don't have as many problems as politicians say we do .....	N= 41 %= 13.9	98 33.1	5 1.7	98 31.4	55 18.6	4 1.4
i. The quality of services I get depends directly on the amount of taxes I pay .....	N= 22 %= 7.4	91 30.7	4 1.4	105 35.5	70 23.6	4 1.4
j. The property tax relief program in Oregon helped me greatly this year .....	N= 54 %= 18.2	62 20.9	18 6.1	39 13.2	119 40.2	4 1.4
k. I favor charging an admission fee of 50¢ per car at large County parks.....	N=123 %= 41.6	82 27.7	1 0.3	33 11.1	50 16.9	7 2.4

		<u>Agree Strongly</u>	<u>Agree Somewhat</u>	<u>Not Sure</u>	<u>Disagree Somewhat</u>	<u>Disagree Strongly</u>	<u>No Answer</u>
l. I, am greatly interested in what County govern- ment does and follow it closely.....	N= 34 %= 11.5	97 32.8	4 1.4	112 37.8	45 15.2	5 1.4	
m. Elected officials do not need to consult the people on how to spend tax dollars, since that is what we elect them to do.....	N= 15 %= 5.1	38 12.8	2 0.7	69 23.3	167 56.4	5 1.7	
n. The present tax system helps the rich because they pay a smaller propor- tion of their income for taxes than do middle or lower income people.....	N=149 %= 50.3	86 29.1	2 0.7	39 13.2	16 5.4	4 1.4	
o. Civil Services protects too much deadwood in local government.....	N= 93 %= 31.4	111 37.5	19 6.4	45 15.2	22 7.4	6 2.0	
p. Once we get a new tax, it is bound to go up.....	N=142 %= 48.0	114 38.5	6 2.0	24 8.1	6 2.0	4 1.4	
q. People often vote against tax measures just because they don't understand them.....	N=150 %= 50.7	105 35.5		26 8.8	11 3.7	4 1.4	
r. The present tax system helps the poor because they get most of the services that we all pay for through taxes.....	N= 37 %= 12.5	106 35.8	5 1.7	96 32.4	49 16.6	3 1.0	

## 28. What is your age?

	<u>N</u>	<u>%</u>
18 - 24 years . . . . .	25	8.4
25 - 34 years . . . . .	56	18.9
35 - 44 years . . . . .	42	14.2
45 - 54 years . . . . .	58	19.6
55 - 64 years . . . . .	57	19.3
65 and older . . . . .	56	18.9
Refused . . . . .	1	0.3
No answer . . . . .	<u>1</u>	<u>0.3</u>
	296	100.0%

## 29. How are you registered to vote--as a Republican, Democrat, or something else?

	<u>N</u>	<u>%</u>
Republican . . . . .	105	35.5
Democrat . . . . .	173	58.4
Something else . . . . .	14	4.7
Unregistered . . . . .	3	1.0
No answer . . . . .	<u>1</u>	<u>0.3</u>
	296	100.0%

## 30. How long have you lived at this address?

	<u>N</u>	<u>%</u>
Less than three year . . . . .	66	22.3
3 - 5 years . . . . .	51	17.2
6 to 10 years . . . . .	55	18.6
11 to 15 years . . . . .	39	13.2
Over 15 years . . . . .	83	28.0
No answer . . . . .	<u>2</u>	<u>0.7</u>
	296	100.0%

31. In which of these groups did your total family income last year fall, before taxes, that is?

	<u>N</u>	<u>%</u>
Under \$3,000 . . . . .	29	9.8
\$3,000 - \$5,999 . . . . .	40	13.5
\$6,000 - \$9,999 . . . . .	38	12.8
\$10,000 - \$14,999 . . . . .	75	25.3
\$15,000 - \$19,999 . . . . .	53	17.9
\$20,000 and over . . . . .	45	15.2
Refused . . . . .	12	4.1
Not sure . . . . .	3	1.0
No answer . . . . .	<u>1</u>	<u>0.3</u>
	296	100.0%

32. Do you own or rent here?

	<u>N</u>	<u>%</u>
Own . . . . .	230	77.7
Rent . . . . .	63	21.3
No answer . . . . .	<u>3</u>	<u>1.0</u>
	296	100.0%

32a. IF OWNS HOME: From the groups on this card, please tell me how much property tax you paid on your home this last year.

IF NOT SURE: What is your best estimate or guess?

	<u>N</u>	<u>%</u>
None . . . . .	1	0.3
Under \$200 . . . . .	14	4.7
\$200 - \$399 . . . . .	45	15.2
\$400 - \$599 . . . . .	74	25.0
\$600 - \$799 . . . . .	45	15.2
\$800 - \$999 . . . . .	23	7.8
\$1000 - \$1199 . . . . .	8	2.7
\$1200 - \$1399 . . . . .	4	1.4
\$1400 or more . . . . .	4	1.4
Refused . . . . .	3	1.0
Not sure . . . . .	<u>7</u>	<u>2.4</u>
	228	77.0

32b. IF RENTS HOME: Approximately how much rent do you pay each month?

