



**INDEPENDENT REVIEW OF
POLICIES AND PROCEDURES OF
CORRECTIONAL FACILITIES OPERATED BY
THE MULTNOMAH COUNTY SHERIFF'S OFFICE**

**By
The Multnomah County District Attorney's Office**

2006

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Introduction

On June 15, 2006 the Multnomah County Board of Commissioners passed Resolution No. 06-094, which gives the Multnomah County District Attorney's Office the authority to conduct an independent review the policies and procedures of the correctional facilities operated by the Multnomah County Sheriff's Office. The scope of that review is set forth in the findings of the resolution. That includes to examine fully: (1) the local facilities, including, but not limited to the cleanliness of the facility and the health and discipline of the persons confined; (2) the safety and security policies and procedures within the correctional facilities and how they affect the health and discipline of the persons confined therein; and (3) the operating budget and the daily operation and administration of the jails.

I asked Senior Deputy District Attorney Chuck French and Special Counsel to the District Attorney John Bradley to conduct the corrections investigation. Combined, Mr. French and Mr. Bradley have almost 60 years of prosecution and investigative experience. They have been involved in over 100 homicide investigations; they have prosecuted most of the racketeering cases ever charged in Multnomah County; they have conducted internal investigations within this office, and they have participated in the investigations of both police officers and corrections officers. In addition to their background in prosecution they both have worked closely with various Corrections Grand Juries looking into the operations of the jails, prison and juvenile facilities within Multnomah County. In order to better understand the economic ramifications of the Sheriff's budget and projected bed costs, I asked Scott Marcy, my Chief Financial Supervisor, to assist Mr. French and Mr. Bradley.

In the months following the passage of Resolution No. 06-094 Mr. French and Mr. Bradley inspected various facilities in Oregon and Washington. They talked to over 100 correctional officers in Oregon and Washington, both administrative and line staff. They talked to Sheriff Giusto, and former Sheriffs Fred Pearce, Bob Skipper, Don Clark and Dan Noelle. In addition, they read many jail studies involving all aspects of jail activity, which were available locally and on the Internet. During this period I was informed of the progress of the investigation and was provided with updates that I forwarded to the Board.¹

¹ I wish to acknowledge the assistance of numerous officials from a large number of agencies, who spent a great deal of time meeting with our staff, either in person or by phone conference. Many of those mentioned assisted this investigation by allowing jail tours and access to their entire staff. Among those agencies who assisted our staff are the National Institute of Corrections; the National Commission on

On October 1, 2006 Mr. French and Mr. Bradley along with MCSO Captain Bobbi Luna and Sergeant Phil Anderchuk, who is the President of the Multnomah County Corrections Deputies Association (MCCDA), went to Orange County (Orlando) and Hillsborough County (Tampa) Florida. These facilities were chosen because they are considered to be two of the best-run jails in the country. That trip provided valuable insights into how a well-managed jail operates. In addition, it was extremely important that Captain Luna and Sergeant Anderchuk accompanied them because it gave Mr. French and Mr. Bradley an appreciation of the specific ramifications of certain policies to Multnomah County jails.

I appreciate the assistance that Sheriff Giusto and his staff have provided in this investigation. I know it is never easy to have an outside agency review what you do, but I hope that the Sheriff will consider the suggestions that we have made in this report. I know that the Sheriff is committed to making his jail and his jail management the best in the country. I hope this report aids him in that endeavor.

In addition to the operation of the Sheriff's Office, I hope that this report may prove valuable for the County Commissioners and all county law enforcement and public service agencies. Public safety requires an effective jail system, but also an integrated public service plan throughout the county, which requires informed decisions from leadership. I hope this report will assist the Commissioners in that effort.



Michael D. Schrunk
District Attorney
Multnomah County

Foreword

We have spent over four months looking at jails. Our prior involvement with jails has consisted of conducting Corrections Grand Juries, investigations of corrections officers, investigations of criminal activity within the jails and going into the jails to interview witnesses. We have talked to hundreds of witnesses since we were given this assignment. However, a great deal of our most valuable information came from the men and women who work in our jails. They provided the information because they are proud of their profession and they want the jails to be successful.

We hope that the recommendations and observations we make in our investigative report will help in making our jails better, safer and more economical. Every suggestion we make has been discussed with experts and various people in corrections. They have generally agreed with our suggestions. The solutions to these problems will take time to achieve and will not always be easy. It is important that the men and women who must find solutions think beyond what has been done in the past. The Multnomah County Corrections Deputies Association (MCCDA) must be consulted before making changes, but it is the Sheriff and his command staff who must make the decisions. The answers to the questions we raise cannot be answered by saying nothing can be done. Necessary changes must be made. We know that the Sheriff is committed to this process and we will help him in any manner possible.

Chuck French
Senior Deputy District Attorney

John Bradley
Special Counsel to the District Attorney

I. SUMMARY OF INVESTIGATION

Authority and Methodology

On June 15, 2006 the Multnomah County Board of County Commissioners passed Resolution 06-094, requesting a broad investigation by the Multnomah County District Attorney's Office of local correctional facilities. Beginning in July of 2006, our investigation was conducted in tandem with the annual Corrections Grand Jury investigation of the same facilities. While the questions asked in the ordinance are broader than the statutory requirements of the Corrections Grand Jury, we believed that because many of the issues were similar it was better to join the two. In the course of the investigation we heard sworn testimony from over one hundred witnesses in the grand jury proceedings. In addition to sworn testimony we heard in front of the grand jury, we spent hundreds of hours speaking to corrections officials throughout the state and throughout the nation. We have hired an independent financial consultant to advise us on key fiscal issues. We have visited numerous jail facilities throughout the Pacific Northwest and have traveled to Florida to visit jails that are nationally recognized as model direct supervision jails.

Summary of Major Concerns

A. Lack of outside oversight of jail operations

State laws require the outside oversight of county jails by the Board of County Commissioners and by the state Department of Corrections. This oversight has not occurred as required by law. As a consequence, some of the county commissioners have failed to acquaint themselves adequately with the operations of local jails, resulting in uninformed decisions regarding operation and funding of these facilities.

B. Jail bed and juvenile detention costs

Multnomah County has some of the most expensive jails of any urban area in the nation. Under our analysis, it costs \$157/day to house an inmate in the Multnomah County jail system. Under the same analysis this compares to \$111/day in King County, Washington, \$103/day in Clark County, Washington and \$89/day in Washington County, Oregon. (Page 19) Some of the reasons for this are:

1. Despite the fact that county jail beds have been cut by 20% since 2000 (from 2,104 to 1,690) the Sheriff's jail budget, adjusted for inflation, has actually been increased in real terms by over 10%. (Page 22)
2. The two least expensive jails in the system were closed in 2005, forcing inmates from those facilities to be housed in the remaining two jails, at up to three times the cost per inmate. (Page 34)
3. Labor contracts, for which neither the Sheriff or Board of County Commissioners now accepts responsibility, have resulted in wage scales, benefits and work rules which have raised labor costs, resulting in substantial budget increases to cover the costs of those contractual obligations. (Page 23)
4. Sheriff's management practices have allowed the abuse of sick leave (Page 25), overtime and compensatory time (Page 30) by the workforce.
5. Jail staffing patterns may be inefficient. (Page 33)
6. Extraordinarily high medical costs have contributed to high overall system costs in the jail (p. 35). Our jail health program, run by the County Health Department, costs approximately \$5 million more annually than would a private plan.

Additionally, Multnomah County has an extremely expensive juvenile detention facility. It costs \$401/day to house a juvenile at that facility. (Page 37)

C. Losses on contracts and agreements to house inmates and juveniles from other jurisdictions

Multnomah County has entered into a number of contracts and agreements to house prisoners from other jurisdictions in our county's jails and juvenile detention facility. These agreements result in enormous losses for the county, as they fail by huge margins to recover the costs of housing these inmates and juveniles. (Page 39) In effect, Multnomah County is subsidizing other jurisdictions by housing their prisoners while

matrix releasing its own inmates, who then commit more crimes against the citizens of Multnomah County. The losses on these agreements are:

1. In housing state inmates under the terms of Senate Bill 1145, the county loses, by the Sheriff's estimation, \$6.8 million annually, and by our estimation, \$7.25 million annually. (Page 40)
2. In housing 150 federal inmates under the terms of a contract with the United States Marshals Service, the county loses \$2.03 million annually. (Page 42)
3. In housing up to 28 juveniles in the juvenile detention facility under the terms of contracts with Washington and Clackamas counties, the county loses another \$2 million annually. (Page 44)

D. Inmate supervision issues

1. **Deterioration of direct supervision model** - Both current Multnomah County jails were designed to operate on a correctional model called direct supervision. This model is designed to minimize costs by housing as many inmates as possible in open dormitory-type facilities, with a consequent reduction in supervisory staff. Primarily because single-inmate isolation cells are not being correctly utilized in the system, that direct supervision model has been abandoned at the downtown jail. The result is that predatory inmates have been inappropriately housed in cells with potential victims, and inmates have been locked in cells for up to 22 hours each day in the downtown jail. (Page 45)
2. **Murder in the jail** - On June 16, 2005 an inmate was brutally murdered by another inmate. Our concerns are:
 - a. Corrections deputies not at posts for long periods of time where very dangerous inmates are double bunked.
 - b. Failure to put information in log books as required.
 - c. Inmates and staff put at risk because of poor intelligence information.
 - d. Staff unaware of dangerous inmates.
 - e. Lack of immediate internal investigation to determine causes and make changes.
 - f. Housing very violent inmates with non-violent inmates throughout MCDC. (Pages 51-56)
3. **Sexual relations in isolation cells** - On May 1, 2006 an inmate escaped from his maximum-security segregation cell and was able to enter another segregation cell where he had sexual relations with a female inmate. Our concerns are:
 - a. Failure of jail staff to detect that someone had escaped for several hours.
 - b. Failure of the jail staff to ensure that inmates were in their cells before the cell doors were closed.
 - c. Failure of jail staff to thoroughly search cells on a regular basis, thereby allowing inmates to accumulate contraband.

- d. Failure of staff to supervise and inspect a limited number of cells in the jail unit that houses the county's most dangerous inmates. (Pages 56-58)

E. Holding inmates and proper identification

Oregon law allows police to issue citations to certain offenders, rather than arresting them. Some of those offenders are brought to jail when the officer is unsure of their identity. In about 90 % of the cases, the person is identified in the first four hours of detention. For the remainder it takes more time, but because of jail practices and procedure they are released. In two separate cases, inmates were released who had murder warrants in the State of Washington. In one of those cases, after the person was released he went to Washington and murdered a woman and her daughter. Our concerns are:

- a. We set an arbitrary time limit of 4 hours on holding people to be identified.
- b. California and Washington restrict the use of computerized fingerprints. We must try to persuade them to change their systems and become fully involved in the Western Identification Network. (Pages 58 –61)

F. Medical emergencies in the jail

On September 17, 2006 after an altercation with police, a mentally ill man was brought to the jail with an undiagnosed life-threatening injury. The jail refused to accept him. He died after police tried to transport him to a hospital some distance from the jail. Our concerns are:

- a. The jail nurse was not informed about the extent of the injuries.
- b. The inmate was not taken to the closest hospital when it looked like his injuries might be life threatening.
- c. There was no jail protocol requiring arresting officers to specifically state the extent of any physical force used upon an inmate.

Specific recommendations

Throughout this document we have made recommendations about things we believe need to be changed or improved in our jails. The following is a list of specific recommendations. We place them in a list because we do not want any of our suggestions to be lost. While generally we have placed the most important recommendations first, we believe they are all important.

1. **Wapato Jail** - We recommend that the Board of County Commissioners negotiate with the State Department of Corrections to open Wapato Jail by leasing it to the state to house SB 1145 prisoners now serving time in our jails. This will save the county approximately \$7 million annually, because these inmates can be housed far less expensively by the state than they are currently housed in our jails. With the money saved jail beds at Inverness could be kept open to help stop matrix releasing. (Page 41)

2. **United States Marshals Service contract** - The county should end the Marshals Service contract, which we believe to be illegal under state law, and which is subsidizing the federal government by housing 150 federal prisoners at more than \$2 million annually less than it costs our county to do so. (Page 44)

3. **Juvenile detention contracts with Clackamas and Washington counties** - The Board of County Commissioners should insist that these contracts, which currently lose \$2 million annually, be re-negotiated to collect the full cost of housing those counties' juveniles in our facility. (Page 45)

4. **Engaged and informed county leadership** - We believe that for some years the Board of County Commissioners and the Sheriff's Office have not had a reasonable and efficient working relationship with one another. County leadership in the Board must understand the operations and costs of the Sheriff's Office; and it currently does not, to the detriment of county taxpayers. Although we can make no specific recommendation that will dictate better personal relationships, we believe that this must be accomplished, for the sake of the county.

5. **Establishing an oversight committee to report to the Board of County Commissioners** - The Board of County Commissioners should create a permanent jail oversight committee to assist the Board in its legal oversight functions, which currently are not being fulfilled. This committee should be supervised by and report periodically to the Board on the specific concerns noted below in this report, the impact of any labor negotiations, and concerns noted in annual Corrections Grand Jury reports, in addition to any other jail issues it deems appropriate. (Page 10)

6. **Accounting and budgeting practices** - We are greatly concerned with the budgeting and accounting practices of the Sheriff's Office, which we find to be misleading and not serving their stated purpose of informing the Board fully about the financial operations of the Sheriff's Office. We recommend the implementation of clear cost accounting procedures that will establish a consistent model for understanding current and future jail costs. (Page 18)

7. **Labor negotiation** - We believe that the labor bargaining practices of the Sheriff's Office and the Commissioners have failed to vigorously and diligently present a management perspective in contract negotiations with the corrections deputies' association, to the detriment of county taxpayers. We recommend that a process be instituted which requires both the Board and Sheriff to take responsibility for the results of labor negotiations. (Page 24)

8. **Sick leave abuse** - The rampant abuse of sick leave by corrections deputies has prevented effective workforce management in the jail system and has dramatically increased costs. We recommend the implementation of a sick leave monitoring procedure by an independent county agency, with clear enforcement authority, for all

county employees. We also recommend sick leave policies that will give deputies an incentive to save sick leave rather than use it indiscriminately. (Page 29)

9. **Excessive overtime and compensatory time** - The reasons and solution for excessive overtime and compensatory time usage must be examined. The unchecked use of all types of leave has made the management of overtime impossible. (Pages 30-31)

10. **Jail staffing patterns** - We suspect that staffing patterns in the jail are inefficient and costly. We recommend an independent study of this issue that will consider both the appropriate staffing levels of the facilities and establish an appropriate post relief factor that excludes the abuse of leave from its calculations. (Page 33)

11. **Private contracting of jail medical services** - We recommend that the Board of County Commissioners consider privatizing jail health care. Private contracting would save the county approximately \$5 million annually. We recommend, should the Board take this step, that the savings obtained should be returned to the public health system to treat mental health patients in the community, thereby avoiding much unnecessary and expensive incarceration of these individuals, who currently represent as much as 30% of our jail population. (Page 37)

12. **Replacement of uniformed officers by civilian staff where possible in the jails** - Cost-effective jail systems utilize civilian employees instead of uniformed officers as much as possible. Multnomah County jails do not, and our system must explore how this can be accomplished. (Page 47)

13. **Matrix releases** - Matrix releases should not occur, but if they do they should be after the defendant's first court appearance, to ensure lower rates of failures to appear in court.

14. **Inmate supervision** - The following are recommendations regarding the supervision of inmates:

- **Double bunking** - Double bunking can be safely retained at the downtown jails as it is in all the institutions we visited. To safely retain double bunking we recommend that the current cell doors be replaced with full-visibility glass-panel cell doors. (Page 49)
- **Deputy presence** - Deputies must be present constantly in housing modules in the downtown jail. The current practice of leaving modules unattended without signing in and out of logbooks, against work rules, must be ended, with strict disciplinary actions if necessary. (Page 53)
- **Direct supervision** - We have noted that the practice of "direct supervision" of inmates, for which the downtown jail was designed, has been abandoned. We recommend that the Sheriff's Office commit itself to that practice once again, which is both less harsh for inmates and more economical for department finances. (Page 48)

- **Isolation cells** - We have found that single-inmate isolation cells are not being used to isolate violent and disruptive prisoners, as they were designed, but to house trustees as a reward. This has forced violent inmates into general population units with disastrous results. We recommend that single-inmate isolation cells be used to separate dangerous inmates from general population, making direct supervision of the general population feasible once more. (Page 48)
- **Investigation of incidents in jails** - The Sheriff's Office has failed to immediately investigate several recent serious incidents involving the breakdown of inmate supervision by jail staff. At least one investigation has been delayed for almost a year. The lack of timely investigations of jail problems has degraded the quality of any ultimate investigation and has prevented solutions from being implemented. We recommend a requirement that any serious jail incident be immediately investigated by the Sheriff's investigators, unless a corrections officer is the prime suspect in a criminal matter. In those cases the decision to do the internal investigations should require the consent of the District Attorney. (Pages 54-55)
- **Video cameras** - We recommend the use of video cameras throughout the jail system. This procedure, common in many jails we visited, would reduce violence, would protect deputies against false allegations and would provide evidence for criminal prosecutions against inmates who commit crimes. (Page 49)
- **Prosecution of crimes by inmates** - Many crimes committed by inmates are handled internally and not submitted to the District Attorney's office. Especially in cases involving assaults and substantial property damage, we recommend investigation and referral for criminal prosecution. (Page 50)
- **Violent inmates** - For the safety of staff and inmates, we recommend a system that clearly identifies violent inmates who have a prior history of violence before they are admitted into our jails. This is a requirement that has not been enforced. A mechanism should also be instituted to identify violent inmates to all staff as these inmates are transferred throughout the jail system. (Page 55)
- **Identifying inmates** - We recommend that no inmate should be released from jail, except on bail, before that inmate is identified. (Page 60)
- **Cell searches** - We recommend that inmate cells be searched on a regular basis to prevent the introduction of contraband. (Pages 57-58)

15. **Earthquake readiness** - We recommend that the Sheriff prepare a detailed plan to operate jail facilities should a major earthquake occur in the metropolitan area. The Sheriff should consider housing most inmates who represent security threats to the jails and the community at the more earthquake-resistant Inverness Jail. (Page 51)

II. OUTSIDE OVERSIGHT

A goal of any well-organized and managed local government is to develop and promote a clearly defined and integrated mechanism of government services that responds to the needs of the community. A county jail system is perhaps the essential gear in that mechanism, because in its starkest terms an effective jail system must be ultimately available as the final tool of enforcement of community values.

For a local jail system to function effectively in a network of integrated public services requires strong collaboration from all levels of government and from the community itself. Local jails should never be operated independent of outside oversight and input. First, lack of oversight invites abuse within jails, whose functioning is not readily open to observation. Second, lack of oversight often leads to the financial mismanagement of taxpayers' resources. Finally, lack of oversight and understanding of jail operations can thwart efforts to streamline county law enforcement activities and integrate them into general county services.

For these reasons, experts on correctional systems have long understood and emphasized the necessity for broad outside input into jail operations. In describing the role outside authorities, such as county commissions, should play in jail operations the National Institute of Corrections (NIC), a federally funded advisor for local jails, concludes that such authorities "as much as jail officials, (are) responsible for effective jail functioning in the local criminal justice system."² The NIC recommends a detailed program of outside oversight by local funding authorities like county commissions that "includes a mutually agreed-upon process for assessing jail operations and management and for reviewing jail conditions" and ensures that the outside authority has "an active and meaningful role in addressing jail liability and cost issues."³

For years, Oregon law has recognized the need for substantial outside oversight of local jails, and in fact, state law requires a level of outside oversight well beyond even that envisioned by the NIC. State law has established at least three interlocking levels of outside oversight of local jail systems, oversight from differing sectors of government. County government, state government and the state court system, through the grand jury process, are all assigned independent jail inspection and advisory functions. In Multnomah County, however, it appears that the oversight functions of county and state government officials have not been pursued by those officials⁴. Only annual grand jury inspections, as required by state law, have been conducted regularly and in accordance with law.

A. County commissioners as inspectors of local jails

Since 1854, Oregon law has assigned to county commissions the task of inspector of local jails.⁵ The state law requires the entire commission at least once each term to visit, inspect and "examine fully into the local correctional facility." Violations of law observed by the commission must immediately be reported to the District Attorney. The 2001 Corrections Grand Jury determined that this law was not being followed and that commissioners were not making attempts to inspect the jail system and familiarize

² Bowker, G., Jail Resources Issues—What Every Funding Authority Needs to Know, NIC (2002), p. 25

³ *Id.*, p. 29

⁴ We note that some of the Commissioners have visited the local jails in varying degrees, although there does not appear to be any joint or systematic inspection effort by the Board of Commissioners.

⁵ ORS 169.040

themselves with its operations.⁶ Three years later the Sheriff's Office itself, in a report on compliance with state standards, was troubled with the fact that only one of the commissioners had even visited the jail.⁷ To date there is still no evidence that the commissioners are complying with this legal obligation in any systematic fashion. To assure effective jail administration that is coordinated with other county services, the NIC recommends that county commissioners "visit the jail regularly to observe operations, . . . attend training, . . . read jail-related periodicals, . . . thoroughly review jail related reports prepared by jail officials and inspection officials, . . . and meet with jail officials regularly." In Oregon, this recommendation is actually a state law. The community benefits by having fully engaged, knowledgeable leadership that understands the mission and operations of our local jails

B. State Department of Corrections oversight and advice

In addition to operating state prisons, the Oregon Department of Corrections is assigned by state law the function of inspecting local correctional facilities and advising local officials on jail planning and operations. State law requires the Director of the Oregon Department of Corrections to "designate staff to provide technical assistance to local government agencies in the planning and operation of local correctional facilities."⁸ State law also requires the Department of Corrections to "inspect local correctional facilities . . . to ensure compliance with (state) standards." Other state laws require the Department of Corrections to review the plans for new construction or "major renovation" of county correctional facilities, and to make recommendations which are not binding unless they apply to a state jail standard.⁹ State law also requires the Department to issue a manual of guidelines for the operation of local correctional facilities.¹⁰

In sum, these laws mandate a substantial state oversight and advisory function of sheriff's jail operations around the state. The intent of these statutes is consistent with the concept of broad and overlapping outside oversight policies for correctional facilities endorsed by the NIC. The Oregon Department of Corrections, however, has by and large deferred to local officials in this task or has neglected to conduct its functions under law. This was a concern of the 2001 Corrections Grand Jury, noted in their report.¹¹

No state inspection of local facilities has been conducted since 2003. The inspections conducted prior to that time appear to be cursory examinations from boilerplate checklists regarding state standards. The Department has now decided to turn this inspection function over the Oregon State Sheriffs' Association, although no agreement on that transfer of responsibility has been finalized. This association conducts reciprocal inspections of its members' jail facilities. If the purpose of a law or policy is

⁶ Report, Conditions and Management of Correctional Facilities within Multnomah County, Oct.-Dec. 2001, p.8.

⁷ 10/31/04 Memo, MCSO Sgt. Charlotte Hasson, p.3.

⁸ ORS 169.070

⁹ ORS 169.085

¹⁰ ORS 169.090

¹¹ Report, Conditions and Management of Correctional Facilities Within Multnomah County, Oct.-Dec. 2001, p.8.

to provide outside advice or oversight of an operation from a different level of government, turning the inspection process back to the sheriffs themselves would seem to defeat that purpose.¹²

Regarding other legal requirements discussed above, it would appear that DOC has not designated staff to perform advisory functions with local jails and that they have not produced a manual for jail operations, but have relied on that produced by the Oregon State Sheriff's Association. In short, their statutory obligations appear to have been neglected.

C. Corrections Grand Jury investigation

Oregon law requires a grand jury to be convened each year to “inquire into the condition and management of every correctional facility and youth correctional facility...in the county.”¹³ This is the one level of oversight of local jails that has occurred regularly. Each year for at least 25 years a Multnomah County grand jury has conducted inspections of local jails, prisons and juvenile correctional facilities. These investigations have been extensive, requiring testimony from hundreds of witnesses in some years. A report is prepared by law and submitted to the local presiding judge, Sheriff, and County Commissioners. It is distributed locally to law enforcement officials and the press.

Virtually all of the problems that will be discussed in this current report have been observed and criticized in past grand jury reports. They include staffing issues, jail costs, overtime, training, inspections and outside oversight, double bunking, and the advisability of building Wapato Jail and of closing the Multnomah County Correctional Facility in Troutdale (MCCF) and the Restitution Center (MCRC). Unfortunately, the grand jury has no enforcement authority and its recommendations, more often than not, have been ignored.¹⁴

D. Recommendation

It is apparent that the statutory framework of oversight and collaboration among different levels of government is not functioning as designed by our legislature. Organizations often bristle at what is perceived as outside interference in their operations. We have found, however, that successful and efficient county jail systems gain far more than they lose by establishing an open and credible relationship with the people who fund

¹² While the OSSA guidelines are extensive and Multnomah County usually achieves high marks, there are some concerns with the rigor with which these guidelines are applied. OSAA OJS C02.02.02 requires confirmation of inmate security risks before a prisoner is received from another facility. MCDC was audited in 2004 and found to meet that standard. All evidence, however, indicates that in 2004 none of the compliance standards for this rule were present. An inmate was admitted to MCDC in May 2005 in violation of this standard. He later murdered his cellmate in an incident to be discussed later in this report.

¹³ ORS 132.440

¹⁴ Past county sheriffs have followed the practice of filing written responses to Corrections Grand Jury reports, outlining their position on perceived problems and plans to deal with those problems. The current Sheriff has not responded formally to any of the grand jury reports during his term.

their operations. That type of relationship does not currently exist in this county, as the Sheriff himself has stated in his grand jury testimony.

We believe that the following proposal will address that problem and will promote a better understanding of and integration among law enforcement operations in this county.

To assist county commissioners in their roles as inspectors of the county corrections system, we believe that the commission should form a permanent work group to systematically inspect the jails and report to the commissioners on their operations, according to the requirements of state law. This work group should include representatives from the law enforcement agencies in the county, the County Chair, the County Commissioner responsible for LPSCC, the United States Attorney, the administrator for the federal facility at Sheridan, people from the business community, someone from the medical community, the Department of Corrections and the District Attorney. It should also include an independent financial analyst. Unlike other multi-agency law enforcement-related work committees, this work group must focus strictly on the conditions and operation of the jails. It should be under the supervision of and should publicly report periodically to the county commissioners. Such reports should be required at least twice a year on a set schedule; initially it should meet once a month. At first, this work group should investigate and report on the problems observed in this report and the efforts and progress made to remedy them. This work group should be required to examine the conclusions and recommendations of annual Corrections Grand Juries and report to the commissioners on progress made to rectify problems observed by that body. Finally, it should report to the Board the ramifications of all union negotiations, and make appropriate recommendations.

We also recommend that the county make all efforts possible to include the state Department of Corrections as a full collaborative partner in the operations of the local jails, as required by law. When contacted in the course of this investigation, Department of Corrections' officials have expressed their willingness, if requested, to conduct thorough inspections and to make their expertise available to the local jail administration. We do not think it advisable to allow the state Sheriff's Association to fulfill functions assigned by law to the state Department of Corrections.

In many ways we believe that re-establishing a healthy relationship between the county Sheriff and the Board of Commissioners is our most significant proposal. Most of the other problems identified in this report stem from a breakdown in that relationship.

III. JAIL BED AND JUVENILE DETENTION COSTS

In government, transparent and readily available cost figures are vitally important to assure good decisions and to maintain public credibility and support. One of the major efforts of this investigation was an attempt to determine the actual costs of housing adult and juvenile detainees in our county. Adult inmates are all housed by the Sheriff in the two Multnomah County jails, MCDC and Inverness. Juvenile detainees are housed in the

Donald E. Long juvenile detention facility under the supervision of the Department of Community Justice. Medical care at all three facilities is provided by the Corrections Health division of the county Health Department. As a consequence, we were required to examine and analyze the budgeting and cost accounting practices of all three county departments.

To run any type of organization efficiently, a full understanding of operational costs is essential. The departments we are dealing with here are government organizations, however, and although both governmental and business organizations utilize similar accounting practices, the structural differences between the two must be noted. In private business, accounting practices must ultimately provide a true financial picture of the operations of the organization. In the private sector, financial self-deception has a negative impact on management decisions and ultimately on profits. When a private business spends more money than it takes in it will go out of business and eventually disappear.

This is not necessarily the case in government organizations, where no profit impetus exists. The key to the continued viability of government organizations is not as much their ability to run an efficient operation as it is their ability to obtain funding from a government funding source, be it the Congress, a state legislature or a county or city commission. As such, a common tendency of government financial reporting, if it is not discouraged in some fashion, is to consciously or subconsciously structure their financial reporting in a manner that tends to justify the continued operation of their organization, at a greater funding level if possible. We have taken care to consider that fact in assessing the financial data provided to us in this investigation by the three departments mentioned.

In making system costs assessments, we were very encouraged with the practices of two of the three departments mentioned. We had little difficulty understanding and analyzing the budgeting and accounting practices of the Health Department and the Department of Community Justice. Their fiscal processes were transparent and logical, and while we have significant concerns about the expenses of their operations, we have no real disagreement with those departments regarding their cost reporting and fiscal account structuring. We cannot say the same about the fiscal approaches of the county Sheriff's Office. For reasons we will explain, we found so many discrepancies in their financial procedures we ultimately concluded we could not rely on their financial conclusions and would need to hire an outside financial analyst to determine the costs associated with running the corrections division of the Sheriff's Office.

A. County Sheriff financial reporting practices

As mentioned above, we came to the conclusion that the figures provided to us from the county Sheriff's Office were not sufficiently reliable to continue to use them in analyzing the costs of that organization. We feel it necessary to detail the reasons we came to that conclusion.

Initially, several current and former employees at different levels of the county Sheriff's Office cautioned us about relying on the figures used by the financial department of that office. Some spoke to us under a condition of confidentiality. They discussed questionable, inconsistent and muddled financial reporting practices in that department. As prosecutors, we are well aware of the potential problems associated with confidential information. We believe that this type of information needs to be corroborated before it is considered worthy of belief. After a lengthy review of these practices we are more than convinced that the information they provided us is correct.

B. Concerns with MCSO bed cost figures

We have substantial concerns that some of the accounting practices of the Sheriff's Office regarding bed costs are "purpose-driven," in short, prepared in a manner designed to justify a particular result (specifically, continued funding from some source), and are not therefore neutral and objective analyses of financial figures. We believe that a culture of purpose-driven accounting practices has existed for a number of years in the Sheriff's Office, pre-dating the current Sheriff. For instance, in 2000, the Sheriff's Office reported to that year's Corrections Grand Jury that the operating cost of the MCCF facility¹⁵ was \$54.02/inmate/day, by far the lowest in the system. The next year, as the Sheriff, in what was then a controversial action, attempted to close that facility, the Sheriff's Office reported to the grand jury that the costs of that facility were now far more expensive--\$79.98/inmate/day, making the closing of the facility appear far more reasonable.

Again, in 2001, in examining jail bed costs, the grand jury noted that "different figures have emerged year-by-year under what appears to be different accounting methods." That year, the Sheriff's staff estimated the daily jail bed costs at the Wapato Jail, then in construction, would be \$159/day, a figure which prompted that grand jury to question why the past Sheriff would open a facility at that cost at the same time he was closing the \$79.98/day MCCF facility. Despite this 2001 \$159/day Wapato estimate, the current Sheriff in June 2006 proposed to the county commissioners that he could open that entire facility, now fully constructed, for just \$122/day, and that he could open the first 150 beds for only \$101/day. Additionally, we understand that the Sheriff has extended a contractual offer to house Washington County prisoners under MCSO supervision at Wapato Jail for only \$95/day. For us, the huge discrepancy between what the former Sheriff projected in 2001 that it would cost to house prisoners at Wapato when construction was complete and the modest amount the current Sheriff now claims it will take to house prisoners at that facility casts into substantial doubt all the figures presented by the Sheriff's Office regarding that facility and the system as a whole.

Additionally, the recent reporting of jail costs has only served to heighten our concerns about the reliability of figures presented to us by the Sheriff's Office. The following are some instances:

¹⁵ MCCF was a jail located in Troutdale designed to house minimum-security inmates. The current sheriff closed that jail in 2005.

- In July 2006 the Multnomah County Auditor analyzed county jail bed costs and verified 2004 costs at Inverness and MCDC of \$91.60/day and \$191.17/day, respectively, which reflect a combined average of \$134.36/day. Despite this auditor's report to MCSO management, the Sheriff's Office one month later reported to the Oregon State Sheriffs' Association bed costs for the current year of only \$117/day.
- When the financial department of our office in September of 2006 issued preliminary investigation figures on bed costs of approximately \$157/day system wide, the Sheriff was asked to respond. His Chief Financial Officer testified and concluded that while he agreed with our methodology, he disagreed with some of the expenses we included. Although we do not agree with those contentions, we recalculated our figures based upon his objections, and arrived at a figure of \$147.52/day. We released these figures in a preliminary report.
- After releasing these figures, the Sheriff's Executive Assistant stated to *The Oregonian* that she disagreed with our figures and they had run no estimates anywhere near those figures. The Sheriff's Office was at that very time preparing to release a finding showing the costs to be \$120.65, exclusive of health costs. When the \$21/day health costs are added into that figure, the total bed costs amount to \$142/day, or substantially the same as the figures we arrived at based upon the objections described above.
- In examining the spreadsheets used to calculate the \$120.65 figure discussed above, we discovered that the Sheriff's Office accountants had added the figures incorrectly. The inability to reconcile columns of figures gives us substantial concerns about other accounting methods.
- In the same *Oregonian* article discussed above, the Sheriff's Office stated they believed they were losing one million dollars each year in their agreement to house state prisoners under Senate Bill 1145 (to be discussed in detail later in this report). In testimony before the grand jury on October 20, 2006, the Sheriff himself stated that his department is losing \$6.8 million a year in that agreement.
- On October 31, 2006 we obtained from the Sheriff's Office yet another estimate of jail bed costs. This time the figure presented was \$139.92/day.
- We have discovered numerous instances where the Sheriff's Office has understated costs in spreadsheets prepared for various reasons, including for negotiating the county's contract to house federal prisoners. Not included in calculations for the federal contract were costs for transport, temporary hold facilities, medical and depreciation that are allowed in establishing a price for the federal contract. This is detailed in Appendix A, attached.
- The Sheriff's Office has consistently decided not to include medical costs in its bed cost analyses, discounting costs by over 10%.
- The Sheriff's Office financial officers have continued calculate costs by using the improper accounting practice of "revenue netting," which deducts specific revenues from the costs of individual programs within a system. The practice makes unit costs appear lower than they actually are, and also makes an analysis of full operating costs impossible.

C. Concerns with budgeting practices

As we have attempted to assemble financial figures to complete this report, we have observed that the Multnomah County Sheriff's Office has utilized budgeting techniques that have had the effect of obscuring the management practices of the organization. This has made it difficult for outside observers to determine how the organization functions and has required our use of independent financial expertise to unravel the financial outline of the jail system.

This county requires what has been referred to as "priority-based budgeting," where each department is required to present a number of "program offer" packages to the county commissioners for funding. The commissioners then review the packages individually and decide to "purchase" some and possibly reject funding for others. The Sheriff's Office this year has had 66 funding program offers submitted to and approved for funding by the county commission. The theory behind this priority-based budgeting is to present an accurate financial picture of various programs so that the commissioners can make an informed decision on whether or not to fund that particular program. As such, the commission expects to be presented with figures that accurately reflect the costs of that program operating alone. This requires an accurate allocation of administrative and overhead costs to each program in a manner that truly represents their use in that program.

An example in the jail might be the use of administrative personnel. Payroll clerks are necessary, for instance, to assemble and process a payroll. The more employees an organization has, the more payroll clerks will be needed to process payrolls. The very first payroll clerk should be considered a fixed cost, because the organization will need this position whether it has hired ten employees or one hundred. The more employees on the payroll, however, the more payroll clerks will need to be hired. These additional clerks represent variable expenses, because their number should fluctuate with the number of employees they serve.

In our estimation, the Sheriff's Office has "front loaded" an enormous amount of variable expenses onto its initial MCDC and Inverness Jail program offers. In short, in presenting its program offers for the first housing units in the two county jails, it has included virtually all the administrative costs of a fully operating jail. In doing so, it has labeled these costs as fixed costs when in fact most are variable costs. Labeling variable costs as fixed costs has the effect of protecting those costs from budget cuts. We disagree with this practice and our financial consultants concur.

An examination of these budgeting practices is informative. In presenting its program offers for MCDC, for example, the Sheriff has told the county commission that in opening the first 46 beds in that facility they need to budget \$13,454,488 and employ 103 full-time workers. To supervise these 46 prisoners, the Sheriff has declared that he needs ten full-time sergeants, three lieutenants and a jail commander. He states he needs sixteen deputies merely to operate control panels to open doors. He claims to need 51 administrative and core jail support staff. In addition, he states that he also needs

approximately 20 corrections deputies to do the actual supervision. The average jail bed cost for this unit would figure out to a staggering \$801/day. Put another way, no 46-bed jail would require a staffing pattern such as this. What has happened is that the Sheriff's financial office has decided to apply almost all administrative costs of the entire facility to only one unit.

While we believe that some of these costs may be fixed costs, most are not. Most are variable costs that are applicable throughout the facility and should fluctuate with the number of additional beds being used in the jail. This is especially so since the fluctuation of jail beds in the Multnomah county jail system is an entirely predictable phenomenon. The jail system in this county operates at a virtual zero percent vacancy rate. The constant "matrix" release of inmates is evidence of this. Fluctuations in occupancy rates beyond one or two inmates a day are a result of highly predictable maintenance or budgetary issues. Entire jail dorms or modules are closed or opened based on planned budget projections or maintenance determined months in advance. As a consequence, most administrative costs such as those described above are manageable as variable costs.

This is important because the budgeting practices described above present an inaccurate picture of the economic position of the jail system. The practice makes the initial beds in a jail appear extremely expensive and it makes the last beds in the system appear deceptively economical, because few administrative costs are assigned to them.

This makes it impossible, without a detailed analysis and reassessment of the figures, for the public to understand the financial management of the system. It also has made it difficult for the county commission to knowledgeably evaluate and accept or reject the Sheriff's program offers, especially when, as noted, they have not involved themselves in understanding these matters in any systematic fashion.

We expressed our concerns about this budgeting process to Sheriff's officials. They were adamant that the budget priorities and costs described above for MCDC were an accurate method to assign administrative costs for the MCDC facility. They indicated that this type of front-loading of administrative expenses was a completely legitimate budgeting exercise.

Given that position, we were concerned when we examined the Sheriff's June 2006 program offer for the opening of the Wapato Jail, a program offer that was ultimately rejected by the county commission. In that program offer, the Sheriff sought to obtain money from the county general fund to open the entire Wapato facility. In laying out their base or first budget program offer, the opening of the first 150 beds at that jail, the Sheriff took the exact opposite budgeting strategy than those taken for program offers for MCDC and Inverness Jail. Instead of front-loading all administrative costs on the first program offer, as was done for the offers at MCDC and Inverness, the Sheriff loaded most of the administrative and support functions onto the second program offer.

A breakdown of this offer is instructive:

- The Sheriff chose to apply no “administrative support” costs to his first 150-bed Wapato program offer. All fiscal support, human resources, technology and payroll support costs were omitted from the base offer and assigned to the second 75-bed program offer. It is difficult, therefore, to see how computers would function, how benefits would be calculated for employees and how employees at Wapato could be paid under those circumstances.
- Even more curiously, no transport function was assigned to the 150-bed offer, so it is difficult to discern how inmates would even be brought to or taken from that jail under the terms of this program offer. All transport costs were assigned to the second offer.
- The Corrections health budget for the first 150 prisoners was listed as \$158,137 or \$5.77/day per inmate (the system wide medical cost is roughly \$21/day). The medical cost, however, for the second program offer for housing 75 prisoners is \$832,473, or \$60.81/day/inmate. It is hard to understand how the first set of Wapato prisoners could be expected to be ten times more healthy than the second set.

By excluding so many administrative costs from his first program offer, the Sheriff proposed that he could open the first beds at Wapato Jail for only \$101/day, instead of the \$801/day cost of the jail beds from the base MCDC program offer, and the \$269/day cost of jail beds for the base Inverness Jail program offer. However, into the Sheriff’s second Wapato program offer, designed to open another 75 beds at that facility, the Sheriff dumped virtually all of the administrative costs. Beds in this second Wapato program offer would have cost \$304/day.

What has happened here appears obvious to us, and it is disturbing. When dealing with the fully operating facilities at MCDC and Inverness, the Sheriff has adopted a budgeting procedure designed to portray the first beds opened at that facility as the most expensive beds, providing a disincentive to the county commission to ever cut the last beds, because they are pictured in this budgeting scheme as relatively inexpensive. When attempting to obtain funding to open a new facility at Wapato, however, the Sheriff has taken the direct opposite budgeting practice. He has portrayed his first beds opened as the least expensive. Only after those beds are opened would he begin to assign general administrative costs, and then only to later program offers. Attached as Appendix B are the three program offers discussed above, demonstrating the exact staffing proposed by the Sheriff in his budget proposals for these three facilities.

We are concerned that this pattern of budgeting practices presents a distorted picture of jail functioning. More importantly, the county budgeting process is specifically designed to be transparent and to allow the county commission to establish funding priorities. These types of practices serve to obscure from that funding authority the actual operation of jails and the costs associated with those facilities.

In sum, these accounting and budgeting practices have caused us great concern. Because of that we concluded that the use of an outside, independent financial consultant was essential in analyzing the Sheriff's costs and budgets.

We do not intend to blame the Sheriff's Office entirely for this situation. As noted, it is a natural and understandable inclination of a governmental agency to engage in exactly the type of practices described here. If allowed, the instinct for institutional preservation will generally produce similar results, especially in an era of financial uncertainty and economic contraction as has been experienced by this county over the last five years. We suspect that similar practices are being replicated by governmental agencies throughout the country. We understand that budget figures publicly distributed from public agencies may understate costs for political purposes. For this reason, we ignored publicly stated costs from other jails and did our own calculations directly from agency budgets.

We feel, as we noted earlier, that the county commission must adopt a more engaged role in partnership with the Sheriff. When funding authorities such as the county commissioners fail to understand the operations of departments they fund, such problems are likely to recur.

Recommendation - The Sheriff's cost reporting and budgeting practices should be a major focus of the workgroup we propose in Section II.

IV. DAILY JAIL BED COSTS

A. MCSO Facilities

A preliminary examination of the unit costs of housing adult prisoners in the county jail system revealed an average daily per prisoner cost of \$157.57. This section analyzes this unit cost figure on three levels. First, we will explain how we arrived at that figure. Second, we will compare that figure with the costs of corrections facilities in other jurisdictions. Finally, we will detail the reasons that appear to have produced this figure.

1. Methodology - We arrived at a preliminary cost estimate of \$157.57/inmate/day by utilizing budget data for the Sheriff's Office in its fiscal year 2007 (July 1, 2006 through June 30, 2007) budget request to the county commissioners. The resultant unit cost, \$157.57/inmate/day, is the projected cost of jail beds in fiscal year 2007 (July 1, 2006-June 30, 2007) based on Sheriff's Office budget figures. Since 2005, all departments of Multnomah County government are required to submit separate budget proposals for all the various areas of their operations. These budget "program offers" are designed to present the county commission with a detailed financial picture of the many different aspects of a department's operations, and thereby allow the commissioners to decide whether to fund that particular "program or not.

This “priority-based budgeting” practice forces a department to break down, assess, and in a budget document, declare the actual costs of each of its various programs. The 2007 Multnomah County Adopted Budget reflects 66 “program offers” the Sheriff’s Office submitted to the county commission, and which were then accepted for funding by that body. Thirty of these were strictly jail-related programs that are under the direct administration of the Corrections Division of the Sheriff’s Office. We excluded some of these corrections programs because we felt they were not related to the cost of housing an inmate. For instance, we excluded from our calculation the costs of mothballing the unused Wapato Jail facility. We also added a percentage of the costs of the MCSO executive budget and training program offers,¹⁶ a percentage (80%) that was consistent with the share of corrections spending in the entire MCSO budget. Because health care for county prisoners is provided by the county health department’s Corrections Health section we utilized the same process to analyze their budget and assess the total health care costs for the jail system.

We totaled the cost of all the MCSO and health department jail-related programs and divided this cost by the total number of annual jail bed days in the system. Based on information provided for us by the National Institute of Corrections on calculating *per diem* jail bed costs, we used the following assumptions to arrive at the total number of annual jail bed days. We understand these to be standard assumptions used throughout the nation. We considered a jail bed day to be a unit that is measured by the actual overnight occupancy by a prisoner in one of the Multnomah County jail facilities. We did not consider electronic monitoring or any form of “house arrest” to be a jail bed day. We did not consider the county’s “weekend in jail” program as jail bed days. This program allows judges to sentence low level offenders to “serve” time from 8:00 a.m. to 4:00 p.m. on Saturdays and Sundays by coming to the downtown courthouse to sit in the courthouse jail for eight hours and returning home for the evenings. Because inmates do not sleep overnight in the jail we excluded this program from calculating jail bed days.¹⁷

We further assumed an occupancy rate of 100% of the 1,690 jail beds in the system. We did this because the Multnomah County jail system operates at essentially full capacity all the time, which is the reason, of course, for constant forced or “matrix” releases.¹⁸ We understand the actual occupancy rate is 99%, because at the instant when inmate counts are made at midnight there will generally be a few prisoners who have been bailed out and are actually walking out the door while a “replacement inmate” is

¹⁶ The Sheriff’s Office has a small executive office, with eight employees and the training office has seven employees. They service all sectors of the Sheriff’s Office and their costs were not allocated in the 2007 budget, or “spread,” among the various program offers, as were all other administrative programs. This required us to allocate a portion of their costs to corrections programs.

¹⁷ It should also be noted that because this “sanction” is supervised by the MCSO Court Security detail and because we excluded the Court Security detail from our calculation of costs, the “weekend in jail” program has no effect on our jail bed cost calculation. Had we included the program as jail bed days and likewise included the Courthouse Security detail’s budget in our calculation, it would likely have raised the daily bed costs of the system.

¹⁸ The county jail system operates under statutory maximum population numbers under ORS 169.042-.046. After the maximum figure is reached, inmates are released according to the terms of a “matrix” which determines which inmate can be most safely released to the community.

assigned to his bed. The effective occupancy rate, however, is 100%, so we used that figure. Use of the 99% occupancy rate would actually have produced a higher daily jail bed cost, adding \$1.58 to the daily rate.

After establishing total costs and total annual jail bed days, we divided these costs by the annual bed days to arrive at our preliminary calculation. The result was the figure of \$157.57 per inmate per day, which represents the full budgeted cost of a jail bed in Multnomah County. This analysis is attached as Appendix C.

We feel the accuracy of these figures is confirmed in work done by the Multnomah County Auditor's Office. In July of this year that office conducted an independent audit of certain Sheriff's operations, including a calculation of jail costs. This audit checked the actual costs of jail beds in fiscal year 2005. Their calculations of daily jail bed costs in fiscal year 2005 for the two currently existing Multnomah County jails (MCIJ, \$96.50, and MCDC, \$191.17) demonstrate the average jail bed cost for those two jails together was \$134.36. Here it must be added that the Auditor's Office analyzed the costs of jail beds under Multnomah County's contract with the federal government to house 125 federal prisoners. This contract excludes several costs, such as transportation and work crews, which are not applicable to federal prisoners, and therefore considerably understates the actual costs of housing prisoners.

This audit was conducted on a two-year-old budget. With a cost of \$134/day established by this audit for jail beds two years ago, therefore, our preliminary estimate of around \$157/day seems not only reasonable, but conservative. When the real increases in jail budgets over the last two years are added to the costs that are omitted in the federal contract figures, our preliminary estimate seems accurate. As a consequence, we were confident that our \$157.57 figure accurately reflects the costs of housing prisoners in this county.

After calculating these figures with information provided by the National Institute on Corrections and after checking the methodology used by other jail systems, we presented this figure to the head of the Multnomah County Sheriff's Office financial department when he testified before the corrections grand jury. He agreed that the methodology accurately reflects average jail bed costs. Indeed, this has been the methodology historically utilized by the Sheriff's Office in analyzing their own jail costs.¹⁹ It is also the methodology utilized by all the departments we have examined.

The Sheriff's financial officer, however, disagreed with including certain costs in the calculation, because in his estimation they are not related to the actual costs of housing prisoners. Specifically, in his testimony before the grand jury he stated that only 70% of booking costs should be allocated to housing prisoners because only 70% of prisoners booked are actually housed, the remainder being released on bail or on recognizance before they are ever taken to a jail cell. He also said that most of the cost of inmate commissary should be excluded because inmates themselves pay for all but

¹⁹ A recent study of statewide costs which was compiled by the sheriff specifically states "Average Bed day costs is calculated by taking the total costs divided by total beds," the same methodology used here.

\$70,413 of that cost. He also felt that only 50% of the costs of transportation should be allocated to daily jail costs. Although from an accounting perspective we do not necessarily agree with these minor shifts in allocations, we recalculated total jail costs after removing those items from the equation. Even allowing for these adjustments, the average daily jail bed cost in the Multnomah County jail system is \$147.52. Attached as Appendix D. On October 16, 2006 the Sheriff recalculated these figures and concluded that their daily costs were \$120.65, exclusive of corrections health costs. When the \$21/day of corrections health costs are included, the new figure from the Sheriff is about \$142/day. On October 18 of this year, the Sheriff's Office submitted to us another cost study for average jail bed costs, now showing the average jail cost to be only \$117/day.

After discussing these figures with the Sheriff's Office we obtained the services of an independent financial auditor and advisor to analyze all the figures. This audit has confirmed the accuracy of our initial calculation. See Appendix A. This audit reveals a full cost of \$157.82 per inmate per day, only twenty-five cents from our preliminary figure. The difference is primarily attributable to a slight discrepancy in allocating executive and training expenses within the Sheriff's Office.

We have made substantial attempts to reconcile these figures with the Sheriff's Office. They have provided us with at least three different numbers over the last three weeks. We made the effort to contact a former financial analyst from the Sheriff's Office who was intimately familiar with their operations. She was, in fact, recommended to us by the Sheriff himself. She met with us and with our financial advisor and we discussed with her our methodology and figures. She prepared her own estimate and arrived at a figure of \$149.51/day.

We understand her analysis and, while at \$8.31/day difference, it is quite close to ours, we believe it violates a fundamental principle of accounting. As described in Appendix A, the figures reflect the practice of "revenue netting," where revenue generated by certain programs is offset against the cost of the program. "Revenue netting" is considered improper in business accounting and in business management practice because it obscures the full cost of a system. Without an accurate measure of the full cost of a system, management of the costs of the system becomes difficult.

We have had no difficulty understanding the analysis that resulted in the \$149.51 figure and, after correcting for the improper practice of "revenue netting," the figure of this former Sheriff's analyst becomes \$155.48, or substantially the same as ours.

2. Comparison - We have attempted to compare the unit costs of housing prisoners in the Multnomah County jails with the costs of jails in other counties. We have analyzed the budgets of those jails, utilizing the same methodology described above. In doing so, we recognize that not all jail systems are exactly alike, and we also recognize that managing costs will be somewhat different from program to program. Having established that, however, there is no other jail system we have examined that comes even close to duplicating the high cost of the jails in Multnomah County. Using the same unit cost methodology, we initially calculated that King County, Washington houses

prisoners for about \$117/day. An analysis by our financial consultant of the King County budget figures revised that estimate to \$111.18/day.²⁰ Using the same method we calculate that Clark County, Washington houses inmates for \$103/day, and Washington County for \$89/day.

The assertion that Multnomah County operates some of the most expensive jails in the nation is confirmed by the fact that the federal government's Marshal Service, in contracting with our jail system to house approximately 125 inmates each day, pays one of the highest costs of any contract in a large city in the nation. The federal government contracts with 180 local jail systems throughout the nation to house prisoners in their facilities. "As of January 13, 2005 the USMS was managing 180 active (contracts) totaling about \$208 million and guaranteeing 11,203 bed spaces."²¹ This works out to an average bed cost of roughly \$51/day throughout the system. This contracting system utilizes a uniform process to determine costs and thus establishes a nationwide methodology that allows comparisons between the costs of contracting jail systems.²²

The Multnomah County contract with the USMS requires the federal government to pay \$115.90/day to house federal prisoners. Despite the fact that the contract has not been renegotiated since 1996, the figure of \$115.90/day, which has remained the same for over a decade, is the seventh highest amount paid by the federal government to any jail system. Only four jails in the New York City area, the jail in Kodiak, Alaska, and the jail system in San Bernardino County, California, serving the Los Angeles area have higher costs. All these areas, of course, have dramatically higher costs of living than the Portland area.²³

3. Reasons for the rise in jail bed costs - The rise in jail bed costs in this county could be seen as the composite result of a number of management and administration decisions and policies over a number of years. We will attempt later to discuss some of those separate factors.

Before being lost, however, in the minutiae of management decisions and practices that have resulted in increased systems costs, it is necessary to understand the fact and effect of that result. The Multnomah County Sheriff's Office provides a service to the community. That service is the incarceration of individuals who are charged with or convicted of crimes committed in the community. In the past five years that service to the community has been reduced by 20%, as the number of available jail beds has been cut from 2,104 to 1,690. At the same time that this service has been drastically slashed, the budget of the corrections division has paradoxically increased in real terms by over

²⁰ The King County jail system has contracts to house inmates from numerous local municipalities for a \$186 booking fee plus \$97/day, or \$257/day when housed in specialized medical units. The figures of this contract align remarkably closely with an average daily rate of \$111.18

²¹ Audit Report 05-28 Office of Inspector General

²² Federal jail contracts exclude costs that are not applicable to federal prisoners, such as outside crews and transportation. As such, while the figures can be used for cost comparisons between jail systems, they understate actual jail costs for housing other prisoners in the system.

²³ Other comparable West Coast rates for USMS contracts are: Lane County, Oregon--\$88.99; Alameda County, California (serving San Francisco)--\$98.00 for Oakland jail and \$74.00 for Santa Rita jail.

10%, even after adjusting for inflation.²⁴ While a cut in a public service might be considered reasonable if a public savings results, a cut in public services that results in additional spending is not.

The main reason, therefore, for the dramatic increase in jail bed costs is the simple fact that over the last five years county corrections budgets have been allowed to increase by over 10% in real terms while services have been decreased by 20%, leading to a completely predictable increase of over 30% in individual jail bed costs. With that in mind, we wish to address some of the management decisions and practices that have resulted in transformed the Multnomah County jails from a moderately expensive program into one of a handful of the most expensive programs in the country.

Before we begin a discussion of the various “drivers” of jail cost increases, we wish to stress again the fact that in our estimation this is primarily the result of breakdown in the partnership between the county commission and the Sheriff’s Office. Without a reasonable and informed dialogue between a public agency and its funding source, problems such as these are likely and are likely to be repeated.

4. Workforce costs - The primary component affecting the costs of jailing inmates in the county jails is labor costs. As noted above, labor costs constitute 82% of the county Sheriff’s budget, and increases in labor costs are primarily responsible for increases in the Sheriff’s budget. These increases in labor costs are primarily attributable to two distinct factors - contract negotiation and workforce management practices. In both of these areas, significant problems appear to have developed which have allowed labor costs to rise.

a. MCCDA labor contracts - Corrections officers in the Sheriff’s Office are represented by the Multnomah County Corrections Deputies Association (MCCDA), which negotiates periodic contracts with the county regarding compensation and work conditions and practices. The latest contract between the county and this association was negotiated and signed this year, resulting in a substantial increase in pay for corrections deputies. The Corrections Grand Jury heard testimony from the county and from the Sheriff’s Office regarding the negotiation of this contract. This testimony revealed a problematic two-way trend in the procedure. The Sheriff testified, as he did before a previous grand jury, that he considered the negotiation of labor contracts to be primarily a function of the county commission or their delegates, and that his obligation was merely to manage the aftermath of such negotiations. The bargaining team for the county, on the other hand, testified that they considered the Sheriff to be primarily responsible for negotiating a contract he considered appropriate. What has emerged, therefore, is a curious “who is minding the store?” situation where the county commission, or their delegates, believe that they are deferring to the Sheriff regarding key contractual management points, at the same time that the Sheriff believes that he should actually be

²⁴ In auditing aspects of the sheriff’s correction’s operation in March 2006, the Multnomah County Auditor’s Office concluded that, adjusted for inflation, the county corrections budget had actually increased between fiscal year 2001 and fiscal year 2005 by six percent. Since fiscal year 2005 to the present the corrections budget has again risen dramatically, from \$60.3 million to \$71.0 million.

deferring to the county commission on the same points. The consequence is that an effective management perspective is not fully represented in these contract negotiations, and the ultimate result, as can be seen in the latest contract, is an agreement that makes effective management and cost control impossible. This agreement has awarded MCCDA members an 11.4% cost-of-living increase over the last two years, more than 6% greater than the actual cost of living increase during that period.

We were told that this contract was signed to bring MCSO corrections deputies up to the pay level of Washington County Sheriff's Office corrections deputies. We were told that an analysis of pay structure demonstrated that WCSO deputies were paid over 11% more than corrections deputies here. If that were truly the case, a deeper question appears never to have been addressed. Jail systems are labor-intensive activities, with 75-85% of budgets resulting from personnel cost. No one disputes the fact that the Washington County Sheriff's Office runs a less expensive jail program than the Multnomah County Sheriff's Office. If the Washington County jails can run a substantially more economical jail system even when they pay their corrections officers more than ours are paid, something must be wrong with management practices in our jails. The productivity of our corrections staff must be substantially lower than elsewhere, and no one from any side of the table seems to have pondered that point.

In terms of labor costs, negotiating a contract which compensates corrections officers at the same pay level as their more productive counterparts in other counties simply ensures that jail bed costs in this county must inevitably be higher than elsewhere. This is not to say that corrections officers should not be paid the same as deputies elsewhere. They should, because, by and large, they have the same job and suffer the same dangers as officers in other facilities. The choices available, however, in maintaining lower jail costs in a system whose finances are driven almost totally by labor costs are simple, raise productivity of the labor force through improved management techniques or avoid increases in the cost of labor. As this report demonstrates, we would prefer the former, but it is apparent that the latter was not considered in the negotiation of the last contract. As a result, increased labor costs have driven this year's 7% increase in the Sheriff's budget.

b. MCSO workforce management practices - Aside from the contractual pay scales and benefits negotiated by management, the day-to-day management of a workforce is the primary determinant of how cost-effectively a corrections system will operate. By their nature, jails must operate around-the-clock and many of the posts in the system must be constantly staffed for obvious security reasons. Because of this, corrections systems present acute management challenges and an effective operational plan is essential to effective management of costs. Issues such as staffing patterns and employee leave administration are critical to a successful plan. We will attempt to comment on several of the management decisions that have had an impact of jail costs.

i. Sick leave abuse

Attached as Appendix E is a copy of a report on sick time use by MCSO corrections deputies prepared by Capt. Bruce McCain of the Sheriff's Office at our request. The document, prepared by the Sheriff's own staff, virtually speaks for itself on this issue of sick leave management and abuse. 77 of the 448 corrections deputies have used 99% of all their accumulated sick leave. 230 of those deputies have used over 90% of accumulated sick leave. The mean usage is 91% and the average use is 84%.

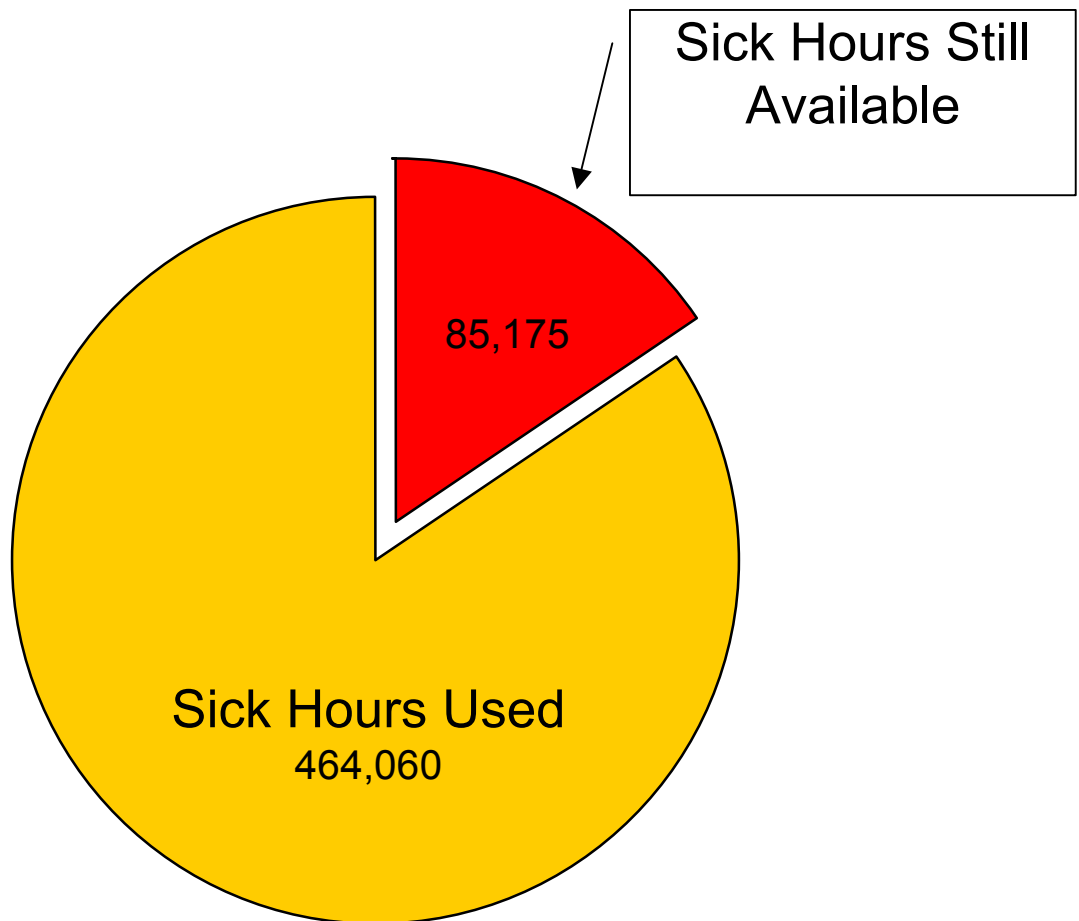
The usage of sick leave has increased significantly since the last study was completed in 1994. In fact, figures for the last year demonstrate that corrections deputies and sergeants took 55,894 hours of sick leave. This amounts to a total of 27 work years lost to sick leave in the Sheriff's Office. This figure of hours sick leave taken actually exceeded the number of hours accrued by corrections deputies that year by over 10,000 hours.

The issue of rampant and unchecked sick leave usage is nothing new to jail systems. Throughout the nation, corrections authorities consider sick leave abuse (and its inevitable by-product, excessive overtime budgets) as a management issue that must be addressed and continually monitored if it is not to run out of control.²⁵ We believe that the use of sick time in this system has indeed run out of control, with significant management consequences.

- Because of its essentially unplanned nature, excessive sick time produces a scheduling nightmare for administrative staff, especially in an operation that requires round-the-clock staffing for security reasons.
- Mismanaged sick time adds enormous personnel cost increases because it requires replacement of time lost due to abuse. Replacement of this time is usually accomplished by overtime, adding an additional financial burden. MCSO records for the corrections division indicate that for fiscal year 2006 the department had to replace
 - 35,190 hours of sick time taken with deputies on overtime.
- Unmanaged sick leave permits the manipulation of the system for the benefit of those who are inclined to use that abuse to increase their paychecks. Throughout the course of this investigation, we have heard of numerous methods utilized by corrections deputies to bolster overtime and maintain benefits, largely based on the virtually unchecked usage of sick leave.
- Any attempt to establish an appropriate "post relief factor" (see below for a discussion of the management tool of post factor) to determine how many deputies are needed to fill a post is compromised because a post relief factor which includes sick time abuse simply legitimizes and institutionalizes that abuse.

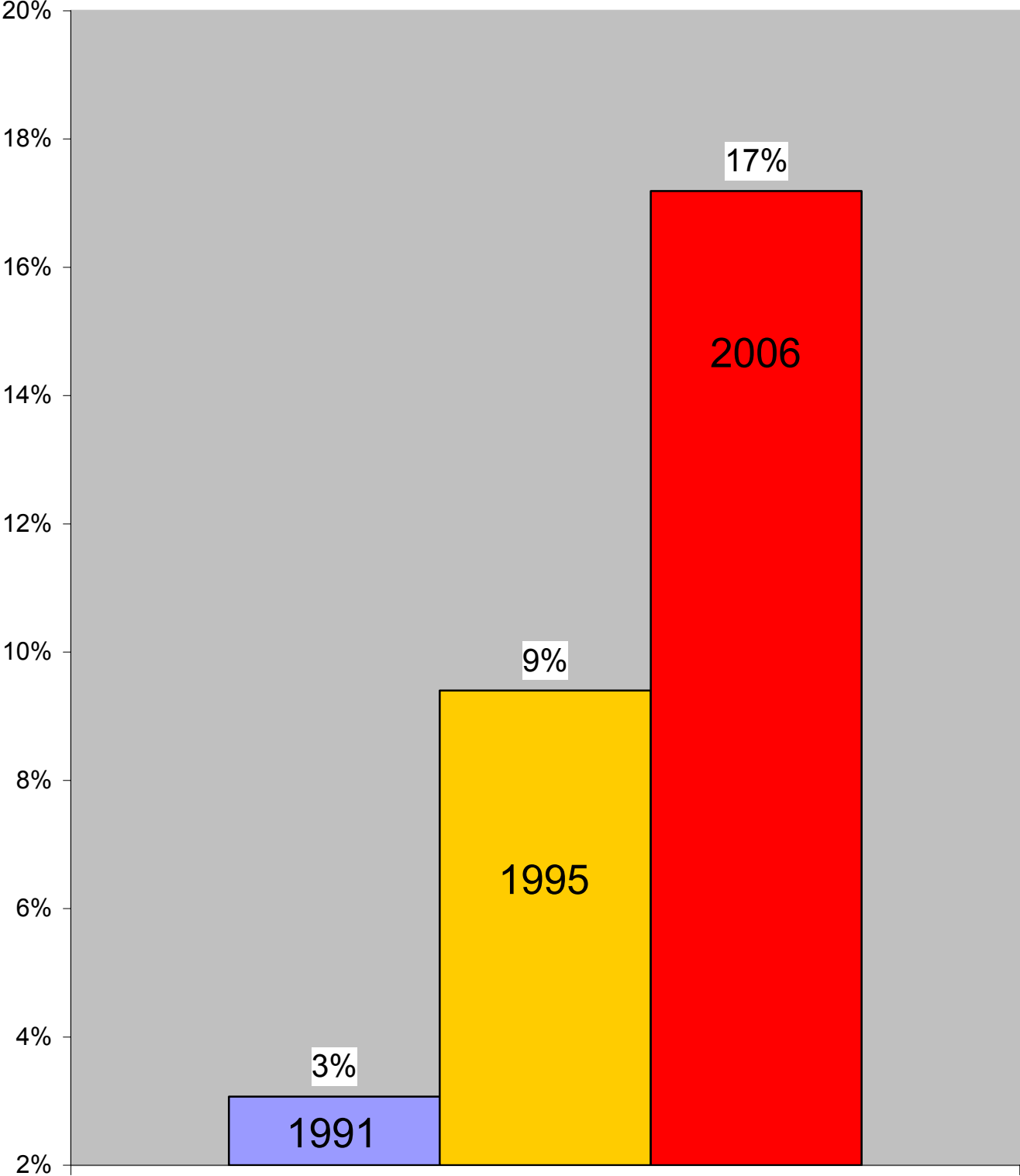
²⁵ Reacting to the fiscal impact of sick leave abuse, some jail systems we visited have taken aggressive management positions on the issue. In Orange County, Fla., the jail system docks deputies "points" for each unscheduled leave, whether later justified or not, and for every tardy arrival at work. If the deputy reaches a certain number of points within a pre-determined time-frame, the deputy is fired.

Corrections Deputies Total Sick Hours Earned Through 8/31/2006



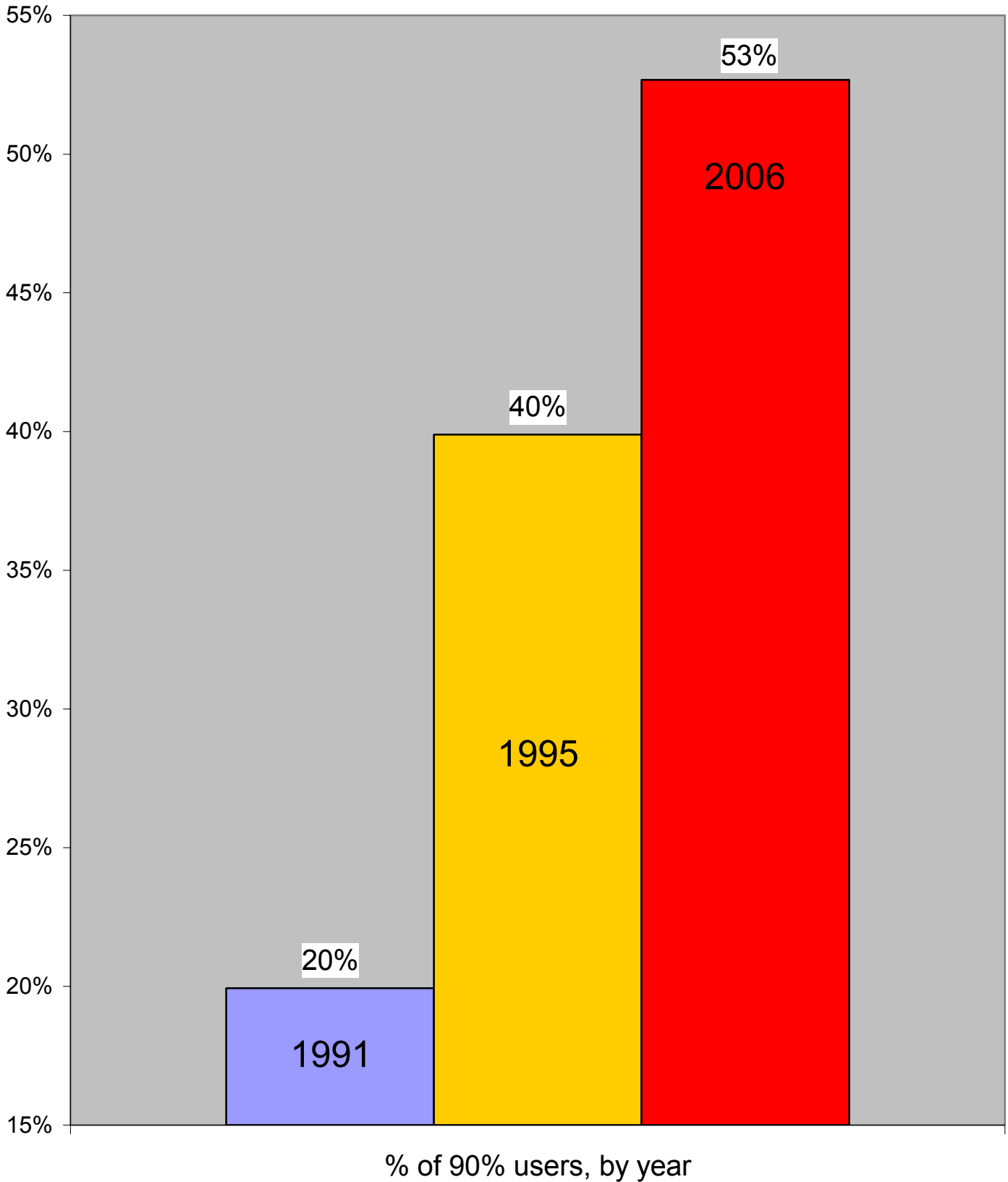
Total Hours Earned 549,235

% of Users Using 99% of Earned Sick Hours



% of 99% users, by year

% of Users Using 90% of Sick Time



- Inappropriate use of sick leave leaves employees without leave and therefore financially vulnerable and unprotected against true illnesses, resulting in unnecessary disability payments and calls for other employees throughout the county to donate vacation time for these employees.²⁶

In effect, it appears that sick leave is considered by corrections deputies and many supervisors as an “entitlement” that is the equivalent of vacation time. Indeed, it is considered a superior form of vacation time because no prior scheduling (and the potential risk of leave being denied) is required.

Recommendation - To address the overwhelming tide of sick leave usage, there are several options we believe should be contemplated.

- Consider a system that requires a significant independent observation and monitoring component. Leaving sick time policing to line supervisors is a haphazard method whose results are not guaranteed. We consequently believe that the county should implement a centralized plan of sick time (and perhaps all type of leave) oversight, managed and monitored by a central county agency. The county in general would benefit from an accurate accounting of the work patterns of all its employees, not just sheriff’s deputies.
- We believe the Sheriff has not confronted the issue of sick leave abuse and we recommend that concerted efforts be made to do so within the Sheriff’s Office. We believe that this issue should be a major topic of review of the oversight committee discussed above. Should this fail to address the problem we believe the Board should consider additional actions, including a countywide investigatory body and county ordinances designed to sanction abuse of leave by employees that costs the taxpayers millions of dollars.
- Consider a restructuring of sick time benefits for corrections officers to allow a graduated buyout of sick time at the time the employee leaves county service. This might allow increasing percentage of sick time bought on separation (e.g.- payment of 35% for hours over 400 accumulated, 50% of hours over 800, 75% of hours over 1,200 and 100% of hours over 1,800). This would provide an incentive for employees to actually accumulate sick leave hours. Considering the level at which sick time is used and the overtime it generates, the county could save a lot of money.
- If the county Board wishes to avoid the regulation of leave among its employees, it should consider eliminating sick leave and simply establishing a total leave figure that is a combination of current vacation, personal holiday and sick leave (but not the entire 96 hours of sick time currently accumulated).
- Negotiate contractual terms where needed, or simply institute procedures where negotiation is not required, which will put some teeth into the enforcement of sick leave rules.