	<u>N</u>	<u>%</u>
Under \$50 . . . . .	5	1.7
\$50 - \$99 . . . . .	11	3.7
\$100 - \$149 . . . . .	26	8.8
\$150 - \$199 . . . . .	17	5.7
\$200 or more . . . . .	3	1.0
No answer . . . . .	<u>234</u>	<u>79.1</u>
	296	100.0%

32c. IF RENTS HOME: Approximately how much of your rent would you estimate goes for property taxes each month?

	<u>N</u>	<u>%</u>
None . . . . .	2	0.7
Under \$10 . . . . .	7	2.4
\$10 - \$19 . . . . .	4	1.4
\$20 - \$29 . . . . .	9	3.0
\$30 - \$39 . . . . .	2	0.7
\$50 or more . . . . .	7	2.4
Not sure . . . . .	31	10.5
No answer . . . . .	<u>234</u>	<u>79.1</u>
	296	100.0%

33. Did you happen to vote in the primary election in May of this year?

	<u>N</u>	<u>%</u>
Yes . . . . .	231	78.0
No . . . . .	61	20.6
Not sure . . . . .	3	1.0
No answer . . . . .	<u>1</u>	<u>0.3</u>
	296	100.0%



34. Looking ahead at the economy in the next year, how do you feel you and your family will be doing economically--do you expect to be doing better, worse, or about the same as you are now? (compared to the cost of living?)

	<u>N</u>	<u>%</u>
Better . . . . .	25	8.4
About the same . . . . .	159	53.7
Worse . . . . .	105	35.5
Not sure . . . . .	6	2.0
No answer . . . . .	<u>1</u>	<u>0.3</u>
	296	100.0%

35. Including yourself, how many persons live in this household?

	<u>N</u>	<u>%</u>
One . . . . .	26	8.8
Two . . . . .	124	41.9
Three . . . . .	47	15.9
Four . . . . .	57	19.3
Five or more . . . . .	40	13.5
No answer . . . . .	<u>2</u>	<u>0.7</u>
	296	100.0%

36. Are you or someone else the chief wage earner in this household?

	<u>N</u>	<u>%</u>
Respondent . . . . .	154	52.0
Someone else . . . . .	95	32.1
Both . . . . .	44	14.9
No answer . . . . .	<u>3</u>	<u>1.0</u>
	296	100.0%

## Sex of respondent:

	<u>N</u>	<u>%</u>
Male . . . . .	142	48.0
Female . . . . .	<u>154</u>	<u>52.0</u>
	296	100.0%

## Time of interview:

	<u>N</u>	<u>%</u>
Weekdays before 5:00 p.m. . . . .	106	35.8
Weekdays after 5:00 p.m. . . . .	84	28.4
Saturday or Sunday . . . . .	95	32.1
No answer . . . . .	<u>11</u>	<u>3.7</u>
	296	100.0%

## A P P E N D I X    B

### Sampling procedure

The population to which this study applies, and for which estimates of population values may be made from the sample values, is all registered voters in Multnomah County at the close of the registration period for the November, 1974 General Election.

The sample frame is the list of registered voters in the Multnomah County Registrar of Election's office, arranged alphabetically within precincts, with precincts arranged in ascending numerical order. The numerical order of precincts reflect general geographic proximity.

The type of sample is a systematic probability sample using an equal interval between selected voter registration cards. The first card was selected from a random number table. Thereafter, every nth card was selected.

The sample units and the units of analysis are individual voters.

A total of 513 voters was selected from the sample frame. By use of a random number table, 208 of these were assigned to a pool of substitutes to be used only when the originally assigned persons to be interviewed had been exhausted short of the target sample size of 300. Three-hundred-five names were made original assignments for interviewing.

Substitutions were made only if an original assignment had moved from the address on the registration card, refused to be interviewed, was deceased, or was never available to be interviewed during the course of the field work. Substitutions were made within the same geographic area as original assignments, in order to maintain geographic dispersion of the original sample listing.

Repeated call-backs, with a minimum of three attempts, were made to contact the proper respondent.

A different interviewer was sent to contact voters who initially refused to be interviewed. In this way,

refusals were kept at a minimum, even though the questionnaire was quite long and complex. Just 2 questionnaires were unusable due to refusal to complete an interview once it had begun.

Of the original 305 assignments, 176, or 57.7 percent were completed; 7 assignments were not completed due to termination of the time allotted for interviewing; and 120 substitutions were made.

The primary reason for substitutions was relocation of the voter from the address listed on the registration card. (See Table B.1 for a summary of the disposition of the sample.)