²⁶ In the last three years, MCCDA employees have used 1,874 hours of sick leave donated from the vacation leave accounts of other county employees under county policies that allow employees to donate vacation time to other employees to be used as sick leave for catastrophic medical conditions.

ii. Overtime and Comp-time

Overtime is a necessary component of any jail system. Because jails operate 24 hours a day, 7 days a week there will always be unexpected situations that give rise to overtime. To a point it is more economical to staff vacancies with overtime rather than hiring new staff. However, when an organization is understaffed and positions are not filled, the resulting overtime can quickly become uneconomical.

For several years the Sheriff's Office did not hire to their full potential. Past grand juries had pointed this out and were critical of the practice. Past union presidents testified that there was too much overtime and it had created an unsafe work environment. This year the Sheriff testified that he has changed this practice in an effort to reduce overtime and that there has been some improvement as a result.

Overtime is the result of many things; some of which can be controlled and some cannot. In looking at the reasons for overtime last year in corrections we found that sick leave accounts for about one half of the overtime costs. We have discussed above the reasons sick time is out of control.

In March 2006 the Multnomah County Auditor released her report after reviewing the sheriff's overtime. We agree with her recommendations and set them out to reiterate what her investigation discovered. We appreciate the time the auditor and her staff spent with us. It gave us a better perspective of the problems and the difficulty of finding solutions. We were told that what made their jobs so hard was the amount of time that correction officers were not at their posts. The reasons varied from such things as sick time and vacation to suicide and medical watches.

The auditor made the following recommendations, which we support:

1. A review is necessary to see what the effect was on staffing with the cuts in the number of jail beds in the last several years.
2. The Sheriff needs to control and limit the use of compensatory time.
3. A significant effort is needed to manage the high number of absences.
4. The Sheriff needs to dedicate on-going analysis of staffing trends, conduct a study of staffing needs, and set a performance measure target for overtime in agreement with the Board of County Commissioners.
5. The audit found that MCSO frequently approved vacation, personal holidays, and comp time at levels above the maximum number of slots allowed. This practice needed to be curtailed. At one facility during one shift, vacation/personal holiday slots were exceeded 170 times during the year.

6. Training related absences could be managed if the training was not scheduled during periods of high vacation usage.
7. The county should evaluate how their existing personnel policies affect the Sheriff's 24/7 operation.
8. The county and the Sheriff should coordinate with each other to establish long-term strategies and goals.

Compensatory or comp time generally occurs when someone is compensated for more than a 40-hour week. A corrections officer can elect to be paid for the time worked, or take comp time.²⁷ Either method will result in time-and-a-half or double time. Currently each corrections officer can accumulate 80 hours of comp time. Last year's Corrections Grand Jury outlined the problems with comp time. In addition, the Auditor's report, after studying the practice in great depth, concluded it was the fastest growing category of absence. Unfortunately when comp time is used the position is filled by someone who is working overtime and who is getting time-and-half or double time. The Sheriff acknowledges this has become a big problem and he would like to find a way to fix it.

Last year, after the Sheriff hired additional officers, the overtime fell slightly. Unfortunately, the same cannot be said for comp time. Last year's Correction Grand Jury was given the comp time hours for the previous 5 years:

**Corrections Comp Time Hours for
FY00 through FY05**

Fiscal Years	Hours
FY00-01	4,884.25
FY01-02	8,756.50
FY02-03	13,978.75
FY03-04	18,117.50
FY04-05	24,884.25

For FY05-06 the numbers have continued to increase to about 29,000. This is costing the county a lot of money.

iii. Other leave issues

We heard from our Sheriff and all the other administrators of jails we visited that one of their greatest problems in dealing with unplanned leave is the Family Medical Leave Act (FMLA). They understand the importance of family leave for paternity and

²⁷ This is the county policy, although that policy is silent on how much comp time can be accumulated.

maternity leave, catastrophic illness, sick children and other unplanned sicknesses. However, it has become an instrument that is used by people who want to take advantage of the system. People who want to abuse the system use it as a shield and as a result in some cases it becomes almost impossible to investigate sick abuse.

We understand that we cannot change FMLA and that abuses will occur. However, this problem is not unique to Multnomah County. The best practice is constant monitoring and management, including employee discipline, to establish an atmosphere where abuse will not develop. We believe that medical documentation should be required before approving any county FMLA leave.

Finally, in the last several months we have become aware of a growing problem that has resulted from the most recent union negotiations. In that contract the county in order to try and save overtime cost was able to put a clause into the contract that sick time did not count toward computing the 40-hour week for purposes of overtime. Prior to that time if an officer reported sick on four days and then worked one day, he would be eligible for over time if he worked another day. The new contract eliminated this practice. However, it still allowed vacation time and personal holidays to be considered in the 40-hour week. As a result of the new provision mandatory overtime and double time has “skyrocketed” in the words of one command staff. Officers are using vacation time and then coming in on the 7th day and getting double time.

The new contractual language was narrowly approved and now it appears many officers are reacting. We were told that officers sometimes are difficult to find and that sergeants, who should be supervising, are spending most of their shifts on the phone trying to find people for overtime positions. This is obviously a very bad situation and something that must be addressed quickly.

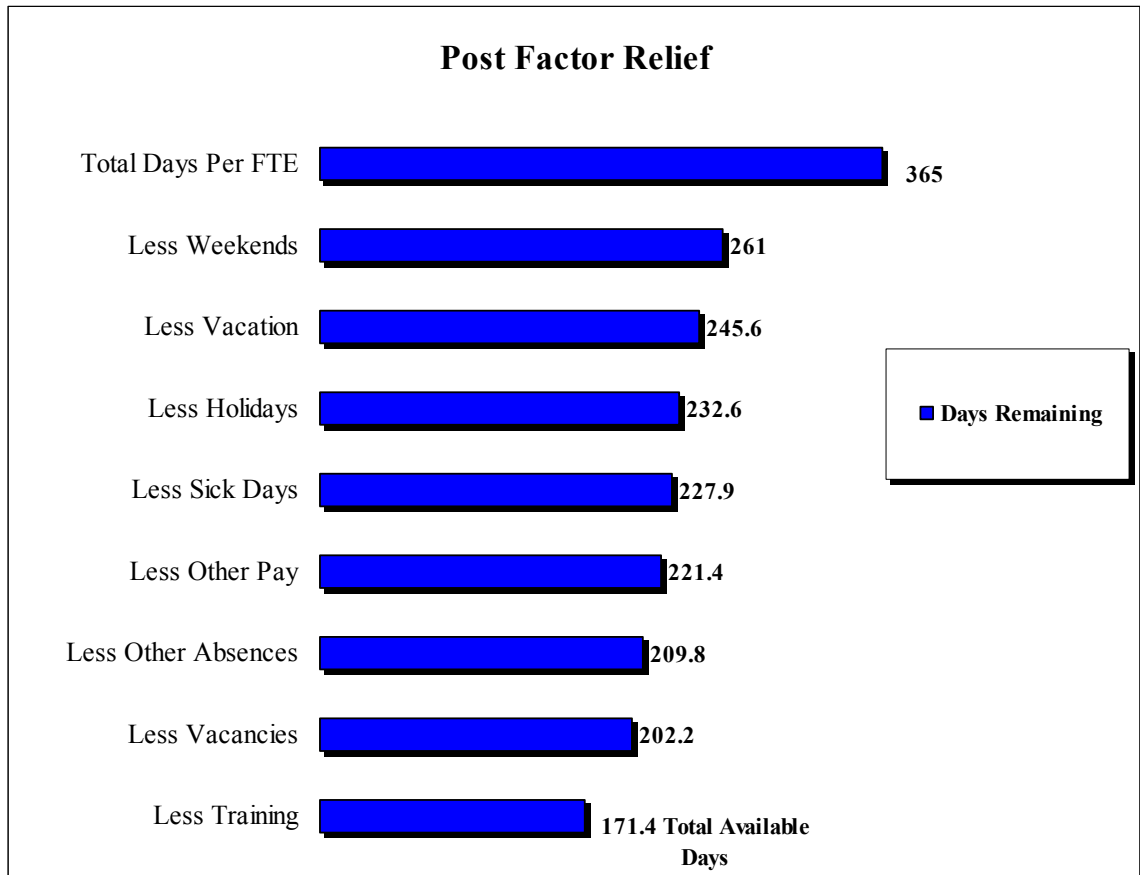
iv. Post relief factor

Because the jail is a round-the-clock operation, most posts must be filled all the time. For a variety of reasons, a person hired for a post will be gone at various times of the year for various reasons. The reasons are many, including vacation, training, illness, holiday, a death in the family, etc. To ensure that someone will always be at a post there must be more people hired than posts. What makes this even harder to understand is that in a jail people are constantly being transported and certain things, such as meals, must always be provided. The term “post factor” or a “post relief factor” is used to denote how many people you need in the system to fill one position. Currently in Multnomah County the factor is 1.82. That means for every 100 posts (positions) you need to hire 182 people.

Many people looking at a 1.82 post factor would think that was too high. In practice it may not be high enough. There are reasons to believe that it is too low. If it is too low it needs to be raised. A post relief factor that is too low will generate too much overtime.

The formula for coming up with an adequate post relief factor is not difficult to understand. However, getting the right numbers and then fitting them into the current staffing patterns is extremely difficult. If the current staffing patterns are wrong and they are accepted you can build some great inefficiencies into the post relief factor and that is something that needs to be avoided.

Washington County has done post relief factor studies and they illustrate what must be calculated. The following were their conclusions in establishing their post relief factor:



The number of days available is then divided into the number of days in a year, because the jail must be opened 365 days a year.

The post factor under these conditions is about 2.1.

One of our primary concerns about using current numbers is that if they are accepted, any post relief factor will include inefficiencies and abuses. Washington County factored in about 10 days for sick and FLMA absences. In Multnomah County because of what we see as sick time abuse we would have to factor in about 15-17 days for sick time.

In addition, another significant problem with the post relief factor was described in a recent study by the King County Auditor.²⁸ In a report released on October 9, 2006 the auditor stated: “An inherent weakness of the relief factor method is that it assumes that all leave taken by officers occurs in a uniform manner throughout the year.” The Seattle Auditor stated in the report that time taken off is anything but uniform by corrections officers. The Multnomah County Auditor provided us with overtime taken by month for the 3 years beginning in FY03 (See attached Appendix F). In January FY05 the number of overtime hours was under 8,000. In June of the same year it rose to over 16,000.

These figures show that unless time taken off during the year is more uniform a high post relief factor could result in having too many people during the winter and not enough during the summer.

Recommendation - We recommend that a staffing study be conducted which includes an analysis of an appropriate post relief factor. The current post relief factor was set some time ago. It constantly needs to be reviewed because things change. Employee demography and service produce significant changes to a post factor. For instance, the longer the average deputy has spent on the job, the more vacation is accrued annually, by contract. This requires constant re-evaluation of appropriate staffing levels and post relief factors.

The study should review the post relief factor between various posts. There may well be a different factor between commanders in a jail and line officers. The study should examine how many people are needed to fill posts at various times of the day and of the week. The activity in a jail varies considerably during different times. These things need to be looked at by an outside, independent expert. The cost of a study by an independent, outside expert may be high, but the potential savings justify the process. This study should be used as a basis for continued monitoring by the financial arm of the oversight committee recommended above.

v. Closing the least expensive jails in the county

One of the key reasons for the increase in jail costs is the fact that the two least expensive jails in the system have been closed. In 2004 the Sheriff administered four separate correctional facilities, MCDC, Inverness Jail (MCIJ), the Multnomah County Correctional Facility (MCCF), and the Multnomah County Restitution Center (MCRC), a work release center.

In 2005, MCCF and MCRC were permanently closed.

In July 2006 the County Auditor prepared an audit of jail bed costs based on costs for fiscal year 2005. The report concluded, consistent with common knowledge and years of testimony before Corrections Grand Juries, that these two facilities were the least expensive correctional facilities in the county. The figures for fiscal year 2005 were:

²⁸ See Performance Audit Jail Overtime, King County Auditor's Office, Oct. 9, 2006

MCDC--\$191.17/day
MCIJ--\$95.60/day
MCRC--\$84.08/day
MCCF-- \$52.10/day

Closing the county's most economical two jails has had the unavoidable effect of increasing the overall cost of jail beds in the system. We do not agree with the decisions to close these two facilities, and it should be pointed out that prior Corrections Grand Juries have come to the same conclusion,²⁹ as both the previous and current Sheriffs have at one time or another attempted to close these facilities down.

Responsibility for the decisions to close these facilities is obscured, to some extent, by the politics of the actions. We understand that political pressure has been applied for the closure of these facilities from a number of sources outside the Sheriff's Office, including in the case of MCCF, from the commissioners' office. Wherever the responsibility for the decision lies, from a cost perspective, it was a decision whose repercussions have been more costs and less jail space.

vi. Medical costs

A major cost of running any jail system is the cost of medical care. 13% of the daily jail bed costs in our system are health care costs. In this county's jail system and juvenile detention, health care is operated by the county Health Department's Corrections Health division. We are in complete agreement with the fact that this department provides an excellent service. It is one of only six county jails in the Pacific Northwest that is certified by the National Commission on Correctional Health Care (NCCHC), the gold standard of approval in the business.³⁰

By way of background, corrections facilities, be they prisons or jails, effectively have three choices for operating health care systems. They can run the operation themselves, they can have a local public health service run the operation, or they can contract out health services to a private health care service. As noted, our county has chosen to have the Health Department run the health service.

In the systems we have studied, using local public health services like our Health Department is invariably the most expensive option, and the officials of the Health Department with whom we spoke readily agreed that our Corrections Health program is expensive. As we noted, the figures for these costs were transparently available to us and we believe we are in substantial agreement with that department about their costs. We

²⁹ See 2001 Corrections Grand Jury report. Not only was MCCF the least expensive jail in the system, but it was also the most desired location for inmates, who preferred to be housed there for a number of reasons. This provided a substantial incentive for compliant inmate behavior, as inmates sought to behave well so they could be approved for MCCF housing.

³⁰ The others are Washington County, Linn County, King County (Washington), Whatcom County (Washington) and Ada County (Idaho).

calculate the per inmate costs at \$21/day for health care, or over \$7,700 per inmate each year.

We have made a concerted attempt to analyze these costs and compare them with the health care costs in other jails. At the outset, we determined we would only compare the costs of our health care to other NCCHC certified facilities. In this manner, we sought to make sure, first, that we were comparing comparable systems, and second, that it was understood that we support the philosophy of providing excellent health services for individuals incarcerated in our jails.

After limiting our examination to NCCHC certified programs we found that the systems run by public health agencies are roughly 80-90% more expensive than programs meeting the same health care standards but run by the jails themselves or by private contractors. Like the high costs for the Sheriff's staff in the jails, these costs are driven by high labor expenses and weak management practices. Our Corrections Health Division was audited by the County Auditor's Office in September 2005. Many of the same management weaknesses that plague the Sheriff's office management staff, such as leave and overtime management problems, were noted in the audit of the Corrections Health Division, which "found that weaknesses in the management of staff resources contributed to less than optimal productivity and higher costs."³¹ The Corrections Health budget was actually cut by the county commissioner's office for fiscal year 2007 as a result, we believe, of the management weaknesses uncovered in that audit.

Our contacts with the Health Department have convinced us that they accept and are actively attempting to address some of the problems described in that document. Some of the system's problems, however, such as labor costs, are so structural that we do not believe costs of a system run by the Health Department could ever be reduced to a level comparable to that of systems run by a private contractor or the Sheriff's department. We believe that officials in the Health Department would agree with that assessment.

We felt it necessary to explore the potential of utilizing one of the other two potential jail health care systems—either operated by the Sheriff or by a private health care contractor. When contacted about this possibility, the Sheriff indicated that he was strongly opposed to running his own health care system in the county jails.³²

We then examined the option presented by private health care contractors. The Washington County jail contracts with Prison Health Services, Inc. (PHS) to provide health care for the jail. They provide identical NCCHC certified health services for \$11/inmate/day. Testimony from that county was that they were very satisfied with the service provided.

³¹ County Auditor report, September 2005, Corrections Health—Improve management practices for cost-effective care, p.1.

³² We visited the Linn County jail in Albany, one of three NCCHC certified county jail health systems in Oregon. That health department is run by the Linn County Sheriff and costs \$11/day.

A huge benefit of the contract signed by PHS and Washington County is that by the terms of the contract PHS accepts all legal liability for judgments against the county involving legal actions for inadequate jail medical care. Recent events have demonstrated just how significant a contract clause like that might be, as Multnomah County is now facing the prospect of defending against a probable multi-million dollar lawsuit involving the death of an arrestee brought to the jail. See the discussion of that incident below.

We contacted two major private jail health care companies. They analyzed our jail system and we discussed contractual terms. Based on our substantial discussions, we believe that the county would save four to five million dollars each year by entering into a contract for an NCCHC certified medical program in the jails. We doubt that there would be much dispute about this figure from the Health Department itself, and it is consistent with the figures for existing private health care providers in jails such as Washington County.

Recommendation - We believe that the county commission and the Sheriff should consider the option of privatizing the health care system in the county jails.

We believe, however, that the savings from this action, should it be taken, need to be returned to the public health system to address the issue of support for mental health patients in the community. It is beyond dispute that mental health support is underfunded in our community, and it is also beyond dispute that the result of this has been to overcrowd the jail system with mental health patients. These mental health patients are often housed for minor criminal actions, in extremely expensive jail cells, when reasonable treatment in the community would have prevented their incarceration in the first place. This type of system makes no sense in human terms, or in terms of correctional philosophy or finances.

B. JUVENILE DETENTION AND PROGRAM COSTS

The Donald E. Long juvenile custody facility in Northeast Portland was built in the mid 1990s and has a capacity of 191 beds. The facility is operated by the county Department of Community Justice (DCJ). In 2005, the average daily population was 88, according to figures provided to us by DCJ.

When we first analyzed the costs of the juvenile detention beds at this facility we considered all 88 together. Contacts with DCJ have convinced us that this position was inaccurate. In fact, there are two distinct groups housed at that facility, one with an average 2005 daily population of 64 housed in detention modules, and another with an average daily population of 24 housed in program and treatment modules. The housing conditions are similar but the funding, treatment, and programs available for the two groups are radically different.

Detention bed costs - We therefore split the populations and arrived at daily bed costs for each group separately. Based on the 64 bed average daily population, detention bed costs are \$401.31/day. We arrived at this figure from information provided for us by DCJ on September 15, 2006.³³ We disagree slightly with DCJ on their methodology. In assigning the daily cost of beds, they divided by the entire 80-bed capacity of the detention units used to house youths, even though that capacity is not fully utilized. We are convinced that standard methodology calls for the use of average daily population, in this case 64, and not the rated capacity of 80, as the divisor. Additionally, DCJ spread the debt service load over the entire 191 beds of the facility, although only 88 are used.³⁴ We divided the debt service load among the beds actually being used.

By any measure, the figure of \$401.31/day for housing delinquents at JDH is enormous, amounting to over \$140,000 per year for each juvenile offender bed. This expense is over three times the annual tuition at Harvard University.

We compared these costs with juvenile detention facilities in Lane County and Marion County, using information provided for us from the budgets of those two counties. Again, no two systems are exactly alike, but our calculations demonstrate a juvenile detention bed cost of \$158.23/day in Marion County and \$226.00/day in Lane County.

Program bed costs - We concluded that the costs for the 24 program beds (one is a sex offender program and the other drug and alcohol program) are \$389.18/day. We arrived at this figure by totaling the budget program offers for these programs in the fiscal year 2007 budget and dividing by the average daily population of 24. We did not apply any of the cost of the debt service load to those beds because we understand that these overhead costs are included in transfers, essentially rent payments, made from the programs to the facility.

As we have stated on several occasions, one of the major reasons for transparency in public budgeting is the need to have the community and its leadership make financially informed decisions that are hopefully aligned with community priorities. One of the priorities of any community, perhaps its most important priority, is the treatment of its youth. It is an important exercise in priorities, therefore, to compare the financial support this community and state provides to these juvenile offenders, all of whom have committed criminal offenses, to the support provided by our government to those youth who have committed no criminal offenses. We note, therefore, that while we are spending approximately \$142,000 per offender each year for programs to treat juvenile offenders with drug and alcohol problems, our state contributes only \$3,850/year to support each student in our state universities and only \$8,246 for each student in the Portland Public Schools.

³³ Attached as Appendix G

³⁴ Using DCJ's calculations, the cost of juvenile detention beds is \$308.60/day. See 9/15/06 memo from the DCJ Business Services Manager, above.

V. LOSSES ON CONTRACTS AND AGREEMENTS TO HOUSE DETAINEES

In Multnomah County, adult and juvenile detention departments have entered into several separate contracts or agreements with other jurisdictions to house adult and juvenile detainees in our county's facilities. They are:

- An agreement with the State of Oregon, permitted by state law, to house approximately 325 convicted felons serving sentences of less than twelve months. Previously these felons would have served their sentences in state prisons.
- A contract with the United States Marshals Service to house federal prisoners. The number fluctuates, but is currently around 150.
- A contract between the Department of Community Justice and Clackamas County to house up to 14 juveniles at JDH.
- An identical agreement between DCJ and Washington County to also house up to 14 juveniles at JDH.

These agreements are extremely problematical for two reasons. First, from a fiscal standpoint, they lose enormous amounts of money for the county since they house prisoners from other jurisdictions at substantially below cost, amounting effectively to vast subsidies for other jurisdictions. Up to \$12 million is lost each year because of these agreements. Second, these contracts (with the exception of the Portland Police contract) use jail space that could otherwise house our own community's criminals, rather than those from elsewhere. Approximately 485 inmates from other jurisdictions are housed in our jails.

The result is that after excluding from the 1,690 total county jail beds prisoners awaiting transfer to other jurisdictions, inmates awaiting trials on felony charges, and the over 400 inmates we are holding for other jurisdictions, our jails are left without space to sufficiently handle local misdemeanor sentences, required by law to be served in the county jails.

Because of this lack of jail space to house local misdemeanor offenders, in effect, judges in our community no longer have the ability to jail offenders convicted of misdemeanor assault, drunk driving, shoplifting, vandalism or trespassing. If sentenced to jail for those types of charges, offenders are usually "matrix" released from jail due to overcrowding. Individuals who have been previously jailed in Multnomah County (and most arrestees have been) are well aware of the inability of the system to hold them. Upon being booked into our jails, inmates often ask about the matrix release score for that night, so they can determine how long they will have wait to be released. As a consequence, our community's justice system has lost the credibility it needs to enforce misdemeanor offenses. One of the reasons our justice system lacks credibility is that our jails are filled with inmates from other jurisdictions.

A. Senate Bill 1145 Agreement

In 1996 the Oregon legislature passed Senate Bill 1145 which restructured the organization of penal sanctions for felony offenders in the state. The stated purpose of SB 1145 was to allow local communities more control over certain felons from their community. Prior to SB 1145, all felons who were sentenced to a term of incarceration, put on probation, or who had been released from prison on parole were under the jurisdiction of the state government. SB 1145 allowed the various counties, if they chose to do so, to assume control over those offenders on probation or parole and those sentenced to incarceration of less than a year. The state government agreed to fund this effort through direct payments to the counties to cover the costs of these programs they had assumed from the state. Multnomah County, like all of Oregon's counties, chose to enter into the program.³⁵ This county agreed to participate in SB 1145 with a promise to the community that we would not commit county general fund dollars to finance the program. That has been far from the case, however, in practice.

Virtually from its inception, at least for Multnomah County, the funding of the SB 1145 program has been extremely problematic. Funding levels from the state to the counties are set based on a complicated formula. As far as the assumption by the county of former state prisoners serving terms of less than a year, the formula for direct payments to the county is computed using a statewide average cost of bed space. The state payments, based on the statewide average, are currently designed to cover costs of \$79/inmate/day.³⁶ Multnomah County currently houses in its jails approximately 325 SB 1145 prisoners for the state. As noted, these prisoners cost the county \$157/day to house.³⁷

No one questions the fact that housing state SB 1145 prisoners in Multnomah County's jails loses this county a great deal of money. A straight-line multiplication of the \$157/day figure yields a cost of \$18.7 million to house these prisoners. The Sheriff only receives \$7.4 million to house them. This would point to a loss of over \$11 million each year to this county to house these state prisoners.

³⁵ Once a county decides to accept local control of offenders under SB 1145 it can only withdraw, or "opt out," when statewide funding for the program falls below a certain level. The conditions for opting out do not currently exist, so Multnomah County is effectively stuck with the program.

³⁶ The formula is more complex than a mere monetary payment to the counties based on jail bed days used. It incorporates a projection of SB 1145 prisoners expected to be either on community supervision or jailed in each county and then pays the county general fund a lump sum. The lump sum for the projected number of prisoners is based on a \$79/day rate. The county government then decides how much of that money will go to the jails and how much will go to community supervision. In Multnomah County the jails get approximately \$7.4 million to house SB 1145 prisoners.

³⁷ Housing inmates in prisons is always a less expensive proposition than housing them in county jails, where the average stay is measured in days instead of years. Administrative, booking, transport, medical and security costs are much higher for more transient jail populations than they are in prisons.

The Sheriff's financial department has disputed these figures and has argued that the complex relationship between fixed and variable costs means that the SB 1145 beds are somewhat less expensive to operate than the \$157/day average figure would indicate. Our financial consultant disagrees with this analysis, but in the end the dispute is of little significance. In testimony before the grand jury, the Sheriff stated that in the estimation of his department he is losing \$6.8 million each year on the SB 1145 agreement. Whether the figure is \$11 million each year or \$6.8 million each year it is an enormous sum and represents a huge and unjustifiable subsidy to the state government.³⁸

Recommendation - We believe that county government should attempt to negotiate an intergovernmental agreement with the state Department of Corrections to allow that department to use the Wapato Jail facilities, under a nominal lease agreement, to house SB 1145 prisoners. The state Department of Corrections has a proven track record of operating prisons inexpensively, even in the Portland area where it currently operates the Columbia River Correctional Institute for approximately \$65/inmate/day.

When SB 1145 was passed, this was an option clearly envisioned by the legislature, which passed ORS 169.053 to achieve exactly that purpose for counties who wished to assume control of their offenders in the community on probation and parole, but did not wish to house state prisoners in their jails.

There are incentives for both sides in entering into such an agreement. The state Department of Corrections would have the use of a state-of-the-art facility virtually for free. It would house 325 Multnomah County SB 1145 prisoners, making an additional 200 beds in that facility available to the state Department of Corrections for other state inmates. A favorable financial agreement could be arranged so that the state could actually make money on the agreement. Throughout the Oregon prison system, costs are around \$62/day and Multnomah County should be prepared to offer substantially more than that to obtain an agreement to eliminate housing prisoners in its own jails at \$157/day.

For Multnomah County the benefits are that we will save around \$6.8 million each year. This money can be returned to the jail to finance jail cells for criminals who are currently being released due to overcrowding. This would effectively increase county jail population by however many more jail cells the \$6.8 million would purchase. Additionally, the purpose of SB 1145, to keep prisoners serving short sentences close to their community as a means of aiding their transition from prison, will be retained by housing them at Wapato Jail.

³⁸ The funding of the SB 1145 program to operate parole and probation supervision of offenders in the community, operated by the county Department of Community Justice, has proven to be even more financially problematic than jail funding. While that funding is not the direct subject of this investigation, it is necessary to understand for perspective when analyzing losses incurred by the sheriff. While approximately \$18.5 million in state funds are used for this community supervision, the county contributes almost \$12 million in additional county general funds to the program. Thus, while the county loses at least \$6.8 million annually in housing state prisoners, it loses \$12 million annually supervising state probationers and parolees. The total yearly bill from county revenues to fund our assumption of state functions is therefore over \$18 million.

B. United States Marshals Service Contract

The next agreement we examined is a contract that the county has entered into with the United States Marshals Service to house federal prisoners. As noted, this contract pays the county \$115.90 per day to house federal prisoners. This price was negotiated in 1996 and has never been altered since. We have examined this contract in detail and we conclude:

- This contract at present is a net money loser for the county.
- This contract has been subject to abuse and manipulation by federal authorities.
- This contract is, and has been from its inception, illegal under Oregon law.

Contract is losing money - That this contract is losing money for the county is not seriously in dispute. In July of 2006 the Sheriff sought advice from the Multnomah County Auditor's Office on this point and the auditor in a "Report to Management" concluded that "adjustments is (sic) clearly indicated" in the federal contract. Indeed, the Sheriff's chief financial officer testified in the grand jury that the contract should be negotiated to a daily figure in the \$130 plus range. The Sheriff himself, in his October 16, 2006 "Response to Corrections Grand Jury Status Reports" concedes "we agree that the rate charged to the United States Marshal is in need of review."

Furthermore, as our financial consultants have examined the spreadsheets prepared by the Sheriff's Office in negotiating the contract rate, we have discovered substantial errors and omissions of costs that should be recoverable under the federal regulations governing this contract, but have not been claimed by the Sheriff in calculating the contract price.

Federal manipulation of the contract - As we have investigated this contract we have discovered a pattern of disturbing instances where the federal government has manipulated this agreement for its own ends, at the expense of Multnomah County taxpayers. Specifically, we discovered that the federal detention center at Sheridan, Oregon encountered difficulties contracting with medical providers. To deal with this problem, we are told that the federal government has engaged in a systematic practice of shipping prisoners in need of significant medical treatment to the Multnomah County jail system. Here they are treated by Corrections Health, at great expense, and then shipped back to Sheridan. Both the Sheriff's Office and officials from Corrections Health confirm this practice. We consider this an unconscionable manipulation of this contract, especially in light of the fact that the federal government is getting below-cost service on this contract in the first place.

Illegality of contract - Finally, we have examined the legality of this contract. ORS 169.540 states:

The United States shall pay for the support and keeping of prisoners committed by virtue of legal proceedings issued by or under its

authority, the same charges and allowance provided for the support or keeping of prisoners committed under the laws of this state.

We believe this statute is clear and requires the county to collect the entire costs of holding a federal prisoner. A contract negotiated for less than the actual cost of housing a federal prisoner is illegal under state law.

In his October 16, 2006 response, the Sheriff contends that “the language (of the statute) does not require the Sheriff to recover the actual cost. Rather, it prevents the Sheriff from charging the federal government more than the cost of housing state prisoners.” We see absolutely no legal support for this proposition. The wording of the statute says nothing about not charging extra for federal prisoners. The statute says the federal government “shall pay...the same charges and allowances” as state prisoners. It does not say “federal prisoners shall not pay more than state prisoners.” As such, the meaning is abundantly clear.

Furthermore, we have checked the appellate history of this statute. Appellate courts often refine and redefine statutes by appellate decisions, which serve to clarify the meaning of the law, if necessary. No appellate court has ever issued a ruling on this law. Consequently, there is no legal basis whatsoever for contending that the clear wording of the law, that federal prisoners be billed for the same costs as state prisoners, means anything but what it says.

In addition to the appellate history, however, the legislative history of this statute is revealing. One of the very first acts of our federal Congress, on September 23, 1789, was to pass a resolution appealing to the several states “to pass laws making it expressly the duty of keepers of their jails to receive and safe keep therein all prisoners committed under the authority of the United States...under the like penalties as in the case of persons committed under the authority of such states respectively.”

In 1854, the territorial legislature of the Territory of Oregon passed the territory’s first comprehensive jail and prison legislation. It included sections on accepting federal prisoners designed to comply with the 1789 congressional resolution. 1855 Oregon Statutes, Title I, Chapter 1, Section 11 and 12 of An Act Relating to County Prisons and Their Regulations reads:

Section 11. Every sheriff, jailor, and prison keeper within the territory, to whom any person shall be sent, or committed by virtue of legal process, issued under the authority of the United States, shall be required to receive such person into his custody, and keep him safely until he shall be discharged by due course of the laws of the United States.....

Section 12. The United States shall be liable to pay for the support and keeping of said prisoners, the same charges and allowance as are allowed for the support and keeping of prisoners committed under the laws of the territory.

These statutes have remained in effect with virtually the same wording for 152 years, and their clear import is to accommodate a federal request to house federal prisoners in local facilities, but to recoup the entire cost of their housing. This is demonstrated by examining another section of the same chapter of this 1854 Oregon law. Section 5 requires Oregon counties with jails to accept prisoners from other Oregon counties that had yet to construct jails, “but the county from which he was taken shall pay all the expenses of keeping and maintaining him in said jail.” Section 11 simply reiterates for federal prisoners what Section 5 states for prisoners from other counties—that the jurisdiction utilizing another’s facility will be required to pay all the costs. The Sheriff’s contention that ORS 169.540 allows him to charge less than the entire costs of housing a prisoner is without support in a plain reading of the law, in any appellate decisions on the statute, or in an examination of the history of the law.

A review of the costs listed by the Sheriff in this contract reveals, as we have noted, that the Sheriff has not claimed many of the actual expenses of housing prisoners. The Sheriff has not claimed these costs for two reasons. First, as the Sheriff notes, there are certain costs of keeping prisoners that federal regulations prevent a contracting jail system from recouping. This means that the state statute requirement of full reimbursement and the federal regulation forbidding full reimbursement are incompatible. Under these circumstances no contract can be signed without violating either one law or the other. Second, there are a number of costs that the federal government allows to be claimed that the Sheriff has chosen not to include in his contract bid. We do not know why he has done this, but it has the effect of making the contract illegal under Oregon law.

Finally, we do not understand the Sheriff’s position either politically or economically. Given the current prospects for a loss in county revenues over the next two years, Multnomah County should not be subsidizing the federal government, even if it can. We believe the Sheriff’s legal position is tenuous but just because he might feel he has the legal right to sign a document that will result in millions of dollars in losses for the county, does not mean that he should do so.

Recommendation - Eliminate this contractual obligation unless the federal government is willing to waive their regulations prohibiting full-cost recovery, and then pay the full costs.

C. JDH Contract

The Department of Community Justice currently contracts with Washington County and Clackamas County to house up to 14 juveniles from each county in the Donald E. Long juvenile detention facility. The contract price is \$132.19/day for the first

ten beds and \$191.00/day for the next four. The average daily population for those contracts in 2005 was 12 for Washington County and 13 for Clackamas County.

As we discussed earlier, the actual average cost for housing juveniles for these two counties is \$401.31/day. Our county loses over two million dollars each year on this contract. In effect, taxpayers in this county are paying over \$200/day to house juvenile detainees from other counties. We can discern no fiscally responsible reason to continue this subsidy for neighboring counties.

Recommendation. Re-negotiate this contract to charge actual costs.

VI. INMATE SUPERVISION ISSUES

A. Direct Supervision, Classification and Double Bunking

Over the course of the last two years, several troubling incidents have occurred in Multnomah County jail facilities, including the murder of an inmate by another inmate. These incidents will be discussed in detail later. The reaction to these incidents within the jail system management and staff has generally been to blame these problems on the double bunking of inmates in cells at MCDC originally designed for single cell occupancy. Their claim is that the double bunking of inmates has put pressure on the system that has made violent incidents inevitable. We disagree with this claim and believe that double bunking is not related in any way to disciplinary and security issues in the jail system. Instead, we believe that these problems have been generated by management decisions that have resulted in the steady erosion and compromising of the “direct supervision” function for which both county jails were designed.

Here, a review of the philosophy of our county jail system is in order. The two currently operating Multnomah County jails are designed as “direct supervision” jails. Direct supervision systems originated in the 1980s as a measure to minimize operating costs in correctional facilities, where labor costs constitute 75% or more of operating costs. The essential concept of a direct supervision system is that costs can be contained and reduced by housing as many inmates as possible in dormitory or barracks type facilities with open areas, supervised by only one corrections officer who circulates among the dormitory. It has now been widely accepted by experts on direct supervision jail systems that as many as 90 inmates can be supervised effectively by only one corrections officer, if those inmates are properly identified as suitable for that type of open housing. This represents a vast reduction of staffing ratios from the “linear” type of jail designs popular until the 1980s.

MCDC was designed in the early 1980s and was based on these emerging direct supervision principles. At that time, county designers traveled to other jails, including Contra Costa County, California where the concept was being pioneered, to adapt their designs for our new facility. In that era, jail designers were unsure of just how many inmates could safely be directly supervised by one officer, so the modules in MCDC

were conservatively designed to hold only 32 inmates, well below what has been proven feasible twenty years later.

MCIJ was also designed as a direct supervision jail. This facility was planned in several phases beginning the late 1980s. Original direct supervision dormitories at that jail were to hold 55 inmates, reflecting the developing understanding of the increased capacity of these housing units. Direct supervision dormitories constructed at MCIJ in the 1990s were designed to hold 75 inmates, again reflecting the evolving nationwide appreciation of the increased inmate capacity of well-managed direct supervision units.

In 1996 230 single cells at MCDC were converted to double bunked cells, again reflecting the developing understanding that direct supervision principles could support that number of inmates in one housing unit. Direct supervision modules that previously held 32 inmates now held 63 inmates. In theory, this number is well within the boundaries of the supervision capacity of corrections deputies under direct supervision. Without the rigorous application of the basic management principles of direct supervision, however, such an effort is destined for failure, and failure is what has happened as the Sheriff's Office over the course of several years has lost sight of the fundamentals of this process, at least as it is applied in MCDC.

There are three essential requirements that must be fulfilled to effectively operate a direct supervision facility. First, there must be a sufficient number of single inmate confinement cells to isolate inmates who are inappropriate for direct supervision. Second, there must be a classification system that adequately identifies those inmates who must be jailed in single cells because they are unsuited for open housing. Third, there must be a system-wide commitment to the direct supervision model. This commitment must ensure that in actual direct supervision housing units, corrections officers actively and vigilantly circulate among the inmates and aggressively supervise those inmates, without resorting to the natural inclination to retreat to places of isolation from the prisoner population.

Confinement cells—the 10% rule - Experts on direct supervision jail systems recognize the need to isolate disruptive inmates in single inmate confinement cells. Violent or disruptive inmates simply cannot be housed in open units with a population of otherwise compliant prisoners. Experts who run successful direct supervision systems state unequivocally that 10% of total jail beds in a direct supervision system must be dedicated to single inmate confinement cells. Put another way, 90% of prisoner populations, if properly identified, can appropriately be housed in open housing units and 10% must be locked in single cells. A successful direct supervision system must therefore have that critical 10% confinement cell number to operate effectively.

In the Multnomah County jail system, well over 10% of its total beds are in single prisoner confinement cells. Consequently, a direct supervision system should be able to readily function for the remainder of the prisoner population. In fact, well over 200 beds in this system are currently in single inmate cells. Unfortunately, these single-inmate cells are being misused and mismanaged in a manner that has seriously compromised the

direct supervision model. At MCIJ, a full 75-inmate unit of single cells is being used to house trustees, the best inmates in the system, as a type of reward for good behavior and because it is easier to get trustees to different locations throughout the institution at different times. Also at MCIJ another 75-inmate single cell unit is being used to house mental health prisoners, rather than to isolate troublemakers. We are told that many of these inmates do not need single cell confinement, and, in fact, the unit is often populated by inmates without mental health issues simply to fill up the beds.

As noted, in an effective direct supervision system 10% of total beds must be used for the isolation of potential troublemakers. As a consequence of the management practices described above, 150 single inmate isolation cells have been removed from their best use, the confinement of these problem inmates. This has totally compromised the direct supervision model by forcing into the open housing at MCDC a population of inmates who do not belong in that environment.

Classification - Critical to the functioning of an effective direct supervision jail system is the ability to analyze the custodial behavioral characteristics of inmates so they can be appropriately assigned either to single cells or to open housing. Multnomah County's jail system has such a system that can reasonably predict the behavior of inmates for this purpose. There are several different models for this type of classification system and we believe that ours is as effective as others.³⁹

A good classification system, however, cannot overcome deficiencies in a flawed housing configuration. In this case, while the classification system may be able to identify inmates who are inappropriate for open housing, if there are insufficient single cells assigned to isolate those inmates, the classification system is essentially worthless to the effective functioning of a direct supervision jail system.

By removing 150 available single inmate confinement cells from their proper function of isolating troublemakers, MCSO management has forced the classification unit to assign inmates it knows to be inappropriate for direct supervision into what were supposed to be direct supervision modules at MCDC. Line officers supervising those units have quickly understood that with the addition of violent and disruptive inmates to these modules, the units could no longer function as direct supervision units. Step by step, therefore, these officers have taken measures to manage these MCDC modules as semi-solitary confinement units, where prisoners are celled in for up to 22 hours each day.

We need at this point to reiterate and stress that we do not believe that the problems at MCDC are related in any way to double bunking. These problems are the consequence of the forced classification (actually, forced misclassification) of disruptive inmates to MCDC units that are not designed for them. With this type of disruptive

³⁹ Whether our classification system is as cost-effective as others should be examined. MCSO uses a classification staff of 18 sworn deputies. Other leading direct supervision systems perform this function much more economically with a civilian staff.

inmate eliminated from MCDC modules, and the classification unit has a proven ability to identify them, these units could operate as full direct supervision modules.

Commitment to direct supervision - As we have noted, both county corrections facilities were designed as direct supervision jails, but only MCIJ continues to operate on that model. As a system-wide model, direct supervision has disappeared and has been replaced by a system where 40% of the total inmate population is housed in what amounts to semi-isolation cells. This happened as managers have reacted to any number of issues that have arisen over the years without asking the fundamental question of how their decision might affect the general direct supervision model. Some examples:

- Corrections officers are allowed to place MCDC inmates into their cells and leave the module unsupervised.
- Whole modules at MCDC are staffed to operate without any officer on duty on night shift, except to enter the module periodically for safety rounds.
- Lines are drawn on module floors on areas around officer workstations to separate the inmates from the officer on duty in that module.
- Inmates are permitted limited time out of cells in MCDC so that officers need not supervise more than sixteen at a time out on the floor.
- As noted, classifications deputies are required to place disruptive inmates in what should be open housing at MCDC.
- Again as noted, isolation cells are used for functions other than removing inmates from open housing.

The cumulative effect of these decisions, and undoubtedly many more, has been to eliminate the possibility of direct supervision at MCDC. In a system where multi-million dollar jails have been specifically constructed to function under a particular model, every operational decision made by the management of the system should be analyzed, first and foremost, on how that decision will work in the general model. This has not occurred; it appears, because of a lack of understanding of, or commitment to, the fundamental operational principles of the system.

Recommendations

1. Re-establish single inmate cells as isolation cells for inmate troublemakers throughout the system. To establish the required number of single inmate cells to use to isolate inmates unsuited for open housing, we believe that the Sheriff should use the 150 single inmate cells at Inverness Jail for that purpose. This will require moving trustees out of one 75 cell unit and moving 75 mental health inmates out of another 75 cell unit and back to a 32 unit single cell module in MCDC. One of the 63 inmate modules in MCDC should be reduced to 32 single cells to isolate prisoners.
2. Re-establish direct supervision at MCDC's remaining modules. To re-establish direct supervision at MCDC, we recommend that all wooden doors in the facility

be replaced with glass doors to improve visibility⁴⁰. All of the facilities that we visited that were double bunked had glass doors. We were told at these facilities that the doors provided more protection for the inmates because it was easy for the officers to see what was going on. We believe that with the new federal law mandating jails to reduce the incidents of rape, glass doors are an important component in achieving that goal. We understand that the original doors have reached the end of their effective lifespan and are slated to be replaced within months. We believe that they should be replaced with glass paneled doors. In isolation cell units, these doors should be equipped with food ports. The remaining single cell in each 63-inmate module should be double bunk, raising the count in those modules to 64.

The effect of these changes would be to reduce the total system-wide inmate count by 19 (loss of 31 beds by single bunking one MCDC module counteracted by the addition of 12 beds by fully bunking the remaining modules at MCDC).

B. Video cameras in the jails and criminal prosecution

Some of the literature we reviewed maintains that it is important to have videos that record activity in the jail. One of the most important things it tends to do is to reduce violence in the areas that are being videoed. As we toured other facilities we observed that some had video cameras at most locations. The images were stored for a proscribed period of time. We were told by the administrators at those locations that they have become a very important tool for reducing violence and eliminating false claims by inmates. In addition, they provide an excellent tool for the prosecution for crimes occurring in the facilities.

We have been told that in MCDC most of the assaults by inmates do not occur in the double bunked cells, but rather in the general housing. Virtually no cases of assault by one inmate on another are prosecuted unless there is a death or serious physical injury. The use of video cameras would greatly aid the prosecution of these cases.

We were told by the union president that he would probably not oppose the use of video cameras and the recordation of activity in the jail but only if sound were used. Unfortunately, this would probably cost considerably more and the chances of picking up conversations in an open area where many people were present might be very difficult. We believe that the jail should experiment with installing video cameras even if there is no sound. We believe that once the benefits are demonstrated it will become an important tool for the officers, the inmates and criminal prosecution.

We know there is some reluctance to use video cameras by some officers, who believe that the cameras are there to spy on them. We did hear some disturbing information that at Inverness Jail, where some of the dorms do have cameras, sometimes in the morning the sergeants have had to remove paper placed in front of camera lenses.

⁴⁰ No one disputes that glass doors will provide more cell visibility and improve module security. We have observed this type of door in most of the facilities we visited.

We were told that corrections deputies are ones who placing the paper there to obscure surveillance. Obviously, this kind of conduct cannot be tolerated, and when it happens it needs to be investigated.

VII. OTHER ISSUES IN THE JAIL

A. Prosecution of criminal cases in the jail

During our investigation it became apparent that most criminal conduct in the jail is neither investigated nor prosecuted adequately. There is a perception that the District Attorney's Office will not prosecute crimes that occur in jail. We were told that most of the assaults on corrections officers were rejected by our office. As a result, we ran a check on a case tracking system and found that only about 10% of these cases are rejected, which is a much lower rejection rate than most every other kind of case processed by the office.

As a result of deputies' misperceptions about lack of prosecution of crimes committed in the jails, most criminal matters in the jail are handled administratively. There is seldom any criminal investigation into these matters. We were told that when police officers from the enforcement division were called they were slow to respond, if they responded at all, and generally had a negative attitude about any criminal investigation. We certainly understand that a fight between two inmates might be difficult to prove, but we heard of one instance where an unprovoked fight broke out, witnessed by a corrections officer, which went unreported. This is an area where video cameras would be critical.

In King County these kinds of cases are vigorously prosecuted and there is a belief that it is important to reduce violence and vandalism in the jail. There is an agreement with the prosecutor's office to take these cases and the arrangement has worked well.

We think the Sheriff's Office should be more aggressive in prosecuting these kinds of cases. We think more of these cases need to be investigated and referred to the District Attorney's Office for prosecution. In some of the cases it would be important for an enforcement officer to do the investigation, but there are cases that a trained corrections officer could adequately investigate and document.

B. Command staff must have the full support of the Sheriff

Currently there is a perception that the Sheriff will not back his command staff on the issue of workplace discipline and work rule enforcement. There is a belief among some that he will undercut any recommendation they make. Obviously, this is not a good situation. The Sheriff must show his support for recommendations of his staff or they will lose their ability to command. The Sheriff must consider what an arbitrator may do if there is a dispute about discipline, but in any close question we believe he should side with his commanders.

C. Earthquake plan

The Sheriff's Office has no comprehensive earthquake plan. We know from last year's Corrections Grand Jury that the construction of MCDC renders it susceptible to a great deal of damage from a strong earthquake. It simply was not built under today's strong codes. We heard testimony, however, that Inverness is built to withstand earthquakes because of the way its walls are constructed.

If we continue to house our worst inmates at MCDC, a substantial earthquake will create a major problem. Under some scenarios, most inmates would be released from that facility, and only the very worst could be kept. In the event of a major earthquake, the community would expect that, if any inmates must be released from jail because of a compromised jail structure, only the least dangerous should be released into the community. By placing all of the most dangerous inmates in the MCDC facility, the weaker structure, we are risking the opposite.

We therefore recommend, as we have done above, that the isolation cells at Inverness be continually used to house as many of these violent inmates as possible, as part of a comprehensive earthquake plan. Housing these people in this facility will aid the community if we have a catastrophic earthquake.

VIII. INQUIRY INTO SPECIFIC INCIDENTS OCCURRING IN THE JAIL

A. The murder of Dennis Saban on June 16, 2005 by Thomas Gordon

Facts

On June 16, 2005 some time around 7:30 a.m., Corrections Officer John Plock was at his officer station in MCDC's module 5-A, which houses 62 males. It is a double tier dorm with 16 cells on the top and 16 cells on the bottom. Officer Plock described it as a typical morning. He had served breakfast, rounded up people for court, did a security check and then left the dorm for a short break. He told investigators he left the unit around 8:30 a.m. and returned about 8:45 a.m. There was no officer in the room while he left the room. When he entered the dorm the phone was ringing. He answered it and had a short conversation. Thomas Gordon had activated the cell light, he started kicking on the door and yelling that he wanted Officer Plock to open his door. When Officer Plock got to the door, he looked inside and saw Dennis Saban laying on the floor and not moving. The cell was covered with blood. Officer Plock called for other officers before entering the cell. It took a minute or two before anyone entered the cell.

Mr. Gordon was housed in Module 5-A-19 with Dennis Saban. Mr. Saban had come into the jail after he failed to appear several times on Possession of a Controlled Substance in Schedule I (Heroin) and Possession of a Controlled Substance in Schedule II (Cocaine) charges, both from the same incident. He was taken into custody on June

13, 2005. He had numerous felony and misdemeanor convictions. He was on parole at the time he was arrested.

Mr. Gordon came into the jail on May 25, 2005. He was extradited from Walla Walla Correctional Institute. He had been convicted in Vancouver, Washington of killing an acquaintance. *The Oregonian* on May 30, 2005 described Mr. Gordon's crime as an "execution style killing." In a very cold and calculating manner, he shot an acquaintance in the back of the head while they sat in a car. While in custody he admitted to killing his mother's boyfriend, again in a very calculated manner. He was being housed on this charge at the time he killed Mr. Saban.

When Mr. Gordon came to MCDC he was housed in a two-person cell. *The Oregonian* became aware of his history and ran a story on how dangerous he was. As a result of the story, Mr. Gordon was moved to the isolation unit. On June 9, 2005 Mr. Gordon complained that he wanted to be housed in 2x general housing. Ultimately, Sergeant Scott Johnson transferred Mr. Gordon to general housing on June 15, 2005.

Sergeant Scott Johnson testified before the grand jury that after *The Oregonian* article, because he had not received any documentation from Washington State Corrections, he assumed that the information in the article related to Mr. Gordon's problems in the Clark County Jail in 2002. This is consistent with an email that Sergeant Johnson sent on June 17, 2005 a day after the killing in regard to Mr. Gordon's conduct. In that email he stated, "After 14 days in ad-seg the only concerning info we received was that while pending trial in Clark, County in 2001/2002 he had a number of disp. Violation. I waited for further relevant documentation from Wash. State DOC and none arrived. At that point I assumed that the issues referenced in the Oregonian article were from his Clark. County custody in 2002."

What is concerning is that two weeks before the murder, on June 1, 2005 a "Safety Alert" was sent out to the staff in regard to Mr. Gordon. Although the "Alert" came from someone else's computer, it was Sergeant Johnson who wrote it. That "Alert" contained the following information:

"Gordon was the subject of an article in the Oregonian on Monday May 30th. In the article it was noted that the sentencing Judge in his Washington State murder case stated it was his opinion that Gordon is extremely violent with a propensity for violent outbursts both in and out of custody. As a result of this article Gordon was immediately moved to 4C. Washington state DOC was contacted based on this article and we discovered that Gordon does indeed have a recent history of both Staff and inmate assaults. Extreme caution should be used when in contact with this inmate." This is inconsistent with Sergeant Johnson's testimony.

One other concerning piece of information is that Sergeant Johnson asked his intelligence officer, Daniel Nordstrom, to find out what information the State of Washington had on Gordon. Officer Nordstrom had no telephone number to call, so he looked up numbers on the Internet. He only made one substantive call to Washington,

and that was not even to the institution where Mr. Gordon had been housed. He was “passed around” a lot, but ultimately talked to a woman who found Mr. Gordon’s information on the computer. She verbally told him the information that was contained in the safety alert. When Officer Nordstrom asked her to send him the information, she told him she was new and did not know how to send it. He asked her to try. Officer Nordstrom testified he made no further attempts to follow up on the information he had been given. Sergeant Johnson testified that Officer Nordstrom told him he had called three times attempting to get the information.

Officer Nordstrom told Sergeant Johnson what information he had received, including the fact that Mr. Gordon had been in the I.M.U. (Intensive Management Unit) at the Washington State Penitentiary just prior to being transported to Oregon. The I.M.U. is known to be the most restrictive confinement in a prison system. It is generally reserved for the inmates who show the worst behavior, unless there is a need for protective custody. Sergeant Johnson had received no information indicating that Mr. Gordon was in protective custody.

In spite of the information Sergeant Johnson received, because he did not have “documented evidence” he released Mr. Gordon into the 2x general population after being on good behavior for 15 days. Mr. Gordon killed Mr. Saban the next morning.

Concerns

Why was the officer not at his post during the beating of Mr. Saban, which lasted between 20-30 minutes? Had the officer been at his post Mr. Gordon would not have killed Mr. Saban. The beating took an inordinate amount of time. All the other inmates in the area could hear it. Some commented on how the victim pleaded for his life. At the time there was no way that anyone could have summoned help. When the officer returned to the module and discovered what had happened it took another minute or two for him to call and get help.

It was our impression from past grand juries that officers were always at their posts. In the past we heard complaints that it was sometimes difficult for officers to even go to the bathroom. That is no longer the case. In talking to witnesses, it appears that in the morning it is not unusual for the officer to be gone for half an hour. During the noon hour officers can be gone up to an hour and a half, and then in the afternoon they may be gone another half hour.

Why was Mr. Gordon, given his violent past, transferred from maximum security to a general housing cell that was occupied by a non-violent inmate? Mr. Gordon behaved himself for two weeks and was then transferred into the general double cell population. We were told by every jurisdiction we visited that given what information we had, no other jurisdiction would have put Mr. Gordon in the general population after just two weeks. Some said they never would have put him in general population and the remainder said if they had, they would have waited longer. In King County, Washington we were told that, had they considered such a move, they would have done it on a graduated basis. They would have held him in segregation for a time

(more than two weeks). If he had shown good behavior they would have transferred him to a single cell, but then let him have time with the other inmates in that section. Eventually, if he was compliant and non-violent he might have been transferred to the general population.

Unfortunately, in Multnomah County there is no such system in place. Although there are an adequate number of single cells to run such a program, neither MCDC nor Inverness have sufficient isolation cells to do so. This is based upon a philosophy not to house maximum-security inmates at Inverness. Therefore, when Mr. Gordon came into our system there were only 16 isolation cells to house the most dangerous people in the system. There was no intermediate system to transfer him to and as a result he was able to kill Mr. Saban.

There is also a question raised as to why a very violent criminal was being housed with someone who had no history of violence. In Orange County, Florida we were told that classification levels should not be mixed because the non-violent inmates are “more vulnerable.” There is a three-fold problem with doing this: (1) dangerous inmates are placed throughout the institution with no direct notification to the officer, (2) all of the beds at MCDC are maximum security so that everyone must be considered the equivalent of Mr. Gordon, even though at any given time there are over 100 inmates waiting to be transferred to Inverness and could be out of their cells in direct supervision, and (3) non-violent inmates are put at risk and given no notice that the person sharing the cell with them is a killer and subject to attack them. We were told that Multnomah County in the past generally put violent inmates with other violent inmates so that they could and would protect themselves. This was changed and one of the results was the Saban murder. The new procedure is certainly easier for the classification unit, but we think it is a bad system. We think that people like Mr. Gordon should be singled celled. Not by eliminating double bunking but rather by reconfiguring all the current single cells in the system. This has been discussed in the section on direct supervision.

Why did the officer who was on duty have no information about the dangerousness of Mr. Gordon? Two weeks before the killing, a safety alert was issued in regard to Mr. Gordon. His picture was part of the alert. In that picture he had long hair, a mustache and a beard. When he was transferred to the general population he had little facial hair, other than a mustache. His appearance had changed substantially. Officer Plock had no idea that Mr. Gordon was the subject of the earlier safety alert. There was nothing to alert the officer about Mr. Gordon’s past violent behavior. We were told that safety alerts do not follow the inmate, but rather remain in a lieutenant’s office. Most of the other jurisdictions we visited would have alerted the dorm officer.

Why did it take over a year to start the internal investigation of this matter within the Sheriff’s Office? It appears that the death of Mr. Saban was the result of a number of mistakes by the Sheriff’s Office; the fact that the county settled the lawsuit quickly and the amount of the settlement demonstrates that mistakes were made. However, the Internal Affairs Unit did not immediately conduct an investigation. We were told that this was at the request of the County Attorney’s Office, but we heard

testimony that it was not. Whatever the reason, we question why it has taken so long to look into the matter. Had there been potential criminal charges against an officer we could understand why an internal investigation might be postponed. But that was never a possibility in this case. If the Internal Affairs Unit is to look at things when there is a potential breakdown in the system, this is a prime case. If it does not look at incidents because there is a lawsuit or potential for a lawsuit, it is questionable whether it should ever look at anything.

Here, there was a substantial breakdown in the system and at the time the Corrections Grand Jury heard testimony there had been no changes made to the system. We were told that no policies were changed as a result. There may be changes ultimately, but taking more than a year to decide what to do is simply too long.

Why was there a failure to obtain relevant information on Mr. Gordon's past conduct? Calling the State of Washington one time and eliciting information that should have been followed up on and then failing to do so is not acceptable. The person who provided the information told Officer Nordstrom she was new and did not know how to send the information. When that information did not come immediately there should have been follow-up phone calls; but there weren't any. Failure to act upon critical information is a recipe for disaster. There were no jail commanders we spoke to who would have released Mr. Gordon into the general population. To quote one administrator, in these circumstances you need to "err on the side of caution."

By failing to obtain vital information, the Sheriff's Office put both inmates and staff at risk when they put Mr. Gordon in the general population. Mr. Gordon could have just as easily attacked the officer and the officer would have had no information indicating the dangerous propensities of Mr. Gordon.

Why was Mr. Gordon transported and taken into MCDC when there was no paper work as required by OSAA Jail Standards? Oregon Jail Standards C02.02.02 require inquiry and documentation of potential security issues presented by inmates being transferred to our jails. Despite the fact that an Oregon State Sheriffs' Association inspection of MCDC in October of 2004 found MCDC in "full compliance" with that section, sheriff's deputies testified that this procedure was never followed until after the Gordon incident. This is troubling on two levels. It is troubling that a reasonable procedure was never followed, and it is also troubling that an audit could find full compliance with a standard where compliance was absent.

Why did the officer fail to record in the log his absence from the module? Each dorm has a log. The policy is that every time an officer leaves a dorm or comes back into a dorm they must sign the log. In this case this procedure was not followed so it is impossible to know exactly how long the officer was out of the unit. We are left to guess based upon the time estimation of the beating by other inmates. We have been told although the policy requires log entries it is not something that is routinely done. Officers are reminded of this task at roll call, but many do not take it seriously. While we can see that this could be a problem at Inverness because the officer is watching so many

people, it should not be a problem at MCDC. We believe that oftentimes it is not done because officers do not want a log indicating when they were not with the inmates. This is something that should be a requirement at MCDC and there should be consequences when there is any kind of pattern that it is not being done.

Was excessive overtime usage a factor in this situation? We have noted that both the sergeant who made the decision to house Mr. Gordon in general population and the deputy who was absent from the module at the time of the killing were among the top overtime workers in the system. One accumulated over 900 hours of overtime last year, the most in the department. We believe that the Sheriff should examine the effect of excessive overtime on workplace efficiency.

B. Sexual contact between two inmates in isolation unit

Facts

On May 1, 2006 DeRay Willis was in administrative segregation because he had attempted to escape by putting together a homemade mannequin. He had been in segregation for about a month. The unit consists of five isolation cells that are all in a straight row on the same floor. There are two locations where the officers can observe the inmates. One location is next to the controls that open and close doors to the cells. The other location is some distance from the controls. If someone were to walk from the second location to the controls they would lose sight of the unit for a period of time.

At 8:05 a.m. Officer Kessinger let Mr. Willis out for a 15-minute walk. He saw Mr. Willis return to his cell. Officer Kessinger then got up and walked over to the control panel, temporarily losing sight of Mr. Willis. When he got to the control panel he closed Mr. Willis's door. He then let out Inmate Quinn, who also took a 15-minute walk. After Inmate Quinn took his walk and was put back in his cell, Officer Kessinger made a check of each cell. To him it appeared that all the inmates were in their cells. Unbeknownst to him, Mr. Willis had put extra linen in the bed to resemble a body and was hiding in shower area. The shower area is located at the far end of the complex. Upon entry into the shower, there is an area where a person can hide behind a wall. Apparently this is what Mr. Willis did.

At 8:35 a.m. Officer Kessinger let Ms. Misha Cooper out of her cell. She took a short walk and then returned to her cell. Officer Kessinger closed her cell upon her return. At 9:05 a.m. Sergeant Pina did a security and welfare check; nothing unusual was noted in the cellblock. At about 11:00 a.m. there was a call from Ms. Cooper's cell. Instead of Ms. Cooper talking it was Mr. Willis who said "...I was just kicking it with Ms. Cooper and I am ready to go back to my cell." Officer Kessinger went to Ms. Cooper's cell where he saw Mr. Willis and Ms. Cooper. He then went to Mr. Willis' cell and noted that there appeared to be a body lying in bed with its head covered. When the officers went into Mr. Willis's cell they noted that he had stockpiled extra linen items and had fashioned a human shape under the blankets.

Mr. Willis was then returned to his cell. Although neither Mr. Willis nor Ms. Cooper were very cooperative with the investigation, Ms. Cooper did say “look, this is the first time I had sex in a long time, and I’m tired of all these people tryin’ to talk to me about it.”

When Officer Kessinger testified before the Corrections Grand Jury months after this incident, he said that he was unaware of any change in procedures as a result of this incident.

Concerns

Why did the officers in the unit fail to notice that an inmate had escaped from his cell when there was information available that he was an escape risk? We were told by some officers that the first rule of checking an inmate is that you either see skin, you see the person moving or you see the person breathing before you are satisfied the person is in their cell. We were told by other officers that this is difficult to do in some cells because of the lighting.

Officers need to do more than just look into cells during routine checks. It is important to determine whether someone is in the cell and that the person is showing some kind of movement or breathing. That was obviously not done in this case.

Corrections policy requires that there be checks every half hour. At about 8:35 a.m. Officer Kessinger checked the cells. At 9:05 a.m. Sergeant Pina did a safety check. From the time Mr. Willis left his cell and the time his escape was discovered, there should have been at least five checks. If there had been, it would have been noticed that Mr. Willis had not moved in over 2 hours. That should have sent out warning signals. However, it unclear whether there were more than two checks during this period. Officer Kessinger assumed that when the escorts came at 9:32 a.m. to pick up Mr. Quinn, they did a check. There is nothing in Officer Kessinger’s report that indicates he made any check after the escorts left. In this case there was added reason to watch the inmate because he was an escape risk. However, that never appeared to be a factor with the officer.

If it is difficult to understand how, in what were supposedly several safety checks, a dummy could not have been discovered in Mr. Willis’ cell, it is more difficult to understand how the presence of two inmates, one male and the other female, perhaps undressed, went undetected Ms. Cooper’s single-inmate segregation cell during the same safety checks.

Why have there been no procedural changes implemented after this incident? It was obvious to us that this matter needed to be examined closely and changes made. When the officer testified at the grand jury, he was asked if any procedural changes had been made as a result of this incident. He was unaware of any. One suggestion is that every time someone does a check they log it at the time. We were told that within corrections institutions there is a tendency not to do the checks. In one

jurisdiction an officer doing checks has to swipe a card on a computer based tracker every time he or she does a safety check. This ensures that the check is done.

Why was an inmate able to hide in the shower and the officer was unable to see him? Someone needs to examine why there is any space in the shower where someone can hide any portion of his or her body. Had the inmate been intent on overpowering the officer and trying to escape the unit, he might have been able to do it. This is a safety issue for staff and other inmates. It is obvious that someone can hide in the shower because Mr. Willis did so. With the inmates in these segregation units, line of sight is important. This unit is not big. It only has 5 cells in it. Inmates should have no place to hide.

How was an inmate in segregation able to accumulate enough linen to disguise the fact that he was no longer in the cell? We were told that this is the result of a combination of sloppy work and not searching cells on a regular basis. In addition, this was an inmate who was known for collecting contraband and trying to escape.

Why are the officers given no information about the inmates they are watching? Officer Kessinger testified that he did not know why Mr. Willis was in isolation. In the Gordon case, that officer had no knowledge that Mr. Gordon had been violent to staff and other inmates. It is unimaginable that corrections officers who are responsible for some of the most dangerous people in society are not given more information about the people they are supervising. In the case of Mr. Gordon it does not do much good to have the information in a Lieutenant's office and not with the officer guarding the inmates. In a number of the institutions we visited there were various ways the officers were informed who they were dealing with. In many jurisdictions security information is readily available to the officers. In some jurisdictions they place notice on the cell door of the inmate, and in others they put the information on computers. We feel that was missing at MCDC.

C. Two people were brought into MCDC to be identified; both had murder warrants from other states. They were never accurately identified and both were released. One of them returned to the State of Washington and killed two people.

Facts

In order to best understand what happened here, it is important to understand the concept of "cite in lieu," also known as "book and release".

In Multnomah County, because of the lack of jail space, we do not arrest and book a lot of people. The Sheriff, in order to maintain the population of the jail, has guidelines as to who he will book in the front door and place in detention. For most crimes in Multnomah County, a criminal is given a citation by the police and given a court date. It is similar to a traffic ticket. In many cases people given citations do not appear and then a bench warrant is issued.

The Sheriff has agreed that in those cases where the police officer is not satisfied with the identification the defendant has given, the officer can bring the person to the jail to be identified only. There is never any intent that the person will be booked unless other more serious warrants of arrest are outstanding. The Sheriff's Office has agreed that they will not hold anyone longer than 4 hours to be identified. The process is called "cite in lieu" or "book and release."

The Sheriff's Office contracts with the City of Portland to do the identification of the people brought in by the police. One of the reasons that the Sheriff contracts with the city is because the city has the actual fingerprints of most people who have previously been arrested in Multnomah County. While there are several modern computer techniques for comparing fingerprints, it is important to look at the actual fingerprint of a suspect. Often times the computer systems will give the police a number of possible people based upon a mathematical formula of the print. Unfortunately, because of budget cuts in the past there are only a limited number of people who can search prints.

Each day, the city must identify between 100 and 120 people. Some of these people are "cites in lieu" and others are people who are arrested. In about 88% of the cases, the city will know who the person is because they have that person's fingerprint from a previous occasion. It is estimated by the city that of the 12% who are not identified, only about 2-3% have never been booked anywhere before. That leaves 9-10% of the people in the jail who will not be identified within the first 4 hours.

When someone comes in to the facility to be identified, if they do not have prints on file there are several options the city has to identify the person. Unfortunately, sometimes the process takes more than four hours and the person is released.

When a person is booked, an electronic fingerprint is also taken of the suspect. If the Portland Police are unable to identify the person, that fingerprint is sent electronically to WIN (Western Identification Network). There are nine western states that participate in WIN. Unfortunately, California and Washington, who are part of the system, do not participate fully. Neither state allows a general search in their database unless there is a specific request for a print search. Because these requests take some time, unless it is known that a suspect has some relation to either California or Washington, there are simply not enough resources to do a search. Simple data entry takes 10-15 minutes to do one request. It can take up to 45 minutes to process a search request on one inmate.

Washington and California are apparently hesitant to become full members of the WIN system because of privacy fears. It is all right to search each state individually, but they prohibit their database from being used in the overall WIN system.

The prints can also be sent to the FBI. However, this has to be done through the Oregon State Police. If everything is working correctly it will take 8-10 hours to get the information. If it is a holiday or weekend it may take 2-3 days to get the information. Obviously, if a person is in on a "cite in lieu" the person will be released in 4 hours, which is generally hours or days before the city gets back the information.

D. The case of Nick Walter

Nick Walter was brought into the MCDC on a low level charge. The officers could only book and release Mr. Walter under the guidelines in place at the time. Mr. Walter had identified himself as Mr. Metcalf. He was mugged and printed. He had no local record so the information went into the WIN system. Although there was a warrant for murder outstanding from the State of Washington, that information was not provided to the WIN system. Mr. Walter was released after four hours. Less than seven hours after he was brought in, Mr. Walter's murder indictment was found by the FBI. That information was provided to the city, but too late to do any good.

E. The case of Juan Martinez

Mr. Martinez, like Mr. Walter, was brought into MCDC on a low level offense to be identified. He gave a false name and was not identified within four hours. In fact there was a warrant from the state of Washington charging him with a double murder. After being released Mr. Martinez returned to Benton County, Washington where he killed a woman by cutting her throat and then killed her daughter. Later Mr. Martinez committed suicide in Vancouver, Washington.

Concerns

Why do we only hold people four hours on “cite in lieu” and then let them go if we have not adequately identified them? No one we spoke to was aware of why we have a four-hour rule on “cite in lieu” cases. It may have had more relevance when we had closed booking, in which people were put in small confined areas for long periods of time. Today we have open booking, which is much better and much easier on both the inmates and the staff. We were told that the number of people who have not been identified is not large. Therefore if the four-hour rule was changed, it should not result in increased numbers. Historically, booking has not been counted in the overall number for the jails.

Why did we not learn about the murder warrants in the two cases? When a warrant of arrest is issued against a person, especially for murder, the rights of society must be balanced against those of the individual. We believe California and Washington should provide information to other states in a meaningful manner. Mr. Walters and Mr. Martinez, two people charged with murder, were able to elude authorities because of procedures that we believe need to be re-examined. In one case two people were violently murdered because Washington does not participate fully in the WIN system. It is a tragedy that two victims died for a defendant's rights that are already adequately protected.

Is there something that can be done to prevent this from happening again? It is our suggestion that our Sheriff, District Attorney and County Commissioners jointly ask our governor and attorney general to request that the governors and attorney generals

of California and Washington change their rules. As a practical matter it is much more likely that on the West coast people travel north and south, rather than east to west. Oregon, California and Washington should all be participating in a computer network to identify people who have serious warrants outstanding. The failure to do so will result in future crimes of violence against innocent victims.

Is there something we can do in the meantime? Unless we expand the ability to always search databases from California and Washington when they cannot otherwise identify someone, this will remain a problem. In addition, we need to hold people until we know who they are. The Sheriff should reconsider his four-hour rule for people who remain unidentified. The Portland Police Bureau stated that it would not result in holding that many additional people. The benefits are that (1) we are able to correctly identify the person, (2) we will correct misinformation so that innocent people will not be arrested because the defendant used their identification and (3) we will protect the public.

F. An inmate was taken to the jail after a physical altercation with the police. Because of the physical condition of the inmate, the nurse on duty told the police to take the inmate to the hospital. The police took the inmate to the hospital. The inmate died shortly after arriving at the hospital.

Facts

On September 17, 2006, starting sometime around 5:20 p.m., law enforcement observed James Chasse, a 42 year old man with a history of mental health problems, acting in a strange manner. After they made contact with him there was a struggle. Because our investigation is dealing with the corrections component of this case and a separate grand jury looked into the conduct of the officers, we are not going to address the stop or the ensuing struggle.

After the struggle, because the officers observed that Mr. Chasse appeared to have lost consciousness, an ambulance was called and given a "code 1," which requires immediate response. There was some question as to whether Mr. Chasse had stopped breathing. When Mr. Chasse re-gained consciousness, the call was changed to a code 3. The medical response team arrived and did a brief examination of Mr. Chasse. His vital signs were such that they did not believe he should be transported to the hospital in an ambulance.

Mr. Chasse was transported to MCDC. The officers stopped momentarily to fill out a booking form. Mr. Chasse's physical condition was described as appearing malnourished and unclean. The officers thought that he might have been on drugs. He was brought into the jail in restraints and a spit sock. He was placed in an isolation cell. Once inside the cell, his restraints were removed.

At some point while he is in the isolation cell, someone thought he was having problems breathing. A nurse was called. After seeing Mr. Chasse, the nurse told the police to take him to a hospital. Mr. Chasse had to be put back into restraints. The

officers took him outside and placed him in their car and then drove toward Portland Adventist Hospital. On the way to the hospital one of the officers noticed that Mr. Chasse was losing color and was motionless. The police got off the freeway at 33rd Street. They examined Mr. Chasse and observed that he was not breathing and did not have a pulse. They called for an ambulance, which arrived shortly thereafter. Mr. Chasse was transported to Providence Hospital where he subsequently died.

Patricia Gayman was the nurse on duty when Mr. Chasse came in around 6:15 p.m. She had been told that he was in the booking area and that he might not be breathing. Ms. Gayman got to the cell and saw Mr. Chasse on the floor. She noted he had a spit sock on his head. She knew that there had been a struggle, but had not been given any of the specifics. She was unaware that one of the officers had attempted to use a taser charge on him.