Since there is no periodic tendency in the voter registration lists, since we selected individual voters from equal intervals from those lists, and since substitutions were kept to a minimum and made only from the original sample listing, we have treated this as a simple random sample of all registered voters. This means that it is the best estimator possible of population values, for a given sample size.

The standard error of proportions for a simple random sample of  $N = 300$  is 5.7 percent, at the 95 percent confidence level. Other sample types involving clustering of respondents, intervening selection of areas before selection of respondents, substitutions from outside the original sample listing will have standard errors of approximately 7 percent.

We have a high degree of confidence in this sample because of the type of sampling procedure and because of the caution used in making substitutions.

Table B.2 compares selected characteristics of our sample with 1970 census characteristics of the Multnomah County population. It should be kept in mind that the sample is drawn from a different population, that of 1974 registered voters. The most striking difference is the much higher proportion of home-owners in the sample of voters than in the County population.

Limitations of the study

Traditionally opinion research regarding governmental affairs has viewed the respondents--and, by implication, "the people"--as an entity separate and discrete from the government. The respondent is encouraged to think of the government as something which acts on behalf of, rather than with, the populace.

The alternative to this model is one in which the respondents are encouraged to view the government and the citizenry as an organic whole, and are asked to put themselves in the place of the governmental decision-makers. In this way respondents act not as outside critics of but rather as participants in government.

It can be anticipated that the difference in perspective afforded by the two models could result in different responses. The utility of each model in a given situation is dependent on the purpose of the study.

Opinion research of this sort has generally been geared toward determining how voters would respond to a given issue at the polls--that is, predicting behavior. When citizens go to the polls they in fact act as outside critics, responding to actions of the government and office-holders. Their decisions may be based on factors quite unrelated to the issues at hand, including anger over some policy unconnected to that on the ballot.

If the goal of the research is to predict behavior then the systemic model is reasonable. But a distinction must be made between predicting behavior and analyzing opinion. By testing opinion in the same frame as that in which an election takes place, the same distorted picture of opinion is portrayed. Rather than finding out what the sample wants in the way of social goals, the researcher has merely determined how, with an unknown set of facts and an equally unknown set of emotional stimuli, the sample would respond to given issues.

The alternative, the role playing model, provides the possibility of controlling some of these factors. Information can be made more nearly a constant. By providing the respondents with the same set of facts which the decision-makers possess we can determine

what decisions would be reached by an average group of citizens in the policy-makers' position. Since voters do not ordinarily have such information available, this says nothing as to how they would in fact vote under normal circumstances. But if the goal of the research is to test informed opinion, rather than to predict behavior, the role-playing model is probably superior.

This study, due to limitations set out in the Introduction, necessarily is the "systemic" or traditional variety.

Table B.1

Disposition of Original Sample

	<u>#</u>	<u>%</u>
Original Sample .....	513	100%
Original assignments to interviewers...	305	59.5%
Assigned to substitute pool .....	<u>208</u>	<u>40.5</u>
	513	100.0%
Completed original assignments .....	176	57.7%
Substitutions: .....	120	39.3
Respondent no longer resides at assigned address .....	47	15.4
Respondent refused to be interviewed .....	35	11.5
Respondent never found at home ...	25	8.2
Other reasons for substitution (incorrect address, deceased) ..	<u>13</u>	<u>4.2</u>
	120	39.3
Unusable interview (incomplete) .....	2	.7
Assignment not completed .....	<u>7</u>	<u>2.3</u>
TOTAL	305	100.0%

Table B.2

Demographic Characteristics of 1974 Sample of Voters  
Compared to 1970 Multnomah County Population

	<u>Percent of Sample</u>	<u>Percent Multnomah County Population</u>
<u>Sex:</u>		
Male .....	48.0	47.8
Female .....	52.0	52.2
<u>Income:</u>		
Under \$3,000 .....	9.8	8.1
\$3,000 - \$5,999 .....	13.5	14.0
\$6,000 - \$9,999 .....	12.8	26.9
\$10,000 - \$14,999 .....	25.3	30.0
\$15,000 and over .....	33.1	21.0
<u>Party Registration:</u>		
Republican .....	35.9	33.8
Democrat .....	59.3	62.0
Other .....	4.8	4.3
<u>Age:</u>		
18 - 24 years .....	8.5	17.6
25 - 34 years .....	19.1	17.3
35 - 44 years .....	14.3	14.5
45 - 54 years .....	19.7	17.4
55 - 64 years .....	19.4	15.1
65 years and over .....	19.1	18.1
<u>Tenure:</u>		
Own .....	78.3	60.4
Rent .....	21.7	39.7
<u>Amount of Rent paid:</u>		
Under \$100 .....	25.8	56.1
\$100 - \$149 .....	41.9	34.9
\$150 - \$199 .....	27.4	7.3
\$200 and over .....	4.8	1.6
<u>Area:</u>		
Portland .....	65.5	68.6
County .....	34.5	31.4