Ms. Gayman's watched Mr. Chasse from outside the cell. She noted that he was dirty and had sores around his feet. One of her first impressions was that he was on drugs. She observed that he appeared to have a little seizure for about five seconds. She immediately told the police that Mr. Chasse should be taken to the hospital. She did not suggest he be taken in an ambulance because there was no reason to think he would not make it to the hospital.

Although Ms. Gayman observed Mr. Chasse from a distance, this is normal practice in the jail when someone is in a segregation cell without restraints. She noted that they generally send inmates to Portland Adventist, which is located at S.E. 102nd and S.E. Market. There are several other hospitals that are closer, but Portland Adventist has the contract for holding inmates.

Concerns

Why wasn't the nurse informed about the extent of the altercation? The nurse thought her involvement in this matter was about two minutes. She never asked anyone to be specific about the circumstances that brought Mr. Chasse to jail. She was aware of the fact that he had been cleared by the medical response team on the street. She stated that it is not unusual for a medical response team to arrive at the scene of an arrest that involves a fight.

In hindsight Ms. Gayman said that, had she known the extent of the fight, she would have called an ambulance. In the past she seldom knew what happened on the street. As a result of this incident she wants to be better informed.

In at least one jurisdiction we visited, before the jail takes a prisoner the police must provide any information relevant to the use of force, including the use of chemical agents or tasers. The information can be provided with a quick form that will alert the jail of potential problems so that the medical staff can make better informed decisions.

When the police knew that someone might be dying, why was he not taken to the closest hospital? When the police realized that Mr. Chasse might be dying in the car, they should have driven to Providence Hospital, which was less than two miles from where they pulled off the freeway. Mr. Chasse would have gotten to the hospital faster than waiting for an ambulance to arrive.

There must be some uniform written procedures given to the police, corrections officers and corrections health workers for when to call an ambulance and when to get the person to the closest hospital.

Considering Mr. Chasse's mental health history was there a better alternative to arresting him and taking him to jail? Unfortunately, with the lack of mental health resources, including secure housing this will continue to be a problem. Too often arrest and jail are the only immediate solutions for dealing with mental health problems, and this case is an excellent example of why arrests and jail should be used as the last resort. It is also an excellent example of the police being asked to make the city more livable by addressing quality of life crimes and the crisis they face when they run directly into the lack of mental health resources. The result is that the jail has become the biggest secure mental health facility in the county.

CONCLUSION

We have spent almost four months gathering information on how this county's jail system functions and documenting the problems we feel we have observed in that operation. We do not believe that our findings and recommendations will be universally accepted by the parties involved in this process, and nor should they be. We would hope and even expect that the leaders of this community will use this report as a starting point in a general discussion of how the justice system operates in this county.

While we have observed a number of flaws in this system, and given more time could probably find more, many of the concerns we have mentioned in this report are the byproducts of a more significant structural problem. This problem is the lack of communication within the leadership of this community, and even the lack of a desire to communicate. We were as startled by how little the Board of County Commissioners knew of the operations of the sheriff's office as we were disturbed by the manner with which the sheriff's office provided county leadership access to information regarding its operations.

Accessible information and frank, open and knowledgeable debate are the foundations for good decisions. Unfortunately, in this county, on the cornerstone issue of our jails, good information has been hard to come by, and debate has hardly been open and certainly not knowledgeable.

The sheriff himself has told us that it is time to move past personal issues among county leadership. We applaud that sentiment and hope that new leadership in county government will work with the sheriff on that goal.

Appendix A



October 25, 2006

Mr. Michael D. Schrunk
Multnomah County District Attorney
1021 S.W. 4th Avenue
Portland, Oregon 97204

Dear Mr. Schrunk:

EXPERT REPORT TO MULTNOMAH COUNTY CORRECTIONS GRAND JURY

Our opinions are offered in reply to the questions that you posed as summarized in this letter.

We reserve the right to update this report and our resultant opinions as necessary as additional or new data becomes available.

- Based on the Multnomah County Sheriff's Office Fiscal 2007 budget, as adopted by Multnomah County, what is the average budgeted full cost per jail bed, per day?*
- How does this average budgeted full cost per jail bed per day compare to other jurisdictions in general and King County, Washington in particular?*

This letter comprises our work to date in connection with the above referenced matter.

Best professional regards,

A red handwritten signature, appearing to be "D", is written above the typed name of Darrell D. Dorrell.

Darrell D. Dorrell, CPA/ABV, MBA, ASA, CVA, CMA, DABFA, CMC
Principal
financialforensics®

A blue handwritten signature, "Thomas S. Brown", is written above the typed name of Thomas S. Brown.

Thomas S. Brown, CPA/ABV, CVA
Director
financialforensics®

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Our core discipline of forensic accounting distinguishes us within and among the financial profession and differentiates us from mere accountants, appraisers, business valuers, CPAs, bankers, brokers, economists, financial analysts, investment analysts and others claiming capabilities in the forensic accounting, litigation or valuation realm.

We hold our ethical, legal, professional and technical practice responsibilities in the highest regard, particularly the hallmark of our profession - **independence**. It is through independence that we serve the public's interest in providing unbiased, objective and technically correct opinions on financial matters, whether in court or in public or private transactions.

The authorities governing our ethical, legal, professional and technical practice actions include the following non-inclusive bodies:

- **AICPA** – American Institute of Certified Public Accountants. This national body, in connection with the Financial Accounting Standards Board, FASB and related entities establishes financial reporting requirements commonly known as “Generally Accepted Accounting Principles,” GAAP. The AICPA Rules of Professional Conduct contains twelve (12) Rules organized into the numbered categories below:
 - **100** – Independence, Integrity and Objectivity
 - **200** – General and Technical
 - **300** – Responsibilities to Clients
 - **400** – Responsibilities to Colleagues (superseded, i.e. no longer in force)
 - **500** – Other Responsibilities and Practices

- **OSBA** – Oregon State Board of Accountancy.¹ This body, authorized by ORS 673.410 has as its primary purpose to protect the public interest. It is the principal government state agency which issues CPA licenses and certificates. The Oregon laws governing certified public accountants generally follow the Uniform Accountancy Act, UAA, but where conflicts arise Oregon law prevails. The Board rules specifically refer to breach of fiduciary duty as a part of general prohibitions against dishonesty and fraud under OAR 801-030-0020.

- **OSCPA** – Oregon Society of Certified Public Accountants. This body furthers the interests of CPA-members, and coordinates professional requirements with the AICPA through the “joint ethical enforcement program” (JEEP).

- **SEC** – Securities and Exchange Commission. This US law enforcement government body, in coordination with the Public Companies Accounting Oversight Board (PCAOB) governs financial reporting requirements for all publicly held and certain privately held businesses and transactions.

¹ A partner of our firm presently serves on the OSBA's Complaints Committee, with the purpose: “Provide technical assistance to the Board Investigator in the investigation of complaints received by the Board. The Committee reviews investigation reports and makes recommendations to the Board regarding disciplinary action or other resolution of complaint investigations.”

- ❑ **IRS** – Internal Revenue Service. This US Treasury body is responsible for administering the laws and collections processes concerning revenue for the federal government.
- ❑ **Jurisdictional and Regulatory Authorities** – Depending upon the venue of our practice we may be compelled to meet additional criteria. For example, in many damages matters the composition of the damages is defined by statute and/or precedent. Also, in many valuation matters the standard of value is defined by statute, precedent or prevailing practice.
- ❑ **Other Professional Bodies** - The unique nature of our forensic accounting practice compels us to apply additional professional and ethical standards from the following:
 - **ACFE** – American College of Forensic Examiners
 - **ACFE** – Association of Certified Fraud Examiners
 - **ASA** – American Society of Appraisers
 - **IBA** – Institute of Business Appraisers
 - **IMA** – Institute of Management Accountants
 - **IMC** – Institute of Management Consultants
 - **NACVA** – National Association of Certified Valuation Analysts

We strive to meet and exceed the preceding standards through our firm's guidance as summarized below:

OUR MISSION STATEMENT:

To spearhead forensic accounting innovation in civil, criminal and combat matters.²

THE DEFINITION OF FORENSIC ACCOUNTING IS:

The art and science of applying forensic accounting techniques to matters of law.³

² (financialforensics® October 2002).

³ (financialforensics® Newsletter, September 1993).

SUMMARY OF FINDINGS

WHAT WERE WE ASKED TO DO?

Michael D. Schrunk, Multnomah County District Attorney asked us to answer the following questions:

- Based on the Multnomah County Sheriff's Office Fiscal 2007 budget, as adopted by Multnomah County, what is the average budgeted full cost⁴ per jail bed, per day?*
- How does this average budgeted full cost per jail bed per day compare to other jurisdictions in general and King County, Washington in particular?*

You also inquired regarding whether the methodology for calculating the average budgeted full cost per jail bed per day, hereinafter also referred to as "jail bed cost", used by the Multnomah County District Attorney's office is correct and properly includes all the costs of operating the County jail facilities for purposes of evaluating the Federal and State Jail Bed contracts against the budgeted cost of operating these facilities.

WHAT INFORMATION WAS USED TO CONDUCT OUR INVESTIGATION?

We used four categories of information in conducting our investigation.

- Information obtained through the Multnomah County District Attorney's Office including Scott Marcy's calculation of average budgeted full cost per jail bed per day and information from the Sheriff's office concerning jail bed costs.
- Information that we obtained directly from the Multnomah County Budget Office
- Information obtained from the Multnomah County Sheriff's Office representatives including Bernie Giusto, Larry Aab, Markley Drake and Sharie Lewis.
- Information that we obtained through our own independent research and investigation.

See the "Information Sources" attachment to this report for details.

WHAT ACTIONS WERE NECESSARY TO COMPLETE OUR ASSIGNMENT?

We completed the following actions.

- We reviewed all the information described in the four categories listed in the preceding question. Refer to the "Information Sources" section of this report.

⁴ Full Cost - The sum of all costs required by a cost object including the costs of activities performed by other entities regardless of funding sources. See Glossary of Terms at the end of this report.

- ❑ We conducted various work sessions and discussions with Scott Marcy, John Bradley and Charles French of the Multnomah County District Attorney's office. We also met with Christian Elkin of the County Budget Office and Sharie Lewis, formerly of the Sheriff's Office.
- ❑ We obtained a working knowledge of the budgeting process through documents obtained from the County Budget Office. This is explained briefly in the next section of or report.
- ❑ We reviewed calculations of average budgeted full cost per jail bed per day together with supporting schedules prepared by Scott Marcy.
- ❑ Two (2) CPAs invested more than 100 hours in conducting the analysis, technical research and preparing the calculations

UNIQUE FACTS AND CIRCUMSTANCES

Every consulting assignment contains unique aspects that have an impact on the investigation approach, and techniques considered and applied. In this assignment the following **unique facts and circumstances** are specifically identified in order to apprise the reader of their application.

- ❑ **In order to prepare for the sunset of the ITAX⁵, Multnomah County moved to Priority-Based Budgeting (PBB) in FY 2005. PBB has required a significant investment of staff time and resources and the Board has indicated its commitment to future use of this process. The County Budget Manager explains PBB as follows:**
 - Priority-Based Budgeting is a concept developed by Peter Hutchinson and David Osborne from the Public Strategies Group (PSG). It provides a proven and innovative approach for agencies to identify funding priorities that show quantifiable results that support the agency's overall goals, and that are most highly valued by the community served. This approach helped the Budget Office shift its focus from line-item budgeting and constraint (across-the-board cuts) that weaken infrastructure, to a funding methodology that considers measurable outcomes that best support the County's strategic objectives. The work performed in each step is brought to the Board for its approval and for any necessary course correction. It is a highly transparent process—to the Board, other elected officials, department heads, county employees, and citizens.⁶

⁵ The Multnomah County personal income tax (ITAX) was created when voters approved Ballot Measure 26-48 in May 2003. It is a three-year measure that raises local funds to prevent further cuts to Multnomah County's public schools and programs that help the County's most vulnerable residents. It is intended to be a temporary, local answer to recent state budget cuts and a poor economy.

⁶ Multnomah County Budget Manager's Message, FY 2007 Adopted Budget, page 6

- The Priority-Based Budgeting Process was implemented to answer the following questions:⁷
 - ❑ 1. How much money do we want to spend? The formulation of the budget must be based on the premise that the County cannot spend more than it receives in revenue. Note: This question suggests that a full-cost analysis is essential.
 - ❑ 2. What do we want to accomplish? The budget must prioritize the services that most efficiently achieve the desired results.
 - ❑ 3. What is the most effective way to accomplish our priorities with available funds? As part of the Priority-Based Budgeting Process, every department is asked to find ways to work more efficiently and to leverage scarce resources.

- ❑ **Program offers form the basis for the Price of Government budgeting process. They constitute a department's budget request and narrative budget, and provide the information that the Board of County Commissioners uses to select programs that will best address the County's priorities.**⁸

- Program Offer Description. In Multnomah County's budget, a "program" is an organizational unit that provides services to the public or to other County departments or divisions. Its description should briefly and clearly explain the activities encompassed in the program offer. If the offer represents a change in current practice (a reorganization or change in staffing levels, service hours, etc.), it should briefly describe the nature of that change. Indeed, Multnomah County's FY 2007 Priority Based Budgeting description⁹ indicates that the Price of Government must be considered in totality, i.e. comprising "Fees, Taxes and Revenue."

- Projected Program Costs. Program offers should show the "full cost" to the County of providing the program, including the program's share of administrative, support, or other shared costs, as well as the revenues generated by the program for its support.

- Avoiding a "full cost" analysis distorts measurements that lead to flawed decision making. For example, the fuel efficiency of an automobile can be determined by calculating the miles per gallon, i.e. "total miles driven" divided by "total gallons consumed." However, selectively calculating miles per gallon for highway-driven mileage only distorts and misstates overall fuel efficiency.

- Types of Program Offers. Program offers were categorized based on the

⁷ Ibid

⁸ Information regarding "Program Offers" is taken from the Readers Guide – Volume 2, FY 2007 Adopted Budget

⁹ FY 2006 Priority Based Budgeting, MULTNOMAH COUNTY OREGON, page 3 of 8.

“type” of services they deliver. Program offers fell into one of the following groups:

- Administration
- Support
- Operating Program
- New Program
- Program Alternative/Reconstruction
- Internal Service
- Revenue

➤ The following are definitions of some of the above listed types of program offers:

- **Administration:** Department- or division-level management and related expenses (i.e. office space, supplies, telephones, etc.) Direct program supervision is considered to be a part of the operating program (NOT administration), and should be included in the operating program’s offer.
- **Support:** An activity in a department that provides services directly to some or all operating programs within a department. Examples include the Health Department’s pharmacy, which supports the various health clinics; the Library’s Technical Services, which maintains the Library’s materials and catalog system-wide; or the District Attorney’s Human Resources unit.
- **Operating:** An “on the ground” activity of the County. Includes front-line supervisors/program managers with specific responsibilities for particular operating programs. An example would be the Department of Schools and Community Partnerships program for Runaway Youth or the Health Departments Primary Care Clinics.

□ **The program offers display each program’s proportionate share of administrative and support costs. This information is intended to display the full cost of operating the program or providing the service. Departments determine how the total amount of department administration and support is divided among program offers. Some programs may be more administration-intensive than others, or may use support services that others do not. Note that administrative and support program offers also are included in each department’s budget. These are included in order to display the particulars of each department’s administrative and support functions.**

□ **Many County programs can deliver their services at varying levels. For example, an Alcohol and Drug Treatment Program may be able to offer 100 beds, 150 beds, or 200 beds. Departments were asked, when appropriate,**

to provide decision-makers with the option to choose from among those levels. The term used most often for this is “scaled” or “scalability”. Looking at scaled program offers, one should consider:

- **The Base Level of Service** - Program “A” is the base level of service that can be provided while still delivering the expected results. In the example above, the base level of service would be 100 beds of A&D treatment. To see an illustration in the program offers please see the Department of Community Justice’s Program 50052A-C Addiction Services.
- **Increments of Service** - Program “B and beyond” represent incremental levels of service that buy additional outcomes. In the A&D treatment example, one increment could be 50 additional beds, and another, separate increment could be 100 additional beds.

SITUATIONAL ASSESSMENT

The FY 2007 Adopted Budget for the Multnomah County Sheriff’s Office is shown in summary form below.¹⁰

Sheriff's Office - Budget for FY 2007			
Category	FY 2006 Adopted Budget	FY 2007 Adopted Budget	Percent Change
Professional Services	\$ 77,830,685	\$ 85,446,231	9.8%
Contractual Services	1,423,407	1,523,153	7.0%
Materials & Supplies	19,767,964	18,847,350	-4.7%
Capital Outlay	194,066	209,816	8.1%
Total Costs	\$ 99,216,122	\$ 106,026,550	6.9%

Source: Multnomah County Budget Office FY 2007 Adopted Budget

- We noted a 6.9% increase in the overall FY 2007 budget over the prior budget for FY 2006.
- For purposes of determining average budgeted cost per jail bed per day, program offers in the Sheriff’s FY 2007 Adopted budget may be separated into two primary components – Jail Related Program Offers and Other Program Offers. These two major groupings are illustrated below:

¹⁰ Source: http://www.co.multnomah.or.us/dbcs/budget/web_page_07_adt_vol_two/mcso_adt_07_two.pdf

Sheriff's Office - Budget for FY 2007		
Jail Related Program Offers		
Category	FY 2007 Adopted Budget	Percent Total
Jail Related Program Offers	\$ 84,683,943	79.9%
Other Program Offers	21,342,607	20.1%
Total Costs	\$ 106,026,550	100.0%

Source: Multnomah County Budget Office FY 2007 Adopted Budget

- In addition to the Sheriff's FY 2007 Jail Related Program Offers, the FY 2007 Budgeted cost of health services for inmates, referred to as "Corrections Health" developed by the County Health Department, of \$13,185,762 must also be included in a calculation of jail bed costs. This becomes the total jail related costs as illustrated below:

Sheriff's Office - Budget for FY 2007		
Total Jail Related Costs		
Category	FY 2007 Adopted Budget	Percent Total
Jail Related Program Offers	\$ 84,683,943	86.5%
Corrections Health Jail Program Offers	13,185,762	13.5%
Total Costs	\$ 97,869,705	100.0%

Source: Multnomah County Budget Office FY 2007 Adopted Budget

The Corrections Health portion of the above total jail costs is taken directly from the Health Department budget for FY 2007.¹¹

COMPUTATION OF AVERAGE BUDGETED COST PER JAIL BED PER DAY

Using the total jail related costs presented earlier, we developed an average budgeted cost per jail bed per day of \$157.82 as illustrated in the following schedule.

¹¹ Source: Corrections relate program offers per Health Department FY 2007 Summary by Program Offer, <http://www.co.multnomah.or.us/dbcs/budget/2007narrativeguide.shtml>

Average FY 2007 Budgeted Jail Bed Cost

Multnomah Co. Detention Center (MCDC)			Inverness Jail (MCIJ)			System-Wide Total		
Beds/Annual Bed Days	676	246,740	1,014	370,110	1,690	616,850		
Percent of Total Beds	40%		60%		100%			
Program Offer	MCDC	Per Bed Per Day	Program Offer	Inverness	Per Bed Per Day	Totals	Per Bed Per Day	Percent Total
Dormitory costs								
60021A	\$13,252,077		60022A	\$15,592,448				
60021B	\$3,238,647		60022B	\$2,463,430				
60021C	\$1,292,119		60022C	\$2,244,079				
60021D	\$4,505,829		60022D	\$617,307				
60021E	\$1,084,687		60022E	\$4,007,358				
60021F	\$3,245,500		60022F	\$1,349,876				
60021G	\$569,397		60022G	\$3,159,968				
60021H	\$2,977,624		60022H	\$1,549,182				
60021I	\$569,397		60022I	\$1,473,810				
sub-total	\$30,735,277	\$124.57		\$32,457,458	\$87.70	\$63,192,735	\$102.44	64.9%
Executive/Prof. Standards								
60001	\$586,782		60001	\$723,755				
60002	\$424,247		60002	\$523,278				
sub-total	\$1,011,029	\$4.10		\$1,247,033	\$3.37	\$2,258,062	\$3.66	2.3%
Offender Transport (Fed.Portion)								
60015	\$278,893	\$1.13	60015	\$650,749	\$1.76	\$929,642	\$1.51	
Booking-Release								
60016A	\$3,371,661	\$13.66	60016A	\$4,158,708	\$11.24	\$7,530,369	\$12.21	7.7%
Classification								
60016B	\$1,638,462	\$6.64	60016B	\$2,020,928	\$5.46	\$3,659,390	\$5.93	3.8%
Gresham Temp								
60016C	\$66,018	\$0.27	60016C	\$81,429	\$0.22	\$147,447	\$0.24	0.2%
Corrections Health Program								
	\$6,132,446	\$24.85		\$7,053,316	\$19.06	\$13,185,762	\$21.38	13.5%
Federal Allowed Costs	\$43,233,786	\$175.22		\$47,669,621	\$128.80	\$90,903,407	\$147.37	93.4%
Offender Transport								
60015	\$501,569	\$2.03	60015	\$1,170,328	\$3.16	\$1,671,897	\$2.71	
sub-total	\$43,735,355	\$177.25		\$48,839,949	\$131.96	\$92,575,304	\$150.08	95.1%
Inmate Commissary								
60019	\$1,100,958	\$4.46	60019	\$1,357,954	\$3.67	\$2,458,912	\$3.99	2.5%
sub-total	\$44,836,313	\$181.71		\$50,197,903	\$135.63	\$95,034,216	\$154.06	97.6%
Corrections Work Crews								
NA			60025	\$2,319,013	\$6.27	\$2,319,013	\$3.76	2.4%
Other Costs	\$1,602,527	\$6.49		\$4,847,295	\$13.10	\$6,449,822	\$10.46	6.6%
Total Jail Costs	\$44,836,313	\$181.71		\$52,516,916	\$141.90	\$97,353,229	\$157.82	100.0%

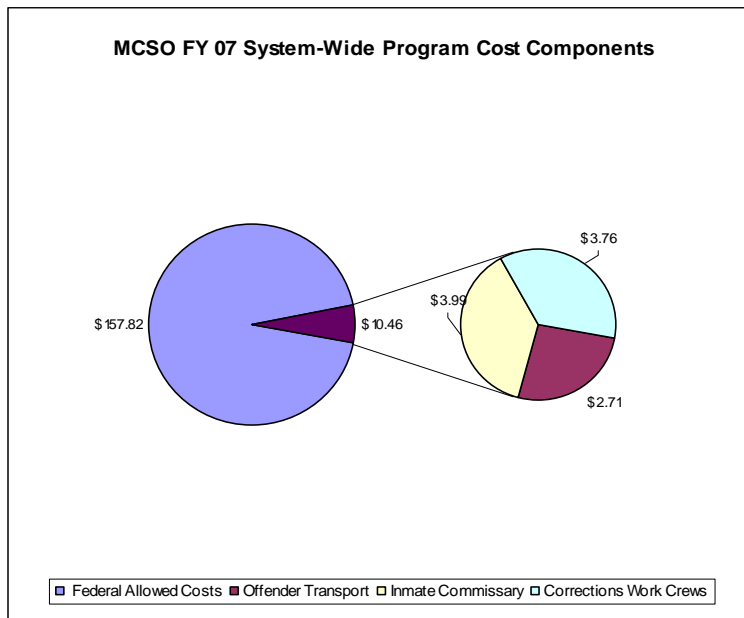
Program Cost Allocations						
Program Cost	%	Allocable Base	%	MCDC	%	MCIJ
\$1,610,290	81%	\$1,310,537	45%	\$586,782	55%	\$723,755
\$1,164,248	81%	\$947,525	45%	\$424,247	55%	\$523,278
\$2,774,538		\$2,258,062		\$1,011,029		\$1,247,033
\$2,601,539	36%	\$929,642	30%	\$278,893	70%	\$650,749
\$7,530,369	100%	\$7,530,369	45%	\$3,371,661	55%	\$4,158,708
\$3,659,390	100%	\$3,659,390	45%	\$1,638,462	55%	\$2,020,928
\$147,447	100%	\$147,447	45%	\$66,018	55%	\$81,429
\$2,601,539	64%	\$1,671,897	30%	\$501,569	70%	\$1,170,328
\$2,458,912	100%	\$2,458,912	45%	\$1,100,958	55%	\$1,357,954

I
 Several points of explanation regarding the preceding schedule follow.

1. The schedule has separate columns for the Multnomah County Detention Center (green), the Multnomah County Inverness Jail (tan) and total system-wide columns (yellow). Costs are listed by program offer for each facility and totaled.
2. The right side of the schedule shows how certain costs that were not already split between the two facilities were allocated. The allocation of these costs and alternative allocation methods considered but rejected is shown below.

Certain costs are allocated based on the following assumptions:				
Program Offer	Allocation Base			
Exec./Prof. Standards:	Ratio of corrections portion of Sheriff's budget excluding Administration and Support to budget total, then based on the number of beds at each facility. See calculation below.			
Administration and Support Program Offers				
60003A				\$1,187,180
60004				\$1,011,262
60005				\$781,483
60006				\$3,695,147
60007				\$941,295
60009				\$2,600,961
60010				\$2,124,088
60011				\$3,379,894
60012				\$1,999,841
60013				\$333,627
60014A				\$1,827,531
60014B				\$2,386,870
60017				\$2,641,253
60034				\$1,835,499
60035				\$1,634,116
sub-total				\$28,380,047
Total MCSO Budget				\$106,026,550
Costs excluding Administration and Support				\$77,646,503
Dormitory Costs (includes allocated Administration and Support Costs)				\$63,192,735
Percent of Dormitory Costs to Costs Excluding Administration and Support				81.4%
Offender Transport				
	Per USM-243 Basic Guidelines, only the portion benefiting federal prisoners is allowable. Per Sheriff's office worksheet "Jail Bed Costs Oct 11 061.xls" \$929,642 or 35.73% allowable.			
60015				\$2,601,539
Portion deemed allowable by MSCO				\$929,642
				35.7%
Facilities Allocation Methods				
Beds				
	MDCD		MCIJ	TOTAL
Number of Beds	676	40%	1,014	60%
				1,690
				100%
Direct Costs				
Dorm. Costs	\$30,735,277	48.6%	\$32,457,458	51.4%
Dorm. Costs no Admin & Sup.	\$20,497,800	44.8%	\$25,282,598	55.2%
				\$63,192,735
				100.0%
				\$45,780,398
				100.0%
FTE's (Excluding any allocated FTE categories)				
Dormitory FTE's	158.57		169.98	328.55
Corrections Work Crews	-		15.20	15.20
Corrections Health	33.10		38.47	71.57
Totals	191.67	46.1%	223.65	53.9%
				415.32
				100.0%
Program Offer				
Allocation Base				
Booking-Release	Based on the direct costs of each facility.			
Gresham Temporary Holding F	Based on the direct costs of each facility.			
Offender Transport	Estimate provided by Scott Marcy based on the nature and location of each facility. All offenders are processed through the MDCD facility. Inmates requiring higher level of security are not likely to be transported to Inverness.			
Classification	Based on the direct costs of each facility.			
Inmate Commissary	Based on the direct costs of each facility.			

3. A total of 81.4% of the Executive and Professional Standards program offers were allocated to the jail system based on the ratio of jail costs to the total MCSO budget.
4. The schedule is also divided horizontally into two sections. The top section contains costs that would be allowable according to Federal Marshal program cost guidelines.¹²
5. Based on figures obtained from the Sheriff's Office¹³, approximately 36% of total Offender Transport Program Costs is includable in the determination of jail bed costs per day for federal prisoner contract purposes. The remainder, 64% is shown below in "Other Costs" and included in the Average Budgeted Cost per Jail Bed per Day calculation.
6. As shown in the schedule, Average Federal Allowable Budgeted Costs per jail bed per day is \$147.37.
7. How certain programs were allocated among the two facilities is summarized at the bottom of the schedule above. As indicated, most of the costs were allocated among the facilities based on direct costs which represent the total dormitory costs less administration and support costs allocated to the dormitory program offers.
8. Corrections Health costs were allocated using the same allocation base for consistency. Refer to the Appendix for a schedule showing the Corrections Health Budgeted costs. The chart below depicts the two major components of our jail bed per diem calculation.

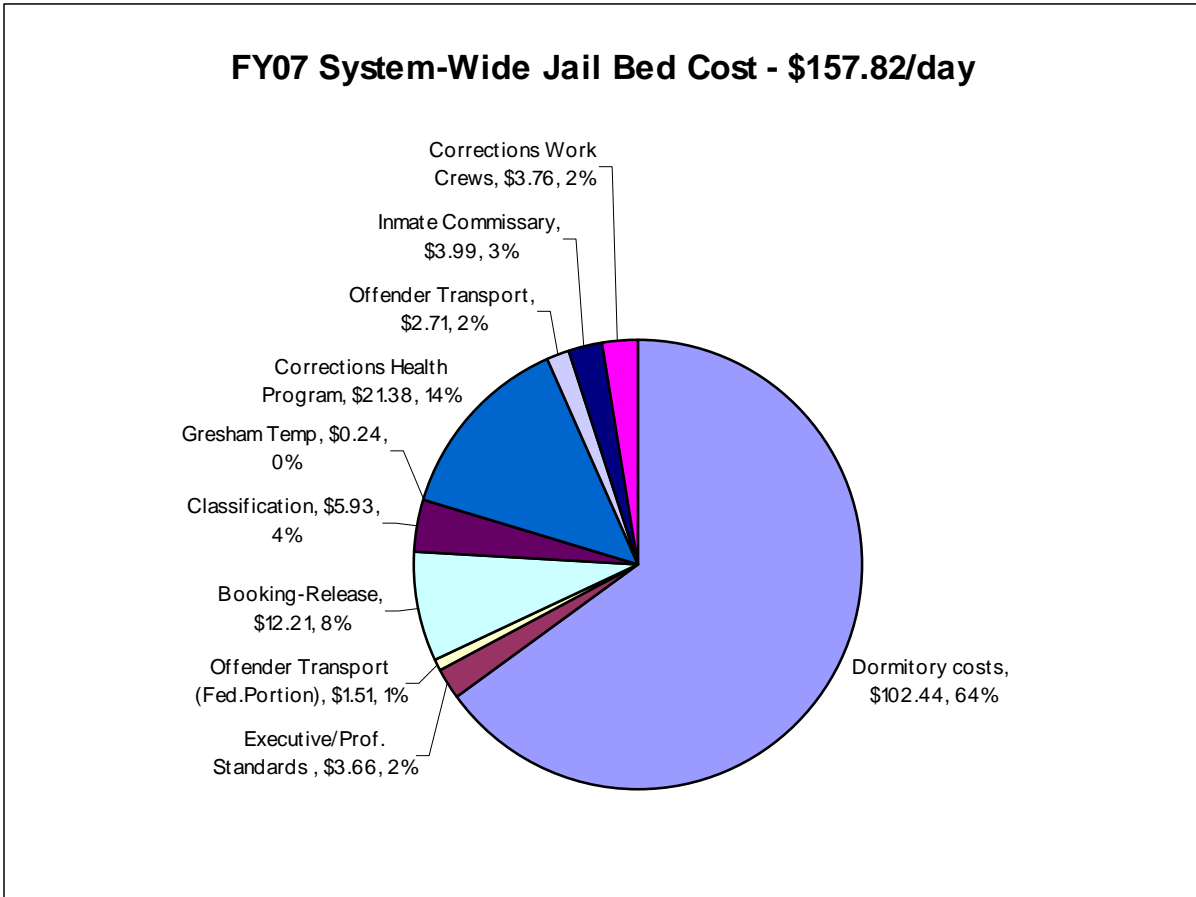


¹² Guidelines for determining costs includable in the contract with the U.S. Marshal's Office are taken from the USM-243 Form Guidelines and OMB Circular A-87. These documents explain which costs may be included in the computation of costs related to federal prisoners. Any cost that benefits federal prisoners, unless specifically disallowed, should be included in the USM Contract Cost.

¹³ No explanation was forthcoming from MCSO as to why only 36% of Offender Transport Program costs would be includable in the U.S. Marshal Service contract allowable costs.

As the chart indicates, the Average Budgeted Cost per Jail Bed per Day is \$157.82, of which \$10.46 in total represents costs not includable in the federal contract rate.

The chart below illustrates the various components of Average Budgeted Costs per Jail Bed per Day.



The two largest components are Dormitory Costs (64%) and Corrections Health Costs (14%).

The second question that we were asked to address was:

- *“How does this average budgeted cost per jail bed per day compare to other jurisdictions in general and King County, Washington in particular?”*

The Multnomah County District Attorney’s office determined that the King County, Washington Jail System was sufficiently comparable to the Multnomah County Jail System to make a comparison of the two systems meaningful.

A Comparison of jail bed costs/day was made between Multnomah County and King County, Washington. Regarding the latter, the following excerpt was taken from a recent King County Auditor’s Report: *“Jail operations are complex, and in King County this complexity is heightened by the fact that the department operates two large urban jails that are separately located, have different designs and sizes of inmate housing units, and employ different approaches to inmate supervision.”*¹⁴

A schedule prepared by Scott Marcy of the Multnomah County District Attorney’s Office showing King County Jail Cost follows. Note that the Average Budgeted Cost per jail bed per day at full or near full capacity would be \$85.05. At present capacity of approximately 80%, the average daily rate is \$111.18.

¹⁴ *“Performance Audit – Jail Overtime”* King County, Cheryle A. Broom, King County Auditor, October 9, 2006, page 5

King County Jail Bed Costs									
KCCF (1697 beds)		Per Day	RJC-DF (1388 beds)		Per Day	Totals	Per Day	%	
Expenses			Expenses						
Description	Budget		Description	Budget					
Salaries & Wages	\$ 24,040,264		Salaries & Wages	\$ 15,834,746		39,875,010			
Overtime Adult	1,573,624		Overtime Adult	1,461,382		3,035,006			
Overtime Juvenile	0		Overtime Juvenile	0		0			
Personal Benefits	9,335,180		Personal Benefits	6,307,618		15,642,798			
Supplies	538,268		Supplies	2,892,438		3,430,706			
Services & Other Charges	712,911		Services & Other Charges	167,027		879,938			
Intragovernmental service	60,417		Intragovernmental service	32,144		92,561			
Capital Outlay	0		Capital Outlay	0		0			
Debt Service	0		Debt Service	0		0			
Intra County contributions	0		Intra County contributions	0		0			
Special Budget Account	0		Special Budget Account	0		0			
Contingencies	0		Contingencies	0		0			
Contra Expenditures	-368,699		Contra Expenditures	-244,523		-613,222			
Total	\$ 35,891,965		Total	\$ 26,450,832		62,342,797			
allocated admin.	6,155,223		allocated admin.	4,536,134		10,691,358			
Total	\$ 42,047,188		Total	\$ 30,986,966		73,034,155			
percentage of adult corrections direct	57.57%		percentage of adult corrections	42.43%		100%			
allocated corr. Health by percentage	13,090,319		allocated corr. Health by percentage	9,647,002		22,737,321			24%
Total cost for facility	\$ 55,137,508	\$ 89.02	Total annual cost for facility	\$ 40,633,968	\$ 80.21	\$ 95,771,476	\$ 85.05	100%	
79.4% occupancy- avg. cost per bed day		\$112.11	73% occupancy- avg cost per bed day		\$109.87		\$111.18		

* note jail population alert data found on the Adult and Juvenile Dention web pages shows an overall adult capacity of 2,973 beds.
(This differs from the facilitiy capacity 3,085). I am not sure why.

** jail population alert information indicates that the system is running at approx. 80% occupancy rates currently.
(See link <http://www.metrokc.gov/dad/population/Population-Alert.html>)

Per notes from Chunck French visit average daily population was 1347/day and 1013/ day respectively. This forms the basis of my occupancy rate.

The two jail systems both operate two jail facilities. The King County Jails capacity is nearly 50% larger than that of Multnomah County.

Chuck French of the Multnomah County District Attorney's Office, who toured these facilities and spoke with representatives from King County, identified the following key differences between Multnomah County and King County jail systems:

1. "King County should be expected to have lower transport costs, since there are court buildings attached to both of the jails. Inter-jail transport might be lower also because both Mult. Co jails act as feeders to our one courthouse, while the King County jails feed, by and large, into their own courthouses, where crimes are processed based on (the) geographic location where they were committed."
2. "King County has no federal contract."
3. "King County apparently gets to use the county hospital free of charge for inmates who are (in) need (of) outside treatment."
4. "King County has a substantially higher transportation charge for transporting and guarding prisoners in the county hospital since they apparently send out more prisoners for hospital treatment (probably because it is free to them)."
5. "King County has contracts with approximately 20 municipalities to house inmates for municipal ordinance violations from that city. My guess is that dealing with so many different jurisdictions produces a somewhat higher administrative cost."
6. "King County jails are administered by only one department, the Department of Adult and Juvenile Detention. This means that costs are more transparent, since 100% of all overhead and administrative costs are assigned to the department."

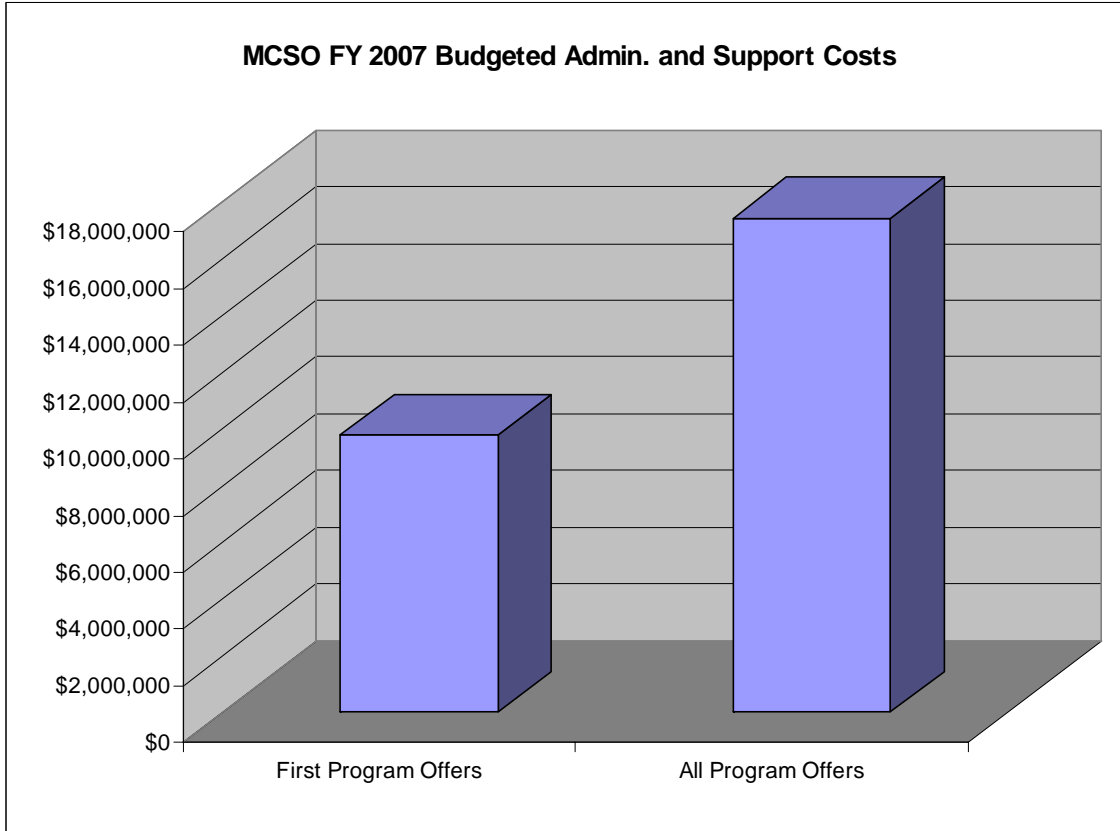
It would appear to us that the overall impact of the above differences on jail bed costs would be relatively small. However, we did not attempt to quantify in dollar terms the impact that these differences between the two systems would have on jail bed costs.

ADDITIONAL FINDINGS AND OBSERVATIONS

During the course of conducting our analysis, we also noted the following additional items.

1. The first program offers for both the Detention Center and the Inverness Jail contain the bulk of the Administration and Support Costs allocation for the dormitories. The schedule below and chart that follows shows this clearly.

2. Note the significant difference in the Admin/Support amount allocated by MCSO to the first dormitory program offer for each facility compared with subsequent program offers. This can be seen more clearly in the following chart.

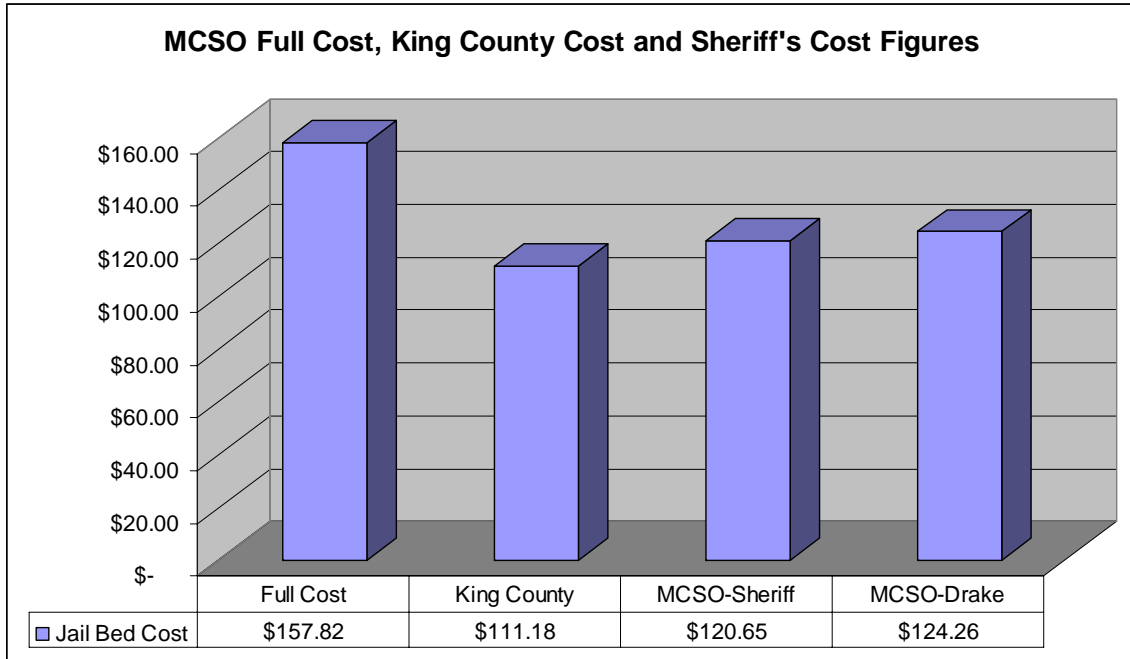


The first program offer for MDCD represents 46 of 676 beds. The first program offer for MCIJ represents 160 of 1014 beds. It is unlikely that the true cost of operating these first few beds in each facility is anywhere near the total program offer cost listed. In fact, the practice of “frontloading” costs to the first dormitory program offer for each facility distorts the cost of the remaining program offers and defeats the scalability desired by the County. In essence, the Sheriff is treating some variable costs as fixed costs.¹⁵ The same frontloading of admin/support costs exist in the Corrections Health Program Offers 40025A (MDCD) and 40028A (MCIJ). Note that such practice violates the “Price of Government” principle foundational to the budgeting methodology adopted by Multnomah County.

3. In his Response to Corrections Grand Jury Status Reports dated October 16, 2006, the Sheriff indicates that jail bed costs are \$120.65. The supporting

¹⁵ In general, variable costs are those costs that increase with the number of jail beds occupied. Fixed costs generally do not increase with the level of jail beds occupied. See the glossary of terms at the end of this report.

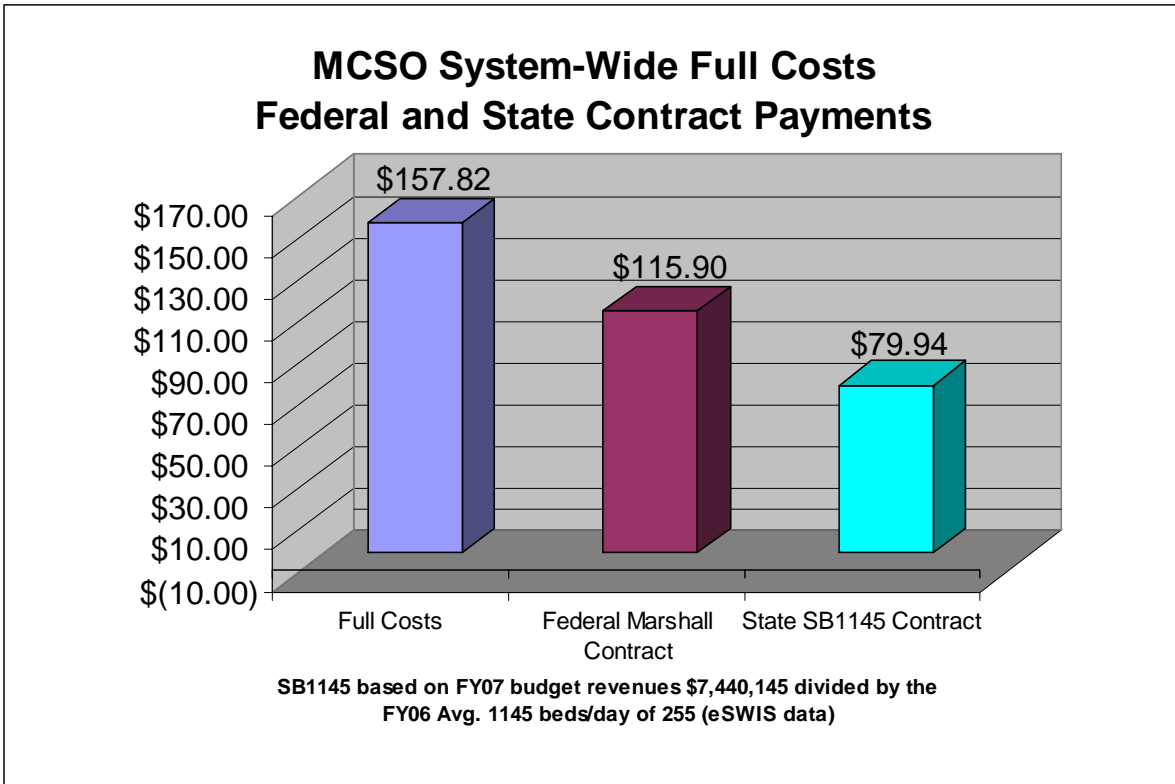
calculations provided by MCSO (Jail Bed Costs Oct 11 061.xls) come up to \$124.26/day. Whichever figure the Sheriff's office intends to use, neither figure represents "full jail bed costs". The Sheriff omits a number of budgeted cost components and includes only portions of others, without explanation. Note that such practice violates the "Price of Government" principle foundational to the budgeting methodology adopted by Multnomah County. The chart below compares the full cost per jail bed to the figures received from the Sheriff's Office and King County, Washington.



4. We have seen nothing in the USM-243 instructions or OMB Circular A-87 that specifically prohibits including the following indirect costs¹⁶ in determining the rate to be charged for housing federal prisoners:
 - a. Offender Transport - Cost of transporting prisoners from booking at MCDC to MCIJ. (Costs for transporting prisoners to local court proceedings from either facility are clearly not allowed, however.)
 - b. Booking and Release – The process by which a criminal on the street becomes an inmate in custody.
 - c. Classification - Cost to sort detainees by facility to the extent federal prisoners go through the classification process.

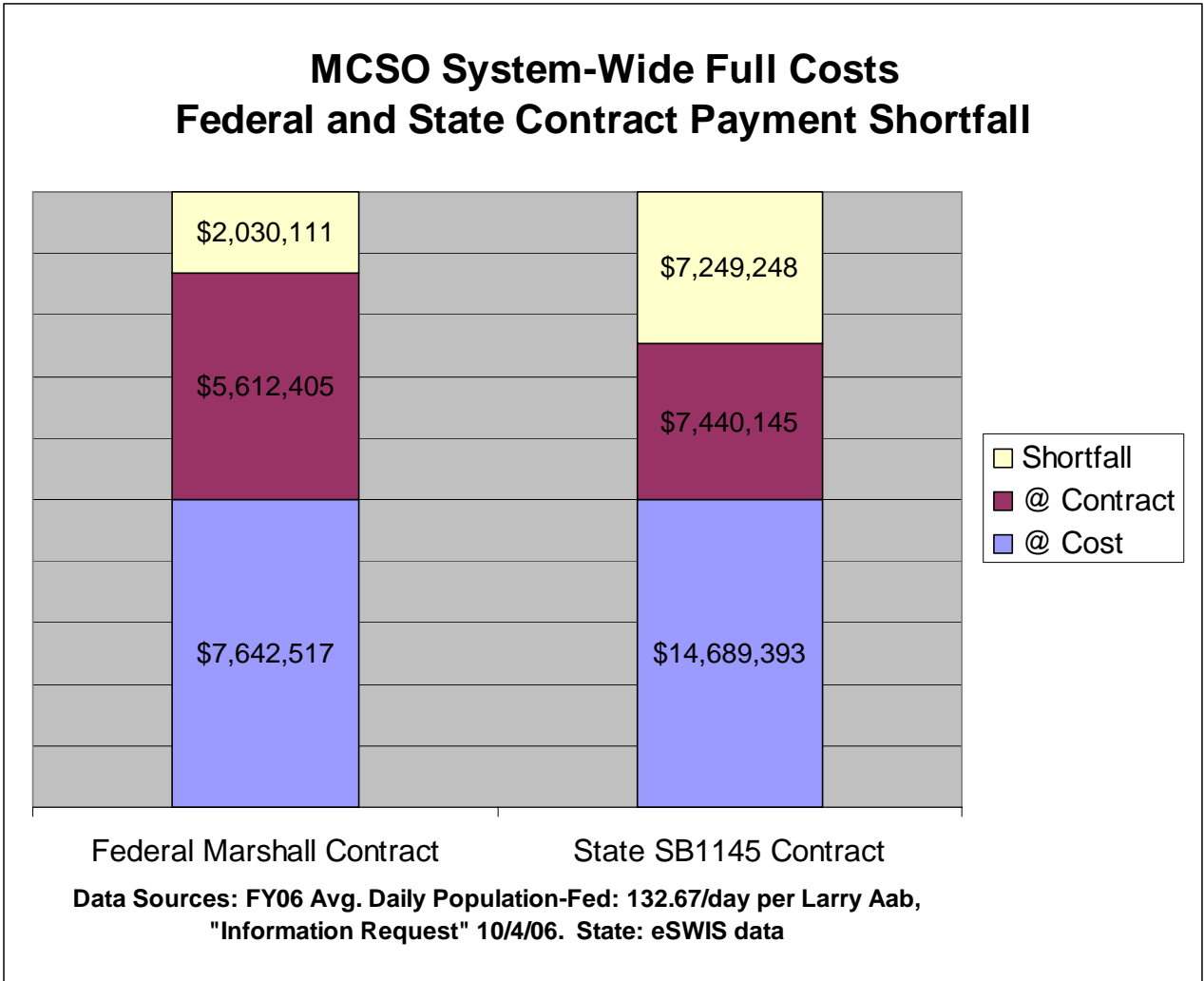
¹⁶ Indirect Cost - A cost that cannot be identified specifically with or traced to a given cost object in an economically feasible way.

- d. Gresham Temporary Hold Facility – While excluded from the County Auditor’s cost per bed per day calculations, if federal prisoners are being held at this facility, this cost should be included in the USM-243 process.
- e. Commissary - The net cost of commissary operations (admittedly a small number, but recoverable under USM-243 guidelines nonetheless).
- 5. The Multnomah County Audit report (July 2006) acknowledges the Sheriff’s use of costs allowed for the U.S. Marshal contract **only** in calculating costs per bed/day and reports a combined MCDCC and MCIJ cost per day of \$134.37 for the FY06 budget year. The Sheriff’s budget increased from FY06 to FY07 by 6.9% indicating that an even higher system-wide cost per day would be expected for the FY 2007 budget year.
- 6. Federal and state prisoners are not segregated from other prisoners in either facility. Hence, the all-inclusive system-wide full cost per day (\$157.82) should be the yardstick used to measure the real impact of housing federal and state prisoners, not the U.S. Marshal Contract costs per day. The chart below shows the full cost of jail beds in Multnomah County compared with the Federal and State contract rates.



- 7. Revenues received from the federal and state contracts fall short of covering full jail bed costs by substantial margins. This amounts to a subsidy “by default”,

instead of a conscious decision by policy makers. The chart below illustrates the amount of the shortfall in full cost recovery.



8. USM-243 Basic Guidelines state that accurate prisoner population data must be submitted for the same accounting period as the cost data submitted. However, the form (Section III) makes no provision for multiple facilities. Sheriff's Office response #5 to Information Request dated October 4, 2006 indicates that actual prisoner count data by facility is not available. Larry Aab states *"I am unable to identify a data source that identifies USM prisoners housed by facility"*. The same is indicated in the Department of Justice audit report dated July 28, 2006.

9. Assertions that some beds cost less than others or that the last bed purchased is the cheapest are irrelevant to the calculation of the full cost of jail beds. In simplest terms, as defined earlier, system-wide, all-inclusive per diem costs – "full costs" is determined by dividing the total corrections related program offers by the total number of bed days per year.

The netting of program revenues (e.g. Commissary, Workcrews etc.) against program costs does not yield a full and accurate picture of the budgeted costs of the program offers in question. Netting revenues against costs may give the uninformed reader the appearance of “lower” cost. In reality, netting revenues against costs merely serves to obscure the expense side of the MCSO budget and hampers expense analysis, management planning and cost control. This is why revenues are shown separately in the budget and not just netted against the program costs. The same process is followed in the private sector. Revenues are shown separately. Expenses follow. And net income or loss is the bottom line. Note that such practice violates the “Price of Government” principle foundational to the budgeting methodology adopted by Multnomah County.

10. It is our understanding that the federal contract rate of \$115.90/day for Multnomah County – a rate set in 1996, is presently the seventh (7th) highest in the nation and yet, this amount does not cover the County’s cost. This is alarming and should be prompting discussion as to why it costs so much to house prisoners in the County jail system. Or better yet, how might costs be reduced without eliminating jail beds? Instead, the discussion seems to be focused on which costs (that the County is actually paying by the way) should or should not be included in the County’s jail bed cost per diem rate. The point is – cost must be reduced without eliminating jail beds. And, the full cost of housing a prisoner in the County jail system must be the starting point for decision makers.
11. We would recommend a detailed jail system cost study focused primarily on payroll and benefit costs, particularly costs related to uniformed officers including a detailed comparison with other jurisdictions. We suspect that the number of individuals on the payroll, their rate of pay, benefits, sick leave and overtime compensation may explain, in large measure, the relatively high cost of operating current facilities compared with other systems such as King County, Washington.
12. Consideration should also be given to privatizing components of jail operations where feasible, as we understand other jurisdictions have done. This would no doubt result in a substantial savings to the County over the present system.
13. The following observations were developed from our review of the Department of Justice, U.S. Marshal Service Audit report dated July 28, 2006 covering the years 2002 and 2004.
 - a. A portion of the corrections health expense was disallowed. Medical services provided to federal inmates offsite at local hospitals or clinics are billed directly to the USMS by the hospital or clinic. *“Thus, the excluded medical costs are allowable to the County but are not allocable to the daily jail rate because they do not benefit USMS prisoners.”* If these costs are billed directly to the USMS by the health care providers, how are they a cost to the County and why were they included in the MSCO costs per the USM-243 form to begin with? Does the FY07 MSCO budget include these costs? If so, should they be eliminated from the Corrections Health portion of the jail bed rate?

- b. "Capital Depreciation" of equipment as referenced in the DOJ audit report, was computed using a 15 year life. However, the actual useful life on a GAAP basis could be considerably less than 15 years – especially for EDP equipment. OMB Circ. A-87, beginning on page 23, discusses two acceptable methods that may be employed for the cost of equipment – 1) "usage allowance" or, 2) "depreciation". Depreciation must be computed on a straight-line basis unless it can be shown that consumption of the asset will be significantly greater in the early years. If depreciation is not used, a usage allowance of 6.67%/year (15 years) may be used instead. The auditor added usage allowance amounts to the Sheriff's allowable costs for equipment at both facilities which appears to have been significantly understated. If depreciation were used instead of the much lower usage allowance, the understatement would have been even greater.
 - c. Certain assets were expensed that should have been capitalized and depreciated at both facilities in FY2004. This indicates that Generally Accepted Accounting Principles "GAAP" is not being followed in these cases as required in the budgeting process.
14. We noted the following Items for discussion and follow up during our review of Sheriff's Response to Grand Jury Status Report, October 16, 2006.
- a. The Sheriff states that *"In the early years, Sheriff's office used to employ a "fully loaded" methodology to determine jail bed costs."* (See page 2, paragraph 4.) *"This methodology, while easy to calculate, quickly broke down when budget cuts forced jail bed closures and average bed day costs did not provide sufficient clarity to support policy decisions by the agency or the Board of County Commissioners."* Please explain what is meant by the phrase "average bed day costs did not provide sufficient clarity to support policy decisions". Also, please define the term, "fully loaded".
 - b. Quoting the Sheriff, *"Program budgeting forces transparency of costs and many of the authors cited above caution policy makers to be prepared for "sticker shock" as they begin seeing the "true cost" of programs based on collective resource consumption rather than general ledger budget submissions."* How does exclusion of some cost elements or netting revenues against cost in the jail bed calculation on the part of the Sheriff's office further the goals of "transparency" and understanding of "true cost"? What is the rationale for excluding these cost items from the jail bed calculation and how were the exclusions determined? The schedule below was prepared from a spreadsheet prepared by Markley Drake of the Sheriff's office to illustrate the program offer components excluded from their calculation of jail bed costs¹⁷.

¹⁷ Developed from Excel file "jail bed cost Oct 11 061.xls" prepared by Markley Drake, Senior Research and Evaluation Analyst, MCSO.

Excluded or Reduced Program Items	Program		Difference	
	Offer	Included		
Transport	\$ 2,601,539	\$ 929,642	\$ 1,671,897	
Booking	7,530,369	4,992,635	2,537,734	
Court Services	5,082,321		5,082,321	
Commissary	2,458,912		2,458,912	
Workcrews	2,319,013		2,319,013	
Gresham Temp Hold	147,447		147,447	
	<u>\$20,139,601</u>	<u>\$ 5,922,277</u>	<u>\$ 14,217,324</u>	<u>\$ 23.05</u>

- c. Please define the terms “collective resource consumption” and “general ledger budget” and explain why the “true cost” of a jail bed would be different under one or the other. (Page 3, paragraph 1).
- d. What “fixed and overhead costs” were redistributed to MCDL and MCIJ as a result of the closure of MCCF and MCRC? Define the terms “fixed” and “overhead”. (Page 4 paragraph 2).
- e. Explain the huge discrepancy between the ratio of uniformed staff – 3.6 per MCDA, 6.1 (DC) and 8.5 (IJ) per MSCO. (Page 4, paragraph 4)
- f. The Sheriff seems to be indicating the SB1145 revenues allocated to corrections was a policy decision. “The local policy direction was to provide more funding for jail beds than provided in the SB 1145 rate, but to not cover the total systems cost of the jail bed.” (Page 5, paragraph 4) Please explain.
- g. City of Portland purchased 57 beds from the County at \$62.48/day. “This policy decision put 57 beds into use that were not going to be funded otherwise.” (Page 6, paragraph 3) Please explain how receiving less than half the full cost per bed from the City of Portland is beneficial to the County? If there were no other non-financial reasons for doing so, wouldn't it be better to recover the full cost?
- h. “Recovery of fixed and overhead costs within our rates has a positive impact on the general fund. It is also true that policy decisions other than cost have played an important role in determining that rate.” (Page 8, paragraph 4) If recovery of fixed and overhead costs has a positive impact on the general fund, would not recovery of the full cost for federal and state prisoners be an even better outcome? What policy decisions is the Sheriff referring to specifically, that result in the County subsidizing a significant portion of the cost of housing federal and state prisoners? Note that even if genuine “fixed costs” existed in MCSO it is universally acknowledged that variable costs must be covered FIRST before any “fixed cost” benefit is gained.

CLOSING

We sincerely appreciate the trust placed in us in connection with providing information in this significant matter.

This letter comprises our work to date in connection with the above referenced matter.

We reserve the right to update, amend or modify this document based upon available data, and solely at our discretion.

Best professional regards,

Darrell D. Dorrell, CPA/ABV, MBA, ASA, CVA, CMA, DABFA, CMC
Principal
financialforensics®

Thomas S. Brown, CPA/ABV, CVA
Director
financialforensics®

†

The Appendix is an integral of this report.

Corrections Health FY 2007 Budgeted Costs

Mult. Co. Detention Center (MCDC)		Inverness Jail (MCIJ)		System-Wide Total	Program Cost Allocations						
Beds	676		1,014	1,690							
Program Offer	MCDC	Program Offer	Inverness	Totals	Program Cost	%	Allocable Base	%	MCDC	%	MCIJ
Dormitory costs											
40025A	\$2,220,912	40028A	\$2,131,177								
40025B	\$710,393	40028B	\$277,745								
40025C	\$277,749	40028C	\$937,102								
40025D	\$432,387	40028D	\$177,602								
40025E	\$763,806	40028E	\$998,758								
40025F	\$266,580	40028F	\$998,766								
40025G	\$266,580	40028G	\$301,803								
40025H	\$281,776	40028H	\$301,803								
40025I	\$281,776	40028I	\$150,899								
sub-total	\$5,501,959		\$6,275,655	\$11,777,614							
Reception											
40026	\$364,785	40026	\$449,937	\$814,722	\$814,722	100%	\$814,722	45%	\$364,785	55%	\$449,937
Mental Health											
40059	\$713,444	40059	\$879,982	\$1,593,426	\$1,593,426	100%	\$1,593,426	45%	\$713,444	55%	\$879,982
Budget cut											
40905	-\$895,484	40905	-\$1,104,516	-\$2,000,000	-\$2,000,000	100%	-\$2,000,000	45%	-\$895,484	55%	-\$1,104,516
Contingency	\$447,742		\$552,258	\$1,000,000	\$1,000,000	100%	\$1,000,000	45%	\$447,742	55%	\$552,258
	-\$447,742		-\$552,258	-\$1,000,000	-\$1,000,000	100%	-\$1,000,000	45%	-\$447,742	55%	-\$552,258
Total Allocated Costs	\$6,132,446		\$7,053,316	\$13,185,762							
Per Bed Per Day	\$24.85		\$19.06	\$21.38							

INFORMATION SOURCES

The following sources and the footnote references in our report comprise the primary information sources upon which we relied, cumulative knowledge notwithstanding.

Budget Office Documents

- ❑ Chief Executive Budget Message 5/4/2006
- ❑ Budget Manager's Message
- ❑ Priority-Based Budgeting
- ❑ FY 07 Budget Readers Guide – Volume 2
- ❑ Sheriff's Office Budget for FY 2007
- ❑ MCSO Corrections (Jail) related Program Offers
- ❑ Health Department Budget for FY 2007
- ❑ Corrections Health Program Offers

Newspaper Articles

- ❑ "Report says prisoner contracts costly", The Oregonian, October 10, 2006
- ❑ "DA to end its probe of Multnomah County Sheriff's Office", Portland Tribune, October 10, 2006

USM-243 Cost Sheet for Detention Services, USM-243 Instructions and Form

OMB Circular A-87 (Revised 5/10/04)

U. S. Department of Justice, U.S. Marshals Service Intergovernmental Service Agreement For Detention Facilities With The Multnomah County Sheriff's Office Portland, Oregon, U.S. Department of Justice, Office of the Inspector General, Audit Division, Audit Report GR-90-06-007, July 28, 2006, FY 2004 and FY 2002.

Adjustments to USM Rates for FY03/04 Audits – Prior to Report

Report to Management, MCSO, FY05 SEA Reporting Process, Suzanne Flynn, Multnomah County Auditor and Excel file with FY 04 and FY 05 Actual Cost Allocations

Multnomah County District Attorney's Office calculation of jail bed costs and supporting worksheets.

Memorandum from Larry Aab, MCSO to John Bradley dated 10/4/06 "Information Request"

Local Control Average Daily Population based on Beds Used by Jail, State SB1145 Bed Day Monthly Data

MCSO Facilities Budget – FY 2007 - Adopted

Sheriff's Response to Grand Jury Status Report dated 10/16/06.

MSCO Excel file, Jail Bed Costs Oct 11 061.xls – Supporting calculations for Sheriff's jail bed cost figure cited in his Response to Grand Jury Status Report dated 10/16/06.

King County Jail Costs

- ❑ King County Corrections Budget and jail bed cost data prepared by Scott Marcy, Multnomah County District Attorney's Office
- ❑ Adult Population Alert Notification,
www.metrokc.gov/dad/population/Populations-Alert.html
- ❑ Key Differences between King County and Multnomah County Jail Systems, Chuck French, Multnomah County District Attorney's Office
- ❑ Performance Audit Jail Overtime, Cheryle A. Broom, King County Auditor, October 9, 2006
- ❑ Adult Detention Jail Costs Follow-up Study, Cheryle A. Broom, King County Auditor, July 23, 2003
- ❑ Adult Detention Jail Costs Audit, Cheryle A. Broom, King County Auditor, January 28, 2003.

Statement #4/ Managerial Cost Accounting Concepts and Standards for the Federal Government, Executive Office of the President, Office of Management and Budget, "Managerial Cost Accounting Concepts and Standards for the Federal Government" Statement of Federal Financial Accounting Standards Number 4, July 31, 1995

GLOSSARY OF TERMS¹⁸

Activity - The actual work task or step performed in producing and delivering products and services. An aggregation of actions performed within an organization that is useful for purposes of activity-based costing.

Activity Analysis - The identification and description of activities in an organization. Activity analysis involves determining what activities are done within a much time they spend performing the activities, what resources are required to perform the activities, what operational data best reflect the performance of the activities, and what customer value the activity has for the organization. Activity analysis is accomplished with interviews, questionnaires, observation, and review of physical records of work. It is the foundation for agency process value analysis, which is key to overall review of program delivery.

Activity-Based Costing - A cost accounting method that measures the cost and performance of process related activities and cost objects. It assigns cost to cost objects, such as products or customers, based on their use of activities. It recognizes the causal relationship of cost drivers to activities.

Actual Cost - An amount determined on the basis of cost incurred including standard cost properly adjusted for applicable variance.

Avoidable Cost - A cost associated with an activity that would not be incurred if the activity were not performed.

Common Cost - The cost of resources employed jointly in the production of two or more outputs and the cost cannot be directly traced to any one of those outputs.

Common Data Source - All of the financial and programmatic information available for the budgetary, cost, and financial accounting processes. It includes all financial and much non-financial data, such as environmental data, that are necessary for budgeting and financial reporting as well as evaluation and decision information developed as a result of prior reporting and feedback.

Controllable Cost - A cost that can be influenced by the action of the responsible manager. The term always refers to a specified manager since all costs are controllable by someone.

Cost - The monetary value of resources used or sacrificed or liabilities incurred to achieve an objective, such as to acquire or produce a good or to perform an activity or service.

¹⁸ Statement #4/Managerial Cost Accounting Concepts and Standards for the Federal Government, Executive Office of the President, Office of Management and Budget, "Managerial Cost Accounting Concepts and Standards for the Federal Government" Statement of Federal Financial Accounting Standards Number 4, July 31, 1995

Cost Accounting Practice - Any disclosed or established accounting method or technique which is used for measurement of cost, assignment of cost to accounting periods, and assignment of cost to cost objects.

Cost Allocation - A method of assigning costs to activities, outputs, or other cost objects. The allocation base used to assign a cost to objects is not necessarily the cause of the cost. For example, assigning the cost of power to machine activities by machine hours is an allocation because machine hours are an indirect measure of power consumption.

Cost Assignment - A process that identifies costs with activities, outputs, or other cost objects. In a broad sense, costs can be assigned to processes, activities, organizational divisions, products, and services. There are three methods of cost assignment: (a) directly tracing costs wherever economically feasible, (b) cause-and-effect, and (c) allocating costs on a reasonable and consistent basis.

Cost Driver - Any factor that causes a change in the cost of an activity or output. For example, the quality of parts received by an activity, or the degree of complexity of tax returns to be reviewed by the IRS.

Cost Finding - Cost finding techniques produce cost data by analytical or sampling methods. Cost finding techniques are appropriate for certain kinds of costs, such as indirect costs, items with costs below set thresholds within programs, or for some programs in their entirety. Cost finding techniques support the overall managerial cost accounting process and can represent non-recurring analysis of specific costs.

Cost Object (also referred to as Cost Objective) – An activity, output, or item whose cost is to be measured. In a broad sense, a cost object can be an organizational division, a function, task, product, service, or a customer.

Differential Cost - The cost difference expected if one course of action is adopted instead of others.

Direct Cost - The cost of resources directly consumed by an activity. Direct costs are assigned to activities by direct tracing of units of resources consumed by individual activities. A cost that is specifically identified with a single cost object.

Estimated Cost - The process of projecting a future result in terms of cost, based on information available at the time. Estimated costs, rather than actual costs, are sometimes the basis for credits to work-in-process accounts and debits to finished goods inventory.

Expense - Outflow or other using up of resources or incurring liabilities (or a combination of both), the benefits from which apply to an entity's operations for the current accounting period, but do not extend to future periods.

Fixed Cost - A cost that does not vary in the short term with the volume of activity. Fixed cost information is useful for cost savings by adjusting existing capacity, or by eliminating idle facilities. Also called Non-Variable Cost or Constant Cost.

Full-Absorption Costing - A method of costing that assigns (absorbs) all labor, material, and service/manufacturing facilities and support costs to products or other cost objects. The costs assigned include those that do and do not vary with the level of activity performed.

Full Cost - The sum of all costs required by a cost object including the costs of activities performed by other entities regardless of funding sources.

Incremental Cost - The increase or decrease in total costs that would result from a decision to increase or decrease output level, to add a service or task, or to change any portion of operations. This information helps in making decisions such as to contract work out, undertake a project, or increase, decrease, modify, or eliminate an activity or product.

Indirect Cost - A cost that cannot be identified specifically with or traced to a given cost object in an economically feasible way.

Inter-Entity - A term meaning between or among different federal reporting entities. It commonly refers to activities or costs between two or more agencies, departments, or bureaus.

Job Order Costing - A method of cost accounting that accumulates costs for individual jobs or lots. A job may be a service or manufactured item, such as the repair of equipment or the treatment of a patient in a hospital.

Managerial Cost Accounting System - The organization and procedures, whether automated or not, and whether part of the general ledger or stand-alone, that information and performance data from various agency feeder systems. The accumulated and reported data enable management and other interested parties to measure and make decisions about the agency's/segment's ability to improve operations, safeguard assets, control its resources, and determine if mission objectives are being met.

Opportunity Cost - The value of the alternatives foregone by adopting a particular strategy or employing resources in a specific manner. Also called Alternative Cost or Economic Cost.

Outcome - The results of a program activity compared to its intended purposes. Program results may be evaluated in terms of service or product quantity and quality, customer satisfaction, and effectiveness.

Outputs - Any product or service generated from the consumption of resources. It can include information or paper work generated by the completion of the tasks of an activity.

Performance Measurement - A means of evaluating efficiency, effectiveness, and results. A balanced performance measurement scorecard includes financial and nonfinancial measures focusing on quality, cycle time, and cost. Performance measurement should include program accomplishments in terms of outputs (quantity of products or services provided, e.g., how many items efficiently produced?) and outcomes (results of providing outputs, e.g., are outputs effectively meeting intended agency mission objectives?). See

Statement of Federal Financial Accounting Concepts No. 1, Objectives of Federal Financial Reporting, page 65.

Process - The organized method of converting inputs (people, equipment, methods, materials, and environment), to outputs (products or services). The natural aggregation of work activities and tasks performed for program delivery.

Process Costing - A method of cost accounting that first collects costs by processes and then allocates the total costs of each process equally to each unit of output flowing through it during an accounting period.

Process Value Analysis - Tools and techniques for studying processes through customer value analysis. Its objective is to identify opportunities for lasting improvement in the performance of an organization. It provides an in-depth review of work activities and tasks, through activity analysis, which aggregate to form processes for agency program delivery. In addition to activity-based costing, quality and cycle time factors are studied for a complete analysis of performance measurement. Each activity within the process is analyzed, including whether or not the activity adds value for the customer.

Product - Any discrete, traceable, or measurable good or service provided to a customer. Often goods are referred to as tangible products, and services are referred to as intangible products. A good or service is the product of a process resulting from the consumption of resources.

Responsibility Center - An organizational unit headed by a manager or a group of managers who are responsible for its activities. Responsibility centers can be measured as revenue centers (accountable for revenue/sales only), cost centers (accountable for costs/expenses only), profit centers (accountable for revenues and costs), or investment centers (accountable for investments, revenues, and costs).

Responsibility Segment - A significant organizational, operational, functional, or process component which has the following characteristics: (a) its manager reports to the entity's top management; (b) it is responsible for carrying out a mission, performing a line of activities or services, or producing one or a group of products; and (c) for financial reporting and cost management purposes, its resources and results of operations can be clearly distinguished, physically and operationally, from those of other segments of the entity.

Service - An intangible product or task rendered directly to a customer.

Standard Costing - A costing method that attaches costs to cost objects based on reasonable estimates or cost studies and by means of budgeted rates rather than according to actual costs incurred. The anticipated cost of producing a unit of output. A predetermined cost to be assigned to products produced. Standard cost implies a norm, or what costs should be. Standard costing may be based on either absorption or direct costing principles, and may apply either to all or some cost elements.

Support Costs - Costs of activities not directly associated with production. Typical examples are the costs of automation support, communications, postage, process engineering, and purchasing.

Traceability - The ability to assign a cost directly to a specific activity or cost object by identifying or observing specific resources consumed by the activity or cost object.

Uncontrollable Cost - The cost over which a responsible manager has no influence.

Unit Cost - The cost of a selected unit of a good or service. Examples include dollar cost per ton, machine hour, labor hour, or department hour.

Value-Added Activity - An activity that is judged to contribute to customer value or satisfy an organizational need. The attribute "value-added" reflects a belief that the activity cannot be eliminated without reducing the quantity, responsiveness, or quality of output required by a customer or organization. Value-added activities should physically change the product or service in a manner that meets customer expectations.

Variable Cost - A cost that varies with changes in the level of an activity, when other factors are held constant. The cost of material handling to an activity, for example, varies according to the number of material deliveries and pickups to and from that activity.

Variance - The amount, rate, extent, or degree of change, or the divergence from a desired characteristic or state.

Appendix B

MCDC Jail Purchasing Plan



Multnomah
County Sheriff's
Office

PROGRAM GROUP
Total Offer 60021
Total Beds - 670
Total FTE - 220.87
Total Budget - \$31,383,420

FY 06/07 Budget Offerings
Offers are subject to change

Blocks in White are Scalable
Left to right to purchase, and
right to left to scale down.

OFFER SET FIVE
Offer 60021 H & I
Beds 156
FTE 24.84
Cost \$3,636,290

Jail Support Corrections Counselors 1.00 FTE Equipment/Property Tech FTE 1.0 Records Techs FTE 1.0	Jail Operations (24x7) Escort 5.46 FTE Floor Control 5.46 FTE	Dorm 8A General Male 3.64 FTE 62 Offenders	Dorm 8B Disciplinary Female Single Cells 3.64 FTE 16 Offenders	Dorm 8C General Male 16 Offenders	Dorm 8D General Female 3.64 FTE 62 Offenders
Offer 60021H 78 Beds FTE 21.20 \$3,052,015				Offer 60021I Beds 78 FTE 3.64 \$584,275	

OFFER SET FOUR
Offer 60021 F & G
Beds 156
FTE 26.66
Cost \$3,911,605

Jail Support Corrections Counselors 1.00 FTE Equipment/Property Tech FTE 1.0 Records Techs FTE 1.0	Jail Operations (24x7) Escort 5.46 FTE Floor Control 5.46 FTE HUD 1.82	Dorm 7A General/Suicide Watch 3.64 FTE 62 Offenders	Dorm 7B Mental Health Single Cells 3.64 FTE 16 Offenders	Dorm 7C Mental Health Single Cells 16 Offenders	Dorm 7D General Female 3.64 FTE 62 Offenders
Offer 60021F 78 Beds FTE 23.02 \$3,327,330				Offer 60021G 78 Beds 3.64 FTE \$584,275	

OFFER SET THREE
Offer 60021 D & E
Beds 156
FTE 37.47
Cost \$5,735,496

Jail Administration Sergeants (Sgt) 8.17 FTE	Jail Support Corrections Counselors 1.00 FTE Equipment/Property Tech FTE 1.0 Records Techs FTE 1.0	Jail Operations (24x7) Escort 5.46 FTE Floor Control 5.46 FTE HUD 1.82	Dorm 6A General 3.64 FTE 62 Offenders	Dorm 6B Disciplinary Male 3.64 FTE 16 Offenders	Dorm 6C General Female 3.64 FTE 16 Offenders	Dorm 6D General 3.64 FTE 62 Offenders
Offer 60021D 78 Beds FTE 30.19 \$4,621,053				Offer 60021E 78 Beds 7.28 FTE \$1,114,443		

OFFER SET TWO
Offers 60021 B & C
Beds 156
FTE 28.08
Cost \$4,645,541

Recreation 10 A, B & C 2.60	Jail Operations (24x7) Escort 5.46 FTE Floor Control 5.46 FTE	Dorm 5A General 3.64 FTE 62 Offenders	Dorm 5B Disciplinary Male Single Cells 3.64 FTE 16 Offenders	Dorm 5C Disciplinary Female Single Cells 3.64 FTE 16 Offenders	Dorm 5D Facility Workers 3.64 FTE 62 Offenders
Offer 60021B 78 Beds FTE 20.80 \$3,323,666				Offer 60021C 78 Beds FTE 7.28 \$1,321,875	

BASE OFFER OFFER SET ONE
Offer 60021A
Beds 46
FTE 103.82
Cost \$13,454,488
39.4%

Jail Operations (24x7) Floor Control 5.46 FTE Escort 5.46 FTE	Dorm 4A Medical Single Cells 3.64 FTE 10 Offenders	Dorm 4B Administrative Segregation Single Cells 8 Offenders	Dorm 4C Administrative Segregation Single Cells 8 Offenders	Dorm 4D Mental Health Single Cells 3.64 FTE 10 Offenders	Dorm 4E Disciplinary Single Cells 5 Offenders	Dorm 4F Disciplinary Single Cells 5 Offenders
Core Jail Operations Master Jail Control 10.92 FTE	Core Jail Services (8x5) Medical Clinic 1.30 FTE Medical Transport 1.30 FTE Maintenance 1.30 FTE			Arraignment Court (16x7) Court Escort/ Holding 2.60		
Core Jail Administration Captain - Jail Commander 1.0 FTE Lieutenant (Lt) Executive 1.0 FTE Lieutenant (Lt) Shift Supervisors 3.0 FTE Administrative Sgt 1.0 FTE OA Sr 1.0 FTE Sergeants (Sgt) Supervisors of units 9.90 FTE		Core Jail/Corrections Support (24x7) Corrections Chief Deputy 1.0 FTE Manager Correction Counselors 1.0 FTE Corrections Counselors 5.00 FTE Chaplain 1.0 FTE Manager Correction Records 1.0 FTE Records Techs FTE 2.0 OA 2 Records FTE 1.0 Facility Security Officers FTE 14.3		Administrative Support (8x5) Manager Aux Services Unit 1.0 FTE Laundry Supervisor 1.0 FTE Sewing Specialist FTE 1.0 OA Sr 1.0 FTE HR 2.0 FTE Payroll 2.0 FTE Fiscal 2.0 FTE IT 2.0 FTE		



Costs include FTE, M&S, and ISRs

- 100% \$ 100% Designates 100 % External Funding Source(s)
- 75% \$ 75% Designates 50 % up to 100% External Funding Source(s)
- 35% \$ 35% Designates under 50 % External Funding Source(s)

- (24x7) 24 x 7 Twenty-four hours/seven days a week
- (8x5) 8 x 5 Eight hours/five days a week
- (16x7) 16 x 7 Sixteen hours/seven days a week

Program Group
60022 Totals
Total Beds 1,014
Total FTE 217.13*
Total Costs \$33,098,119*

Inverness Jail Purchasing Plan

FY 06/07 Budget Offerings
 Offers are subject to change



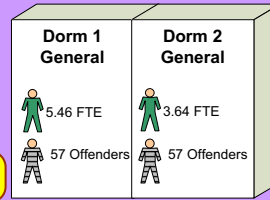
Multnomah
 County Sheriff's
 Office

Blocks in White are Scalable
 Left to right to purchase, and right to left to scale down.

Purchasing Order

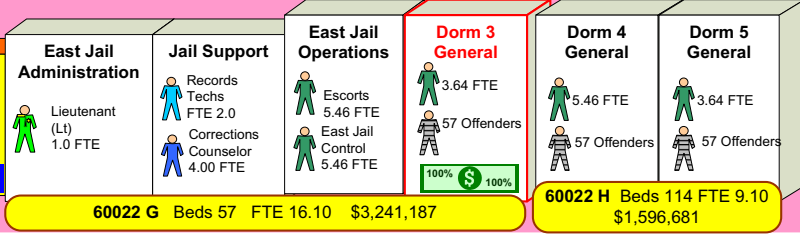
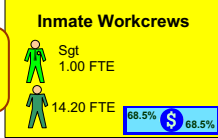
OFFER SET FIVE
Offer 60022- I
 Beds - 114
 FTE 9.10
 Cost \$1,521,309

60022 I Beds 114 FTE 9.10
 \$1,521,309



OFFER SET FOUR
Offer 60022- G & H
 Beds - 171
 FTE 30.66*
 Cost \$4,837,868*

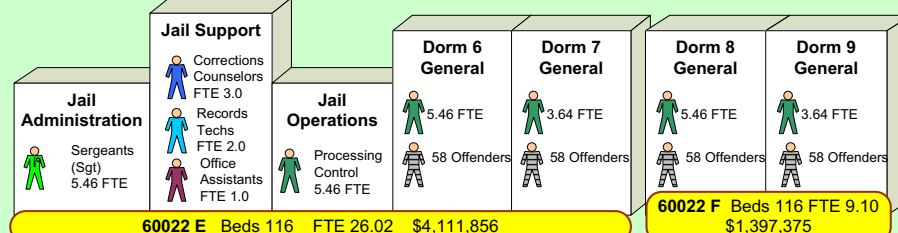
Offer 60025
Corrections
Workcrews
 \$2,339,208



60022 G Beds 57 FTE 16.10 \$3,241,187

60022 H Beds 114 FTE 9.10
 \$1,596,681

OFFER SET THREE
Offer 60022- E & F
 Beds - 232
 FTE 35.12
 Costs \$5,509,231

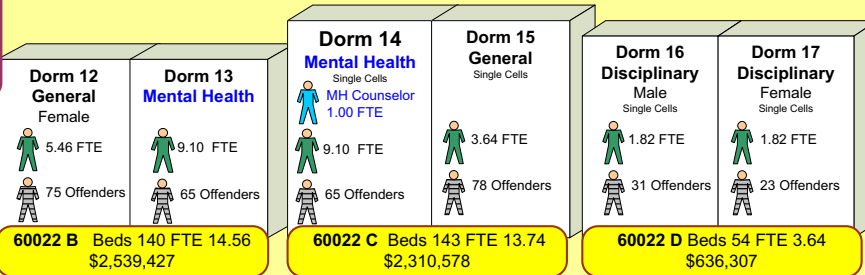


60022 E Beds 116 FTE 26.02 \$4,111,856

60022 F Beds 116 FTE 9.10
 \$1,397,375

Purchasing Order

OFFER SET TWO
Offers 60022- B - D
 Beds - 337
 FTE* 31.94
 Cost \$5,486,312

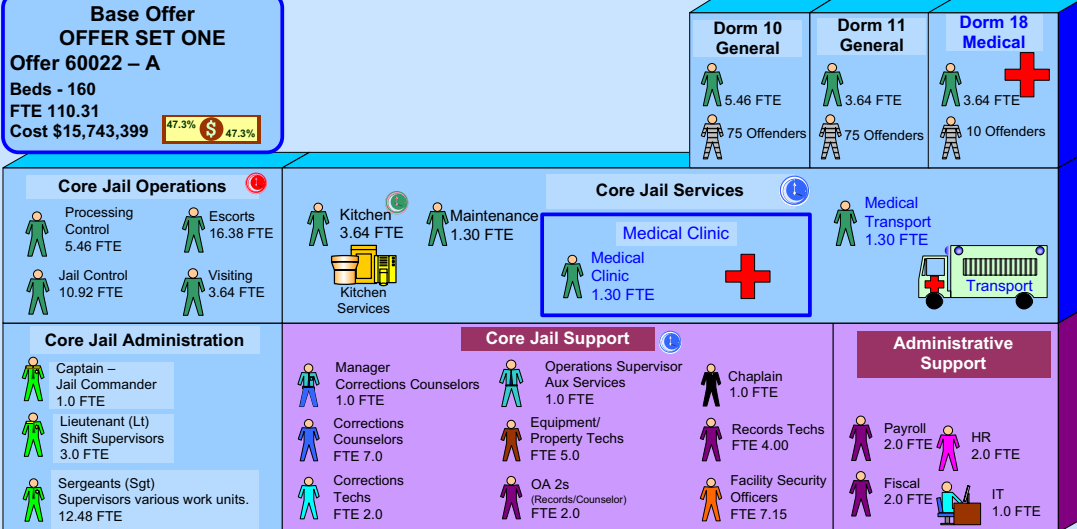


60022 B Beds 140 FTE 14.56
 \$2,539,427

60022 C Beds 143 FTE 13.74
 \$2,310,578

60022 D Beds 54 FTE 3.64
 \$636,307

Base Offer
OFFER SET ONE
Offer 60022 - A
 Beds - 160
 FTE 110.31
 Cost \$15,743,399



Costs include FTE, M&S, and ISRs

* Does not include FTE or costs for Workcrews, Program Offer 60025

- 24 x 7 Twenty-four hours/seven days a week
- 8 x 5 Eight hours/five days a week
- 16 x 7 Sixteen hours/seven days a week

Dorm 3 in Red is purchased in part by City of Portland System wide contribution

100% \$ 100% Designates 100% External Funding Source(s) 75% \$ 75% Designates 50% up to 100% External Funding Source(s) 35% \$ 35% Designates under 50% External Funding Source(s)

Program Group
 Total Beds - 525
 Total FTE - 123.40
 Total MCSO Budget \$ 9,921,174.24
 Totals with Corrections Health
 FTE - 137.75
 Costs - \$11,740,200

Wapato Jail Purchasing Plan

FY 06/07 Budget Offerings
 Offers are subject to change

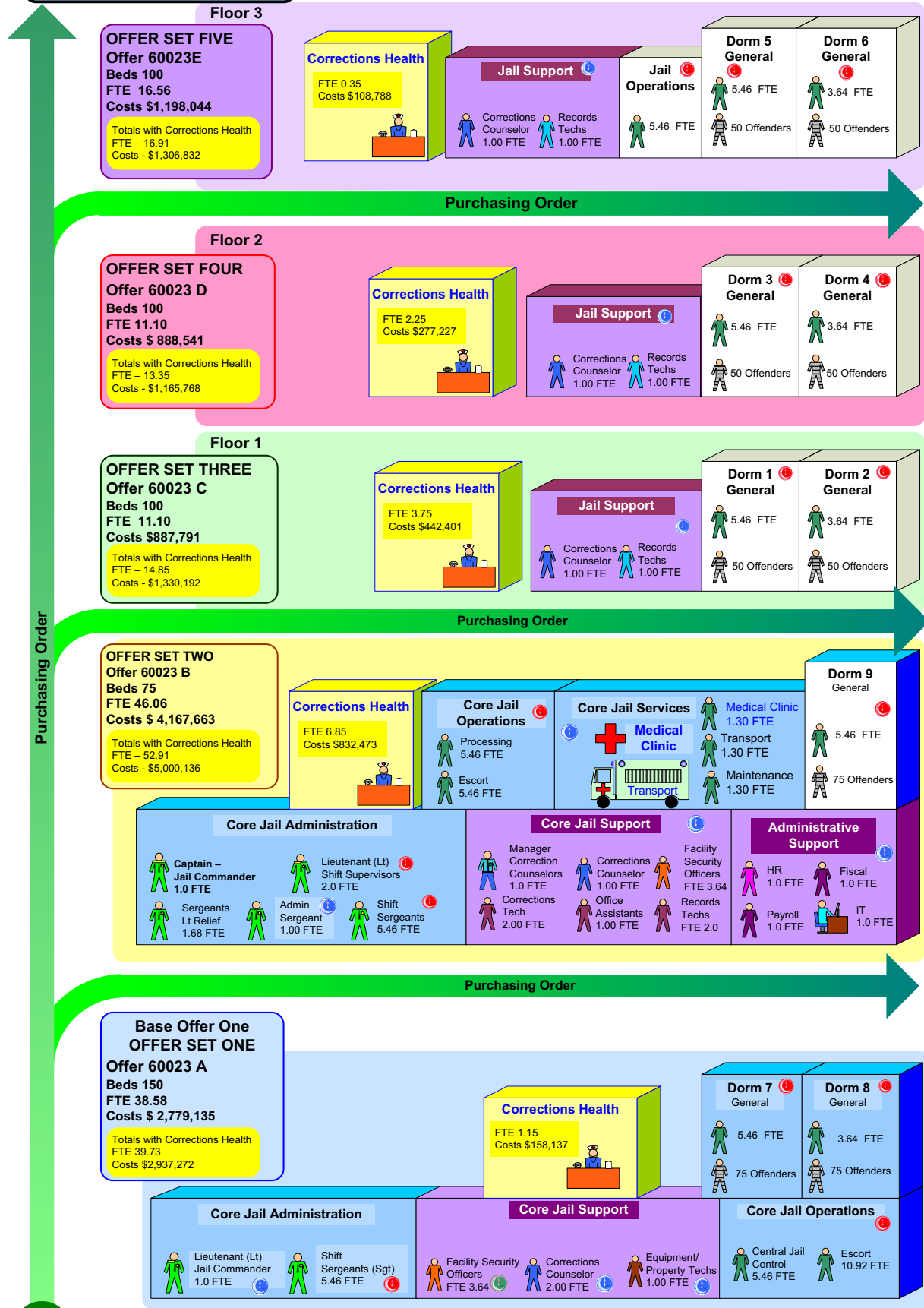


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 Office

Budget is for 6 months starting January 01, 2007

Blocks in White are Scalable

Left to right to purchase, and right to left to scale down.



Purchasing Order



Costs include: FTE, M&S, ISRs and Admin & Support

- 24 x 7 Twenty -four hours/seven days a week
- 8 x 5 eight hours/five days a week
- 16 x 7 sixteen hours/seven days a week

Appendix C

Summary Corrections FY07

<u>MCSO Jail Program</u>	<u>MCDC (676 beds)</u>	<u>Inverness (1014 beds)</u>	<u>comments</u>
MCSO Dorm Costs	\$30,735,277.00	\$32,457,458.00	MCSO shows \$8,112,688 SB1145, 2,388,499 commissary revenue, 1.2 million from Portland, 864,252 work crews revenue
MCSO Exec/PS	\$980,991.00	\$1,238,638.00	
Offender Transport	\$780,461.00	\$1,821,077.00	
Booking-Release/Classification/temp hold	\$4,534,881.00	\$6,802,323.00	
Inmate Commissary	\$983,564.00	\$1,475,347.00	
MCSO Corrections Work Crews	\$0.00	\$2,319,013.00	
	\$38,015,174.00	\$46,113,856.00	
<u>Corrections Health Jail Program</u>			
HD Dorm Costs	\$5,501,959.00	\$6,205,665.00	
HD CH Reception	\$325,888.00	\$488,833.00	
CH Mental Health	\$637,370.00	\$956,055.00	
CH budget reduction (net)	-\$400,000.00	-\$600,000.00	
	\$6,065,217.00	\$7,050,553.00	
<u>Total Corrections Cost</u>	\$44,080,391.00	\$53,164,409.00	
<u>Court Services</u>	Courthouse	Justice Center	
	\$3,899,276.00	\$1,183,045.00	
Total Cost of Corrections/Court Services	\$102,327,121.00		
Corrections Facility Bed Days	246,740	370,110	
	MCDC	MCIJ	
Cost per bed day	\$178.65	\$143.64	
Average daily bed cost system wide	\$157.65		does not include Court Services or Wapato
<u>Misc. other corrections costs</u>			
Wapato Moth ball costs	\$315,929.00		
Adult Recog (DCJ)	\$1,342,173.00		

MCSO Corrections Cost FY07

Dormitory costs

<u>Program Offer</u>	<u>MCDC</u>	<u>Program Offer</u>	<u>Inverness</u>
60021A	\$13,252,077.00	60022A	\$15,592,448.00
60021B	\$3,238,647.00	60022B	\$2,463,430.00
60021C	\$1,292,119.00	60022C	\$2,244,079.00
60021D	\$4,505,829.00	60022D	\$617,307.00
60021E	\$1,084,687.00	60022E	\$4,007,358.00
60021F	\$3,245,500.00	60022F	\$1,349,876.00
60021G	\$569,397.00	60022G	\$3,159,968.00
60021H	\$2,977,624.00	60022H	\$1,549,182.00
60021I	\$569,397.00	60022I	\$1,473,810.00
sub-total	\$30,735,277.00		\$32,457,458.00

* includes \$8,112,688 SB 1145 revenue

Executive/Professional Standards

<u>Program Offer</u>	<u>MCDC</u>	<u>Program Offer</u>	<u>Inverness</u>
60001	\$515,292.00	60001	\$772,939.00
60002	\$465,699.00	60002	\$465,699.00
sub-total	\$980,991.00		\$1,238,638.00

* corrections 80%, then MCIJ 60%, MCDC 40%

* corrections 80%, then MCIJ 50%, MCDC 50%

Offender Transport

<u>Program Offer</u>	<u>MCDC</u>	<u>Program Offer</u>	<u>Inverness</u>
60015	\$780,461.00	60015	\$1,821,077.00

MCIJ 70%, MCDS 30%

Booking-Release/Classification

<u>Program Offer</u>	<u>MCDC</u>	<u>Program Offer</u>	<u>Inverness</u>
60016A Booking-Release	\$3,012,147.00	60016A Booking-Release	\$4,518,221.00
60016B Classification	\$1,463,756.00	60016B Classification	\$2,195,634.00
60016C Gresham Temp hold	\$58,978.00	60016C Gresham Temp hold	\$88,468.00
	\$4,534,881.00		\$6,802,323.00

MCIJ 60%, MCDC 40%

MCIJ 60%, MCDC 40%

MCIJ 60%, MCDC 40%

Court Services

<u>Program Offer</u>	<u>Courthouse</u>	<u>Program Offer</u>	<u>Justice Center</u>
60018A	\$3,899,276.00	60018B	\$1,183,045.00

Inmate Commissary

<u>Program Offer</u>	<u>MCDC</u>	<u>Program Offer</u>	<u>Inverness</u>
60019	\$983,564.00	60019	\$1,475,347.00

MCIJ 60%, MCDC 40%

97% self paid thru sales

MCSO Corrections Work Crews

<u>MCDC</u>	<u>MCIJ</u>
\$0.00	\$2,319,013.00

Corrections Health FY07

Dormitory costs

<u>Program Offer</u>	<u>MCDC</u>	<u>Program Offer</u>	<u>Inverness</u>
40025A	\$2,220,912.00	40028A	\$2,131,177.00
40025B	\$710,393.00	40028B	\$277,745.00
40025C	\$277,749.00	40028C	\$937,102.00
40025D	\$432,387.00	40028D	\$107,602.00
40025E	\$763,806.00	40028E	\$998,758.00
40025F	\$266,580.00	40028F	\$998,776.00
40025G	\$266,580.00	40028G	\$301,803.00
40025H	\$281,776.00	40028H	\$301,803.00
40025I	\$281,776.00	40028I	\$150,899.00
sub-total	\$5,501,959.00		\$6,205,665.00

Detention Center

<u>Program Offer</u>	<u>MCDC</u>	<u>Program Offer</u>	<u>Inverness</u>	
40026 reception	\$325,888.00	40026	\$488,833.00	, MCDC 40% located at MCDC

CH Mental Health

<u>Program Offer</u>	<u>MCDC</u>	<u>Program Offer</u>	<u>Inverness</u>	
40059	\$637,370.00	40059	\$956,055.00	ICIJ 60%, MCDC 40%

budget cut

<u>Program Offer</u>	<u>MCDC</u>	<u>Program Offer</u>	<u>Inverness</u>	
40905	-\$800,000.00	40905	-\$1,200,000.00	ICIJ 60%, MCDC 40%
Contingency	\$400,000.00		\$600,000.00	budget note
	-\$400,000.00		-\$600,000.00	

Appendix D

Summary Corrections FY07

Adjusted based on MCSO Grand Jury Tesitmony
MCSO Jail Program

MCDC (676 beds)

Inverness (1014 beds)

comments

MCSO Dorm Costs
MCSO Exec/PS
Offender Transport
Booking-Release/Classification/temp hold
Inmate Commissary
MCSO Corrections Work Crews

\$30,735,277.00
\$980,991.00
\$390,230.50
\$3,510,751.00
\$28,166.00
\$0.00
\$35,645,415.50

\$32,457,458.00
\$1,238,638.00
\$910,538.50
\$5,266,127.00
\$42,247.00
\$2,319,013.00
\$42,234,021.50

adjust transport 1/2
*adjust booking 1/3
* adjust to 70,413

MCSO shows \$8,112,688 SB1145,
2,388,499 commissary revenue,
1.2 million from Portland,
864,252 work crews revenue

Corrections Health Jail Program

HD Dorm Costs
HD CH Reception
CH Mental Health
CH budget reduction (net)

\$5,501,959.00
\$325,888.00
\$637,370.00
-\$400,000.00
\$6,065,217.00

\$6,205,665.00
\$488,833.00
\$956,055.00
-\$600,000.00
\$7,050,553.00

Total Corrections Cost

\$41,710,632.50

\$49,284,574.50

Court Services

Courthouse
\$3,899,276.00

Justice Center
\$1,183,045.00

Total Cost of Corrections/Court Services

\$96,077,528.00

Corrections Facility Bed Days

246,740

370,110

Cost per bed day

MCDC
\$169.05

MCIJ
\$133.16

Average daily bed cost system wide

\$147.52

does not include Court Services or Wapato

Misc. other corrections costs

Wapato Moth ball costs
Adult Recog (DCJ)

\$315,929.00
\$1,342,173.00

Appendix E



MULTNOMAH COUNTY SHERIFF'S OFFICE

501 SE HAWTHORNE BLVD., SUITE 350 • PORTLAND, OR 97214

Exemplary service for a safe, livable community

BERNIE GIUSTO
SHERIFF

503 988-4300 PHONE
503 988-4500 TTY
www.sheriff-mcso.org

MEMORANDUM

TO: JOHN BRADLEY, SPECIAL COUNSEL TO THE DISTRICT ATTORNEY
CHUCK FRENCH, SENIOR DEPUTY DISTRICT ATTORNEY

Cc: BERNIE GIUSTO, Sheriff

FROM: CAPTAIN BRUCE MCCAIN, Executive Office

DATE: October 11, 2006

SUBJECT: MCCDA Career Sick Time Usage

As part of your inquiry into the condition and management of Multnomah County's jails, you asked me to replicate two studies I conducted in 1991 and 1995. The focus of those studies, as well as the 2006 study, is the career usage of sick time by Corrections Sergeants and Corrections Deputies. Before presenting some preliminary findings, I offer a brief explanation of the background and methodology used, as well as a few caveats regarding conclusions that may or may not be drawn from this data.

Background

The job classifications used in this study, Corrections Sergeants and Corrections Deputies, are members of the Multnomah County Corrections Deputy Association (MCCDA). The accrual and use of sick leave by these employees is governed by Article 10 of the current collective bargaining agreement (CBA) between the county and MCCDA (see Appendix).

Unlike vacation leave that accrues at a faster rate with more seniority, sick leave is accrued by all county employees at the same, flat rate from the date of hire until severance. All county employees, including MCCDA members, accrue 96 hours (12 eight-hour days) of sick leave per year. In most instances, those hours are accrued at the rate of 4.0 hours per pay period. With 24 pay periods per calendar year, that results in 96 hours of annual sick leave accrual.

Caveats on Drawing Conclusions

This study merely reveals the number and percentage of career sick leave hours used by corrections employees. It offers or suggests no opinion as to the cause of such usage by individual employees or the group as a whole. However, compared to the prior studies, the usage of career sick leave has increased substantially in the past 10-15 years.

Methodology

The 2006 study, as well as the earlier studies, used a spreadsheet formula to calculate the estimated number of sick leave hours an employee has accrued during their career. That result is compared against the actual number of sick leave hours the employee has retained as of a given date – in this case, all data used was current as of August 31, 2006.

The formula used to estimate career accrual is as follows:

1. August 31, 2006 – [county seniority date] = total number of days employed, including weekends and holidays.
2. Total days employed ÷ 15.208* = Total number of pay periods employed [*365 days ÷ 24 = 15.208]
3. Total Pay Periods x 4.0 = Career Sick Hours Accrued.

EXAMPLE: Deputy John Doe was hired on July 4, 1990.

1. August 31, 2006 – July 4, 1990 = 5,902 days employed
2. 5,902 ÷ 15.208 = 388.08 pay periods
3. 388.08 x 4.0 = 1552.34 career hours accrued

Summary of Findings

The table below summarizes the results of the 2006 study compared to those done in 1991 and 1995 using similar formulas. The spreadsheet data used to calculate the 2006 numbers is enclosed herewith, with employees listed by number, county seniority date, career hours accrued, actual hours available as of 08/31/2006, percentage available and percentage used.

	08/31/2006	11/24/1995	09/09/1991
Number of Records	448	351	326
Average Sick Leave Use	84.49%	76.87%	70.74%
Average Career Accrual	1226	828	633
Average Available	190	192	185
Number of 99% Users	77	33	10
Number of 90% Users	236	140	65
Total Hours Accrued	549,235	290,637	206,268
Total Hours Available	85,175	67,257	60,347

MCCDA Career Sick Leave Usage

County Date	Accrued	Available	Pct Avl	Pct Used
7/26/1999	682.01	0.00	<u>0.00%</u>	100.00%
9/11/1995	1053.92	0.00	<u>0.00%</u>	100.00%
4/8/2002	422.41	0.00	<u>0.00%</u>	100.00%
3/9/1998	814.57	0.00	<u>0.00%</u>	100.00%
2/17/1987	1876.64	0.00	<u>0.00%</u>	100.00%
11/27/2000	553.13	0.00	<u>0.00%</u>	100.00%
6/7/1994	1175.17	0.00	<u>0.00%</u>	100.00%
11/29/2004	168.33	0.00	<u>0.00%</u>	100.00%
4/20/1998	803.52	0.00	<u>0.00%</u>	100.00%
6/1/1998	792.48	0.00	<u>0.00%</u>	100.00%
4/26/1982	2339.03	0.00	<u>0.00%</u>	100.00%
4/20/1998	803.52	0.00	<u>0.00%</u>	100.00%
9/16/1996	956.34	0.00	<u>0.00%</u>	100.00%
8/23/1993	1250.92	0.01	<u>0.00%</u>	100.00%
9/19/1988	1724.09	0.02	<u>0.00%</u>	100.00%
7/11/1988	1742.50	0.03	<u>0.00%</u>	100.00%
12/15/1986	1893.48	0.04	<u>0.00%</u>	100.00%
7/1/1991	1457.13	0.04	<u>0.00%</u>	100.00%
1/29/1996	1017.10	0.04	<u>0.00%</u>	100.00%
11/28/1988	1705.68	0.07	<u>0.00%</u>	100.00%
1/3/1978	2753.02	0.14	<u>0.01%</u>	99.99%
6/6/1988	1751.71	0.10	<u>0.01%</u>	99.99%
11/27/1989	1609.94	0.10	<u>0.01%</u>	99.99%
4/29/1991	1473.70	0.10	<u>0.01%</u>	99.99%
3/4/1996	1007.89	0.07	<u>0.01%</u>	99.99%
11/9/1994	1134.40	0.09	<u>0.01%</u>	99.99%
1/10/1994	1214.10	0.11	<u>0.01%</u>	99.99%
7/2/1990	1552.87	0.18	<u>0.01%</u>	99.99%
8/28/1995	1057.60	0.13	<u>0.01%</u>	99.99%
5/28/1991	1466.07	0.22	<u>0.02%</u>	99.98%
12/8/1997	838.51	0.15	<u>0.02%</u>	99.98%
8/29/1994	1153.34	0.23	<u>0.02%</u>	99.98%
3/4/1996	1007.89	0.22	<u>0.02%</u>	99.98%
3/19/1996	1003.95	0.24	<u>0.02%</u>	99.98%
7/13/1987	1838.24	0.44	<u>0.02%</u>	99.98%
8/23/1975	2980.27	4.09	<u>0.14%</u>	99.86%
7/22/1991	1451.60	2.71	<u>0.19%</u>	99.81%
2/6/1984	2167.81	4.09	<u>0.19%</u>	99.81%
10/16/1984	2101.26	4.21	<u>0.20%</u>	99.80%
3/18/1977	2829.56	5.69	<u>0.20%</u>	99.80%
8/19/1985	2020.52	4.12	<u>0.20%</u>	99.80%
5/2/1988	1760.92	4.17	<u>0.24%</u>	99.76%
6/6/1988	1751.71	4.18	<u>0.24%</u>	99.76%
8/11/1986	1926.62	5.01	<u>0.26%</u>	99.74%

MCCDA Sick Leave Usage

October 11, 2006

Page 4 of 15

1/29/1990	1593.37	4.18	<u>0.26%</u>	99.74%
12/16/1991	1412.94	4.18	<u>0.30%</u>	99.70%
12/9/1991	1414.78	4.21	<u>0.30%</u>	99.70%
9/30/1996	952.66	3.00	<u>0.31%</u>	99.69%
11/27/1992	1321.67	4.18	<u>0.32%</u>	99.68%
8/23/1993	1250.92	4.01	<u>0.32%</u>	99.68%
5/9/1994	1182.80	4.19	<u>0.35%</u>	99.65%
8/24/1988	1730.93	7.15	<u>0.41%</u>	99.59%
11/17/1986	1900.84	8.22	<u>0.43%</u>	99.57%
11/3/1987	1808.52	8.13	<u>0.45%</u>	99.55%
1/26/1988	1786.43	8.09	<u>0.45%</u>	99.55%
3/9/1998	814.57	3.70	<u>0.45%</u>	99.55%
10/6/1997	855.08	4.00	<u>0.47%</u>	99.53%
12/18/1989	1604.42	8.06	<u>0.50%</u>	99.50%
5/18/1998	796.16	4.00	<u>0.50%</u>	99.50%
6/1/1998	792.48	4.00	<u>0.50%</u>	99.50%
10/15/1990	1525.25	7.76	<u>0.51%</u>	99.49%
8/24/1998	770.38	4.00	<u>0.52%</u>	99.48%
1/6/1986	1983.69	10.53	<u>0.53%</u>	99.47%
3/22/1999	715.15	4.00	<u>0.56%</u>	99.44%
4/19/1999	707.79	4.00	<u>0.57%</u>	99.43%
3/1/1993	1296.95	8.23	<u>0.63%</u>	99.37%
8/23/1993	1250.92	8.01	<u>0.64%</u>	99.36%
9/20/1993	1243.56	8.33	<u>0.67%</u>	99.33%
4/12/1978	2726.99	20.13	<u>0.74%</u>	99.26%
4/30/1984	2145.71	16.21	<u>0.76%</u>	99.24%
4/5/1977	2824.83	21.50	<u>0.76%</u>	99.24%
10/6/1995	1047.34	8.13	<u>0.78%</u>	99.22%
1/29/1996	1017.10	8.03	<u>0.79%</u>	99.21%
1/17/1983	2269.07	20.14	<u>0.89%</u>	99.11%
2/17/1987	1876.64	17.94	<u>0.96%</u>	99.04%
11/17/1997	844.03	8.25	<u>0.98%</u>	99.02%
3/23/1998	810.89	8.00	<u>0.99%</u>	99.01%
7/27/1998	777.75	8.00	<u>1.03%</u>	98.97%
2/26/1990	1586.01	18.05	<u>1.14%</u>	98.86%
8/9/1999	678.33	8.00	<u>1.18%</u>	98.82%
4/26/1982	2339.03	28.04	<u>1.20%</u>	98.80%
1/6/1986	1983.69	24.21	<u>1.22%</u>	98.78%
6/17/1991	1460.81	17.84	<u>1.22%</u>	98.78%
7/31/1989	1641.24	20.15	<u>1.23%</u>	98.77%
10/29/1984	2097.84	26.51	<u>1.26%</u>	98.74%
6/10/1987	1846.92	23.39	<u>1.27%</u>	98.73%
7/13/1998	781.43	10.08	<u>1.29%</u>	98.71%
1/29/1990	1593.37	20.93	<u>1.31%</u>	98.69%
6/2/1986	1945.03	26.16	<u>1.34%</u>	98.66%
11/17/1997	844.03	11.50	<u>1.36%</u>	98.64%
6/25/1979	2611.52	37.26	<u>1.43%</u>	98.57%
11/16/1997	844.29	12.22	<u>1.45%</u>	98.55%
7/13/1987	1838.24	27.06	<u>1.47%</u>	98.53%

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5/2/1988	1760.92	27.42	<u>1.56%</u>	98.44%
5/16/1977	2814.05	45.03	<u>1.60%</u>	98.40%
6/4/1998	791.69	13.00	<u>1.64%</u>	98.36%
5/28/1991	1466.07	24.22	<u>1.65%</u>	98.35%
8/19/1991	1444.24	24.08	<u>1.67%</u>	98.33%
3/22/1999	715.15	12.00	<u>1.68%</u>	98.32%
5/12/1986	1950.55	33.01	<u>1.69%</u>	98.31%
10/26/1998	753.81	13.00	<u>1.72%</u>	98.28%
5/28/1991	1466.07	26.22	<u>1.79%</u>	98.21%
1/3/1995	1119.94	20.19	<u>1.80%</u>	98.20%
1/20/2002	442.92	8.00	<u>1.81%</u>	98.19%
8/22/1988	1731.46	33.21	<u>1.92%</u>	98.08%
12/14/1998	740.93	14.50	<u>1.96%</u>	98.04%
10/21/1991	1427.67	28.01	<u>1.96%</u>	98.04%
2/28/1995	1105.21	21.89	<u>1.98%</u>	98.02%
5/18/1998	796.16	16.00	<u>2.01%</u>	97.99%
6/19/2000	595.48	12.00	<u>2.02%</u>	97.98%
3/26/1979	2635.46	53.38	<u>2.03%</u>	97.97%
7/21/1982	2316.41	47.32	<u>2.04%</u>	97.96%
7/2/1990	1552.87	32.09	<u>2.07%</u>	97.93%
2/1/1988	1784.85	37.18	<u>2.08%</u>	97.92%
4/29/1991	1473.70	32.05	<u>2.17%</u>	97.83%
1/24/2000	634.14	14.00	<u>2.21%</u>	97.79%
7/9/1990	1551.03	35.81	<u>2.31%</u>	97.69%
3/27/1995	1098.11	26.22	<u>2.39%</u>	97.61%
8/13/1984	2118.10	50.72	<u>2.39%</u>	97.61%
4/26/1982	2339.03	59.01	<u>2.52%</u>	97.48%
10/11/1999	661.76	16.70	<u>2.52%</u>	97.48%
5/10/1988	1758.81	47.54	<u>2.70%</u>	97.30%
4/29/1991	1473.70	40.10	<u>2.72%</u>	97.28%
5/3/1999	704.10	20.00	<u>2.84%</u>	97.16%
11/17/1997	844.03	24.04	<u>2.85%</u>	97.15%
4/19/2002	419.52	12.00	<u>2.86%</u>	97.14%
7/26/1999	682.01	20.00	<u>2.93%</u>	97.07%
1/26/1998	825.62	24.50	<u>2.97%</u>	97.03%
9/27/1999	665.44	20.00	<u>3.01%</u>	96.99%
7/28/1997	873.49	26.31	<u>3.01%</u>	96.99%
10/1/1984	2105.21	64.60	<u>3.07%</u>	96.93%
4/25/2005	129.67	4.00	<u>3.08%</u>	96.92%
12/17/1990	1508.68	46.56	<u>3.09%</u>	96.91%
9/28/1998	761.18	24.00	<u>3.15%</u>	96.85%
4/29/1991	1473.70	46.60	<u>3.16%</u>	96.84%
1/13/1998	829.04	26.78	<u>3.23%</u>	96.77%
1/5/1998	831.14	27.00	<u>3.25%</u>	96.75%
1/9/1989	1694.63	55.83	<u>3.29%</u>	96.71%
5/26/1989	1658.60	54.73	<u>3.30%</u>	96.70%
7/13/1987	1838.24	61.06	<u>3.32%</u>	96.68%
2/22/1999	722.51	24.00	<u>3.32%</u>	96.68%
8/26/1996	961.86	32.00	<u>3.33%</u>	96.67%

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3/23/1998	810.89	27.00	<u>3.33%</u>	96.67%
9/27/1999	665.44	22.25	<u>3.34%</u>	96.66%
11/28/1988	1705.68	60.82	<u>3.57%</u>	96.43%
5/15/1989	1661.49	60.04	<u>3.61%</u>	96.39%
3/31/1986	1961.60	71.19	<u>3.63%</u>	96.37%
4/29/1996	993.16	36.21	<u>3.65%</u>	96.35%
12/8/1997	838.51	30.75	<u>3.67%</u>	96.33%
3/6/2000	623.09	24.00	<u>3.85%</u>	96.15%
2/27/1995	1105.47	42.60	<u>3.85%</u>	96.15%
8/24/1987	1827.20	72.74	<u>3.98%</u>	96.02%
8/6/1990	1543.66	63.21	<u>4.09%</u>	95.91%
7/22/1991	1451.60	60.21	<u>4.15%</u>	95.85%
3/4/1996	1007.89	41.97	<u>4.16%</u>	95.84%
9/15/1997	860.60	36.12	<u>4.20%</u>	95.80%
8/4/1997	871.65	37.11	<u>4.26%</u>	95.74%
8/25/1997	866.12	37.75	<u>4.36%</u>	95.64%
4/24/1995	1090.74	47.59	<u>4.36%</u>	95.64%
2/27/1995	1105.47	49.10	<u>4.44%</u>	95.56%
11/3/1986	1904.52	85.16	<u>4.47%</u>	95.53%
1/5/1998	831.14	38.50	<u>4.63%</u>	95.37%
5/29/1990	1561.81	72.78	<u>4.66%</u>	95.34%
1/10/1994	1214.10	56.86	<u>4.68%</u>	95.32%
7/26/1999	682.01	32.00	<u>4.69%</u>	95.31%
8/25/1997	866.12	41.00	<u>4.73%</u>	95.27%
6/25/1996	978.17	46.32	<u>4.74%</u>	95.26%
6/14/2001	500.79	24.00	<u>4.79%</u>	95.21%
6/15/1998	788.80	38.00	<u>4.82%</u>	95.18%
2/19/1991	1491.85	72.11	<u>4.83%</u>	95.17%
12/15/1986	1893.48	92.95	<u>4.91%</u>	95.09%
10/12/1984	2102.31	104.12	<u>4.95%</u>	95.05%
6/29/1998	785.11	39.00	<u>4.97%</u>	95.03%
4/25/1994	1186.48	60.04	<u>5.06%</u>	94.94%
12/2/1996	936.09	47.94	<u>5.12%</u>	94.88%
4/20/1998	803.52	42.00	<u>5.23%</u>	94.77%
12/14/1998	740.93	38.86	<u>5.24%</u>	94.76%
9/27/1999	665.44	35.50	<u>5.33%</u>	94.67%
10/11/1999	661.76	35.50	<u>5.36%</u>	94.64%
2/14/1994	1204.89	65.13	<u>5.41%</u>	94.59%
2/19/1991	1491.85	81.86	<u>5.49%</u>	94.51%
9/14/1998	764.86	42.00	<u>5.49%</u>	94.51%
7/31/1989	1641.24	90.65	<u>5.52%</u>	94.48%
5/18/1998	796.16	44.00	<u>5.53%</u>	94.47%
2/27/1995	1105.47	61.10	<u>5.53%</u>	94.47%
1/28/1991	1497.63	82.84	<u>5.53%</u>	94.47%
12/8/1997	838.51	48.06	<u>5.73%</u>	94.27%
10/2/1989	1624.67	94.07	<u>5.79%</u>	94.21%
11/1/1993	1232.51	71.56	<u>5.81%</u>	94.19%
10/24/1994	1138.61	66.31	<u>5.82%</u>	94.18%
5/27/1986	1946.61	114.72	<u>5.89%</u>	94.11%

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3/23/1998	810.89	48.00	<u>5.92%</u>	94.08%
1/5/1998	831.14	49.50	<u>5.96%</u>	94.04%
1/27/1992	1401.89	83.55	<u>5.96%</u>	94.04%
3/19/1984	2156.76	130.59	<u>6.05%</u>	93.95%
8/23/1999	674.64	41.00	<u>6.08%</u>	93.92%
12/2/1996	936.09	56.98	<u>6.09%</u>	93.91%
6/1/1998	792.48	48.50	<u>6.12%</u>	93.88%
11/16/1991	1420.83	87.01	<u>6.12%</u>	93.88%
11/15/1999	652.55	40.00	<u>6.13%</u>	93.87%
8/22/1988	1731.46	107.40	<u>6.20%</u>	93.80%
7/2/1990	1552.87	98.59	<u>6.35%</u>	93.65%
7/22/1991	1451.60	94.71	<u>6.52%</u>	93.48%
5/15/1989	1661.49	110.29	<u>6.64%</u>	93.36%
3/9/1983	2255.65	150.21	<u>6.66%</u>	93.34%
11/28/1994	1129.41	76.24	<u>6.75%</u>	93.25%
6/17/1991	1460.81	99.34	<u>6.80%</u>	93.20%
12/9/1991	1414.78	101.18	<u>7.15%</u>	92.85%
9/13/1999	669.12	48.25	<u>7.21%</u>	92.79%
4/6/1998	807.21	58.75	<u>7.28%</u>	92.72%
12/20/1994	1123.62	84.61	<u>7.53%</u>	92.47%
8/9/1999	678.33	51.75	<u>7.63%</u>	92.37%
6/1/1998	792.48	60.50	<u>7.63%</u>	92.37%
9/26/1988	1722.25	132.61	<u>7.70%</u>	92.30%
10/9/1995	1046.55	81.06	<u>7.75%</u>	92.25%
11/17/1997	844.03	65.50	<u>7.76%</u>	92.24%
11/27/1989	1609.94	125.19	<u>7.78%</u>	92.22%
12/18/1989	1604.42	128.25	<u>7.99%</u>	92.01%
12/17/1990	1508.68	127.56	<u>8.46%</u>	91.54%
7/11/1994	1166.23	100.64	<u>8.63%</u>	91.37%
3/8/1999	718.83	63.50	<u>8.83%</u>	91.17%
10/1/1983	2201.47	195.82	<u>8.89%</u>	91.11%
11/15/1999	652.55	59.25	<u>9.08%</u>	90.92%
2/19/1991	1491.85	136.05	<u>9.12%</u>	90.88%
10/12/1987	1814.31	166.58	<u>9.18%</u>	90.82%
11/17/1997	844.03	78.00	<u>9.24%</u>	90.76%
6/15/1998	788.80	73.50	<u>9.32%</u>	90.68%
3/13/1985	2062.34	193.92	<u>9.40%</u>	90.60%
4/10/1987	1862.97	176.51	<u>9.47%</u>	90.53%
1/26/1998	825.62	80.25	<u>9.72%</u>	90.28%
8/29/1994	1153.34	113.23	<u>9.82%</u>	90.18%
4/24/1995	1090.74	107.09	<u>9.82%</u>	90.18%
8/19/1991	1444.24	141.83	<u>9.82%</u>	90.18%
10/12/1987	1814.31	178.58	<u>9.84%</u>	90.16%
9/13/1999	669.12	66.50	<u>9.94%</u>	90.06%
5/4/1998	799.84	79.50	<u>9.94%</u>	90.06%
1/26/1998	825.62	83.75	<u>10.14%</u>	89.86%
10/25/1999	658.07	67.00	<u>10.18%</u>	89.82%
1/27/1992	1401.89	146.05	<u>10.42%</u>	89.58%
7/31/1989	1641.24	171.15	<u>10.43%</u>	89.57%

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1/28/1991	1497.63	156.74	<u>10.47%</u>	89.53%
8/19/1991	1444.24	151.73	<u>10.51%</u>	89.49%
1/27/1992	1401.89	148.55	<u>10.60%</u>	89.40%
4/11/1994	1190.16	126.22	<u>10.61%</u>	89.39%
3/9/1998	814.57	87.00	<u>10.68%</u>	89.32%
7/15/1996	972.91	104.00	<u>10.69%</u>	89.31%
2/23/1998	818.25	87.50	<u>10.69%</u>	89.31%
1/26/1998	825.62	89.00	<u>10.78%</u>	89.22%
7/8/1985	2031.56	220.07	<u>10.83%</u>	89.17%
5/6/1985	2048.13	222.57	<u>10.87%</u>	89.13%
3/23/1998	810.89	88.25	<u>10.88%</u>	89.12%
6/19/2000	595.48	65.00	<u>10.92%</u>	89.08%
6/17/1991	1460.81	160.20	<u>10.97%</u>	89.03%
4/19/1999	707.79	78.00	<u>11.02%</u>	88.98%
2/17/1987	1876.64	208.88	<u>11.13%</u>	88.87%
7/10/1995	1070.49	122.20	<u>11.42%</u>	88.58%
5/17/1999	700.42	80.00	<u>11.42%</u>	88.58%
8/23/1993	1250.92	143.01	<u>11.43%</u>	88.57%
10/26/1998	753.81	87.25	<u>11.57%</u>	88.43%
1/29/1996	1017.10	117.79	<u>11.58%</u>	88.42%
7/12/1999	685.69	80.00	<u>11.67%</u>	88.33%
1/24/2000	634.14	76.00	<u>11.98%</u>	88.02%
7/26/1999	682.01	84.00	<u>12.32%</u>	87.68%
6/1/1992	1368.75	170.34	<u>12.44%</u>	87.56%
4/13/1987	1862.18	236.71	<u>12.71%</u>	87.29%
11/30/1998	744.61	95.00	<u>12.76%</u>	87.24%
7/27/1998	777.75	100.72	<u>12.95%</u>	87.05%
9/16/1996	956.34	127.00	<u>13.28%</u>	86.72%
5/4/1998	799.84	106.75	<u>13.35%</u>	86.65%
4/13/1987	1862.18	248.96	<u>13.37%</u>	86.63%
3/22/1999	715.15	96.00	<u>13.42%</u>	86.58%
7/27/1998	777.75	105.00	<u>13.50%</u>	86.50%
12/9/1991	1414.78	198.21	<u>14.01%</u>	85.99%
2/1/1994	1208.31	171.32	<u>14.18%</u>	85.82%
3/9/1998	814.57	119.00	<u>14.61%</u>	85.39%
11/17/1997	844.03	124.75	<u>14.78%</u>	85.22%
3/15/1995	1101.26	162.81	<u>14.78%</u>	85.22%
6/14/2001	500.79	75.00	<u>14.98%</u>	85.02%
2/27/1995	1105.47	165.85	<u>15.00%</u>	85.00%
10/9/1995	1046.55	157.06	<u>15.01%</u>	84.99%
3/23/1998	810.89	124.00	<u>15.29%</u>	84.71%
11/12/1985	1998.16	308.59	<u>15.44%</u>	84.56%
6/6/1988	1751.71	273.85	<u>15.63%</u>	84.37%
2/18/1986	1972.38	315.35	<u>15.99%</u>	84.01%
11/30/1998	744.61	120.00	<u>16.12%</u>	83.88%
10/11/1999	661.76	108.00	<u>16.32%</u>	83.68%
10/17/1988	1716.73	280.39	<u>16.33%</u>	83.67%
12/18/1995	1028.14	170.80	<u>16.61%</u>	83.39%
3/22/1999	715.15	119.50	<u>16.71%</u>	83.29%

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5/18/1987	1852.97	322.96	<u>17.43%</u>	82.57%
8/20/1993	1251.71	219.01	<u>17.50%</u>	82.50%
7/8/1985	2031.56	360.44	<u>17.74%</u>	82.26%
6/24/1996	978.43	173.82	<u>17.77%</u>	82.23%
9/13/1999	669.12	119.25	<u>17.82%</u>	82.18%
9/14/1987	1821.67	325.21	<u>17.85%</u>	82.15%
3/23/1998	810.89	146.00	<u>18.00%</u>	82.00%
10/27/1997	849.55	153.50	<u>18.07%</u>	81.93%
7/10/1995	1070.49	195.51	<u>18.26%</u>	81.74%
2/13/2002	436.61	80.00	<u>18.32%</u>	81.68%
3/9/1998	814.57	149.50	<u>18.35%</u>	81.65%
6/1/1998	792.48	145.50	<u>18.36%</u>	81.64%
7/13/1998	781.43	143.50	<u>18.36%</u>	81.64%
11/19/1984	2092.32	384.39	<u>18.37%</u>	81.63%
3/14/1983	2254.34	419.75	<u>18.62%</u>	81.38%
5/3/1999	704.10	132.50	<u>18.82%</u>	81.18%
10/28/1996	945.29	180.63	<u>19.11%</u>	80.89%
2/27/1995	1105.47	212.60	<u>19.23%</u>	80.77%
1/11/1999	733.56	144.00	<u>19.63%</u>	80.37%
12/8/1997	838.51	165.25	<u>19.71%</u>	80.29%
11/20/1990	1515.78	302.19	<u>19.94%</u>	80.06%
11/17/1997	844.03	172.25	<u>20.41%</u>	79.59%
1/30/1984	2169.65	448.24	<u>20.66%</u>	79.34%
11/17/1997	844.03	174.50	<u>20.67%</u>	79.33%
2/13/2002	436.61	90.50	<u>20.73%</u>	79.27%
7/7/1986	1935.82	403.62	<u>20.85%</u>	79.15%
5/18/1998	796.16	166.50	<u>20.91%</u>	79.09%
2/5/1990	1591.53	335.58	<u>21.09%</u>	78.91%
4/29/1996	993.16	209.71	<u>21.12%</u>	78.88%
8/25/1997	866.12	183.00	<u>21.13%</u>	78.87%
3/9/1998	814.57	173.00	<u>21.24%</u>	78.76%
6/19/2000	595.48	128.25	<u>21.54%</u>	78.46%
8/14/1989	1637.56	355.96	<u>21.74%</u>	78.26%
12/19/1994	1123.88	251.55	<u>22.38%</u>	77.62%
10/25/1999	658.07	147.50	<u>22.41%</u>	77.59%
6/5/1989	1655.97	374.41	<u>22.61%</u>	77.39%
9/27/1999	665.44	151.05	<u>22.70%</u>	77.30%
8/27/1984	2114.41	490.22	<u>23.18%</u>	76.82%
10/28/1996	945.29	220.00	<u>23.27%</u>	76.73%
8/24/1998	770.38	182.25	<u>23.66%</u>	76.34%
9/30/1996	952.66	226.50	<u>23.78%</u>	76.22%
2/9/1998	821.94	198.25	<u>24.12%</u>	75.88%
7/28/1994	1161.76	280.82	<u>24.17%</u>	75.83%
8/7/2000	582.59	141.50	<u>24.29%</u>	75.71%
11/7/2003	270.38	66.00	<u>24.41%</u>	75.59%
1/29/1990	1593.37	389.68	<u>24.46%</u>	75.54%
2/28/2000	624.93	153.00	<u>24.48%</u>	75.52%
8/19/1985	2020.52	499.07	<u>24.70%</u>	75.30%
10/6/1997	855.08	213.50	<u>24.97%</u>	75.03%

MCCDA Sick Leave Usage

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9/18/2000	571.54	143.00	<u>25.02%</u>	74.98%
11/27/1989	1609.94	404.94	<u>25.15%</u>	74.85%
5/20/1985	2044.45	515.74	<u>25.23%</u>	74.77%
11/15/1999	652.55	166.00	<u>25.44%</u>	74.56%
5/28/1991	1466.07	383.03	<u>26.13%</u>	73.87%
5/15/1989	1661.49	435.79	<u>26.23%</u>	73.77%
10/25/1999	658.07	175.00	<u>26.59%</u>	73.41%
5/17/1999	700.42	187.00	<u>26.70%</u>	73.30%
3/6/1984	2160.18	577.52	<u>26.73%</u>	73.27%
11/28/1995	1033.40	277.96	<u>26.90%</u>	73.10%
6/15/1987	1845.61	498.55	<u>27.01%</u>	72.99%
11/30/1987	1801.42	486.66	<u>27.02%</u>	72.98%
1/25/1999	729.88	199.00	<u>27.26%</u>	72.74%
10/30/1995	1041.03	289.18	<u>27.78%</u>	72.22%
3/7/1988	1775.64	493.49	<u>27.79%</u>	72.21%
5/27/1986	1946.61	541.64	<u>27.82%</u>	72.18%
8/23/1999	674.64	190.25	<u>28.20%</u>	71.80%
2/7/1995	1110.73	314.17	<u>28.28%</u>	71.72%
3/5/2001	527.35	150.78	<u>28.59%</u>	71.41%
8/16/1980	2501.58	719.31	<u>28.75%</u>	71.25%
10/9/1989	1622.83	476.51	<u>29.36%</u>	70.64%
1/25/1999	729.88	220.00	<u>30.14%</u>	69.86%
7/10/1995	1070.49	325.20	<u>30.38%</u>	69.62%
4/12/1999	709.63	216.00	<u>30.44%</u>	69.56%
7/26/1999	682.01	208.00	<u>30.50%</u>	69.50%
11/17/1997	844.03	259.50	<u>30.75%</u>	69.25%
11/27/1995	1033.67	323.80	<u>31.33%</u>	68.67%
3/8/1999	718.83	226.00	<u>31.44%</u>	68.56%
12/1/1980	2473.44	778.22	<u>31.46%</u>	68.54%
7/16/1993	1260.92	396.73	<u>31.46%</u>	68.54%
10/17/1988	1716.73	544.14	<u>31.70%</u>	68.30%
4/12/1999	709.63	226.75	<u>31.95%</u>	68.05%
9/14/1987	1821.67	587.96	<u>32.28%</u>	67.72%
3/23/1998	810.89	269.50	<u>33.24%</u>	66.76%
1/29/1990	1593.37	531.18	<u>33.34%</u>	66.66%
1/26/1998	825.62	276.00	<u>33.43%</u>	66.57%
10/12/1987	1814.31	614.08	<u>33.85%</u>	66.15%
4/24/1995	1090.74	372.09	<u>34.11%</u>	65.89%
8/4/1997	871.65	298.00	<u>34.19%</u>	65.81%
3/8/1999	718.83	247.50	<u>34.43%</u>	65.57%
12/17/1990	1508.68	521.81	<u>34.59%</u>	65.41%
11/25/1996	937.93	330.00	<u>35.18%</u>	64.82%
12/15/1986	1893.48	668.18	<u>35.29%</u>	64.71%
4/8/1996	998.68	352.69	<u>35.32%</u>	64.68%
6/15/1998	788.80	280.00	<u>35.50%</u>	64.50%
4/7/1980	2536.03	900.48	<u>35.51%</u>	64.49%
7/28/1983	2218.57	793.02	<u>35.74%</u>	64.26%
4/1/1986	1961.34	729.44	<u>37.19%</u>	62.81%
9/14/1987	1821.67	678.46	<u>37.24%</u>	62.76%

MCCDA Sick Leave Usage

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10/28/1996	945.29	356.50	<u>37.71%</u>	62.29%
1/11/1999	733.56	277.25	<u>37.80%</u>	62.20%
6/5/2000	599.16	233.50	<u>38.97%</u>	61.03%
5/17/1999	700.42	276.00	<u>39.40%</u>	60.60%
4/24/2000	610.21	242.00	<u>39.66%</u>	60.34%
8/19/1985	2020.52	823.56	<u>40.76%</u>	59.24%
10/6/1997	855.08	366.50	<u>42.86%</u>	57.14%
10/31/1983	2193.58	940.74	<u>42.89%</u>	57.11%
8/8/1983	2215.68	958.96	<u>43.28%</u>	56.72%
10/11/1999	661.76	288.00	<u>43.52%</u>	56.48%
3/3/1998	816.15	368.49	<u>45.15%</u>	54.85%
3/18/1985	2061.02	934.16	<u>45.33%</u>	54.67%
4/2/2001	519.99	236.74	<u>45.53%</u>	54.47%
7/12/1994	1165.97	533.64	<u>45.77%</u>	54.23%
9/19/1988	1724.09	792.83	<u>45.99%</u>	54.01%
12/12/2005	68.91	32.00	<u>46.44%</u>	53.56%
6/1/1998	792.48	378.00	<u>47.70%</u>	52.30%
3/23/1987	1867.70	900.95	<u>48.24%</u>	51.76%
10/6/1997	855.08	423.25	<u>49.50%</u>	50.50%
3/14/1983	2254.34	1185.76	<u>52.60%</u>	47.40%
4/14/1997	901.10	479.40	<u>53.20%</u>	46.80%
10/26/1998	753.81	405.00	<u>53.73%</u>	46.27%
5/4/1998	799.84	438.50	<u>54.82%</u>	45.18%
10/31/2005	79.96	44.00	<u>55.03%</u>	44.97%
10/10/1995	1046.29	580.04	<u>55.44%</u>	44.56%
4/11/1994	1190.16	686.47	<u>57.68%</u>	42.32%
4/14/1986	1957.92	1143.13	<u>58.39%</u>	41.61%
7/10/1995	1070.49	649.70	<u>60.69%</u>	39.31%
5/15/1989	1661.49	1012.29	<u>60.93%</u>	39.07%
6/13/2005	116.78	71.26	<u>61.02%</u>	38.98%
8/10/1987	1830.88	1127.45	<u>61.58%</u>	38.42%
10/18/2004	179.38	111.48	<u>62.15%</u>	37.85%
4/2/1984	2153.08	1351.75	<u>62.78%</u>	37.22%
5/24/1994	1178.85	744.69	<u>63.17%</u>	36.83%
6/15/1987	1845.61	1202.05	<u>65.13%</u>	34.87%
2/23/1998	818.25	540.16	<u>66.01%</u>	33.99%
6/3/1985	2040.77	1388.30	<u>68.03%</u>	31.97%
1/22/2003	346.40	242.00	<u>69.86%</u>	30.14%
11/27/1995	1033.67	730.30	<u>70.65%</u>	29.35%
8/23/1993	1250.92	904.01	<u>72.27%</u>	27.73%
4/24/1990	1571.02	1146.04	<u>72.95%</u>	27.05%
8/14/1989	1637.56	1204.46	<u>73.55%</u>	26.45%
5/16/2005	124.15	92.00	<u>74.11%</u>	25.89%
6/14/2001	500.79	373.50	<u>74.58%</u>	25.42%
10/2/2002	375.85	280.84	<u>74.72%</u>	25.28%
9/19/1988	1724.09	1319.52	<u>76.53%</u>	23.47%
10/26/1998	753.81	593.50	<u>78.73%</u>	21.27%
3/14/1983	2254.34	1807.96	<u>80.20%</u>	19.80%
3/23/1998	810.89	671.50	<u>82.81%</u>	17.19%

MCCDA Sick Leave Usage

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5/4/1998	799.84	665.00	<u>83.14%</u>	16.86%
1/29/1990	1593.37	1335.49	<u>83.82%</u>	16.18%
3/23/1998	810.89	716.00	<u>88.30%</u>	11.70%
1/6/1997	926.88	832.00	<u>89.76%</u>	10.24%
5/4/1998	799.84	720.00	<u>90.02%</u>	9.98%
5/4/1998	799.84	744.00	<u>93.02%</u>	6.98%
11/14/2005	76.28	75.50	<u>98.98%</u>	1.02%
9/19/2005	91.00	92.00	<u>101.09%</u>	-1.09%
11/28/2005	72.59	73.50	<u>101.25%</u>	-1.25%
3/6/2006	46.82	48.00	<u>102.53%</u>	-2.53%
11/28/2005	72.59	76.00	<u>104.69%</u>	-4.69%
10/31/2005	79.96	84.00	<u>105.06%</u>	-5.06%
Totals	549,235.14	85,174.97	<u>15.51%</u>	84.49%
Average	1,225.97	190.12		

**ARTICLE 10
SICK LEAVE
(2004-2010 Agreement)**

1. Accrual. Employees shall accrue sick leave at the rate of four (4) hours for each semi-monthly pay period worked, to be used in the event of his or her illness or illness of a member of his or her immediate household. Sick leave may be accrued on an unlimited basis. Absence due to sickness in excess of three (3) days must be verified by a physician's certificate at the request of the County.

2. Bereavement Leave. In addition to regular sick leave, an employee shall be granted not more than three (3) days' leave of absence with payment at the regular rate of pay for working time missed during such three (3) day period in the event of death in the immediate family of the employee. If such funeral is beyond 350 miles from the City of Portland, Oregon, the employee may be granted up to three additional days of paid leave for travel. Such leave with pay shall be for the purpose of making household adjustments or to attend funeral services.

3. Immediate Family. For purposes of the immediately preceding paragraph only, an employee's immediate family shall be defined as spouse, domestic partner, parents, children, grandchildren, brother, sister, grandparents, father-in-law, mother-in-law, sister-in-law, or brother-in-law. For purposes of this section, a domestic partner's children shall be treated as children of the employee if, before their death, the employee legally adopted them or they regularly lived with the employee and domestic partner for at least six (6) months immediately prior to the death as part of a joint familial unit to which the employee regularly contributed financial support and parental guidance. Further, the legally recognized parents and siblings of the domestic partner shall be treated as in-law equivalents of the employee. In the event of death involving relationships other than those set forth above, under exceptional circumstances, a leave of absence may be granted by the Sheriff upon request.

4. Reporting of Sick Leave. Any employee who must be absent due to illness shall notify the supervisor on duty as early as possible but no later than one (1) hour before the beginning of his or her shift. Failure to so report may result in loss of pay for the day involved. For the purposes of this paragraph, the beginning of shift is defined as the start of the preliminary security briefing, if the employee is scheduled to attend such a briefing.

5. Maternity Sick Leave. The use of sick leave during pregnancy shall be subject to the same standard as any other illness or injury under the terms of this Article except as provided by Section 8 of this Article (Parental Sick Leave).

6. Other Sick Leave Provisions.

A. Used sick leave shall be charged on the basis of forty (40) hours per week, or: (1) ten (10) hours per day for (4) day work week employees, or (2) eight (8) hours per day for five (5) day work week employees.

B. Sick leave charges in excess of accrued sick leave credits may be charged against earned and available annual leave or leave without pay at the employee's option. Leaves without pay shall be subject to the approval of management.

C. Sick leave shall be charged to the nearest full hour.

7. Sick Leave In Application to Final Average Salary. In accordance with the terms of ORS 237.153, accumulated unused sick leave will be applied to final average salary.

8. Parental Sick Leave. During the term of a parental leave mandated by Oregon Law, the employee on such leave may use accumulated sick leave up to twelve (12) weeks following birth or adoption of a child. The leave may extend for the full twelve (12) weeks regardless of parental leave taken by the other parent.

9. Sick Leave Records. The medical or psychological condition that is the employee's reason for his or her use of sick leave shall be considered confidential information to the extent required by the Americans With Disabilities Act or other applicable law.

10. Saved Holiday Bonus for limited use of Sick Leave Effective July 1, 2001, employees who have worked full time for the entire preceding fiscal year are eligible to receive saved holiday time as a bonus incentive for low sick leave usage, as specified below:

1. Eligible employees who use no more than eight (8) hours of sick leave in a fiscal year will receive sixteen (16) hours of personal holiday time for use after July 15 of the following fiscal year; those who use more than eight (8) hours, but no more than sixteen (16) hours of sick leave will receive eight hours of personal holiday time for use after July 15 of the fiscal year.

2. Use of saved holiday bonus time will be governed by the provisions of Article 8, Section 4, specifically to include the provision requiring use in the same fiscal year in which it was accrued.

Effective July 1, 2003, employees who worked four (4), ten (10) hour shifts and who have worked full time for the entire preceding fiscal year are eligible to receive saved holiday time as a bonus incentive for low sick leave usage, as specified below:

1. Eligible employees who use no more than ten (10) hours of sick leave in a fiscal year will receive twenty (20) hours of personal holiday time for use after July 15 of the following fiscal year; those who use more than ten (10) hours, but no more than twenty (20) hours of sick leave will receive eight hours of personal holiday time for use after July 15 of the fiscal year.

2. Use of saved holiday bonus time will be governed by the provisions of Article 8, Section 4, specifically to include the provision requiring use in the same fiscal year in which it was accrued.

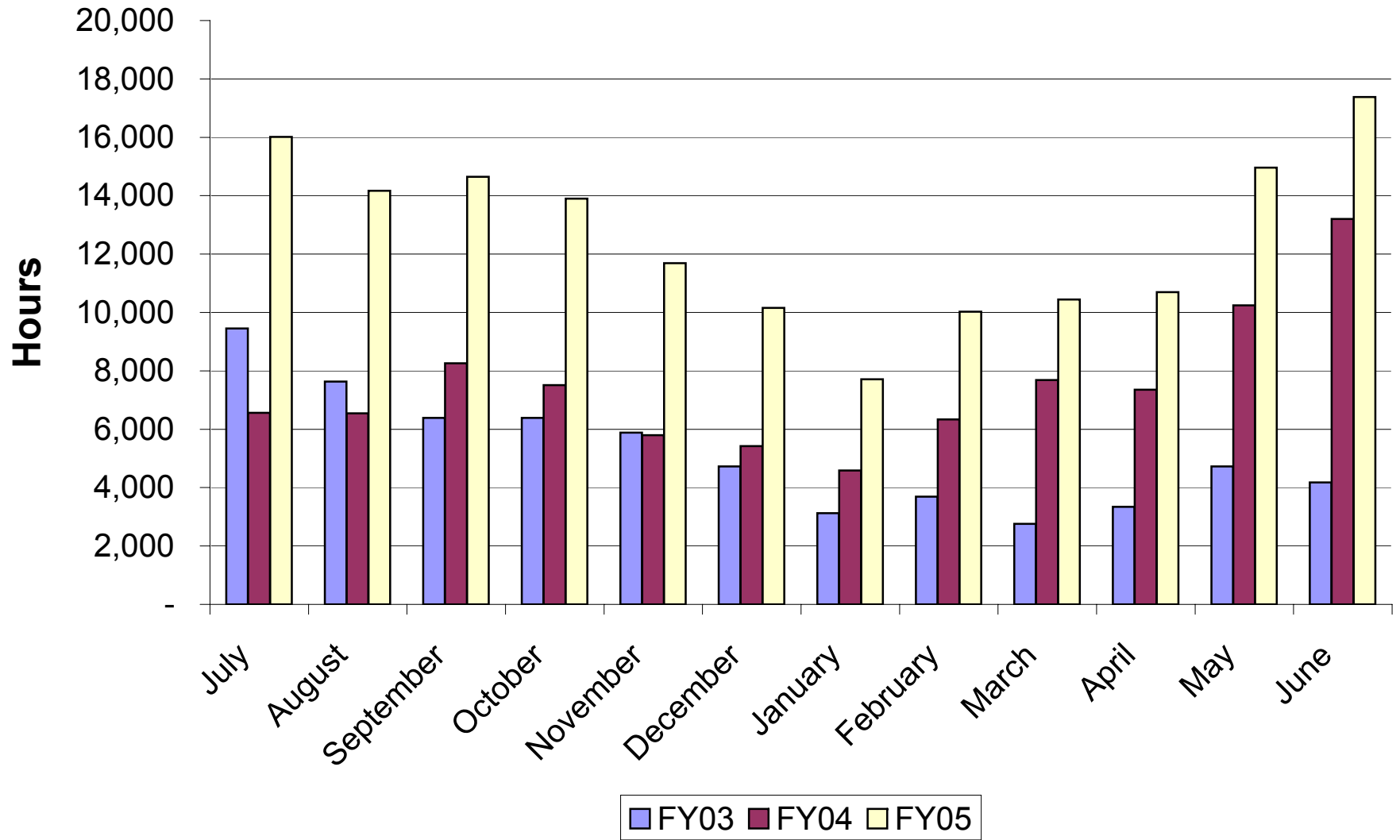
Note Regarding Sick Leave and Overtime

Until 2006, time spent on sick leave was considered “hours worked” for the computation of overtime. In other words, if an employee worked four days (32 hours) and called in sick on their fifth day (8 hours), they were considered to have “worked” 40 hours that week, and any additional hours worked would be paid at the overtime rate.

Following recent negotiations between the county and MCCDA, the parties agree that effective July 1, 2006, “Authorized work” hours for overtime eligibility “shall exclude paid leave charged to sick use, but shall include all other paid leave” [e.g., vacation, personal holiday, comp time].

Appendix F

Overtime by Month



Appendix G



Department of Community Justice

MULTNOMAH COUNTY OREGON

Administrative Services

**501 SE Hawthorne Boulevard, Suite 250
Portland, Oregon 97214
(503) 988-3701 phone
(503) 988-3990 fax**

MEMORANDUM

TO: Joanne Fuller, Director
Department of Community Justice

Michael D. Schrunk, District Attorney
Multnomah County

Steve Liday, Assistant Director
Department of Community Justice

Dave Koch, Assistant Director
Department of Community Justice

FROM: Shaun Coldwell, Business Services Manager
Department of Community Justice

DATE: September 15, 2006

RE: CORRECTIONS GRAND JURY AND INDEPENDENT INVESTIGATION
Department of Corrections 1145 Funding
Juvenile Detention Beds

This memo is in response to the September 5, 2006 memorandum to Mike Schrunk on the above subject. Specifically, I am providing further information to the grand jury on Department of Corrections 1145 Funding and the daily rate for our juvenile detention beds.

Department of Corrections 1145 Funding

The allocation of State DOC funds for the 2005-2007 biennium replicated the amount budgeted for the prior biennium, at \$190 million statewide. Multnomah County's share of that total amount was reduced from 2003-2005, due to a shift in the proportion of offenders compared to the other counties in the State (from 25.62% to 22.61%). The State does not provide a formula for determining the portion of this funding that should be allocated to local control and other felony supervision offenders within the counties. For several years, Multnomah County has based the split of DOC funding between community supervision, local control offenders in jails, and the Local Public Safety Coordinating Council on historical funding, which has driven a shared allocation of 65.05% to DCJ, 34.12% to MCSO and 0.83% to LPSCC.

For the 2005-2007 biennium, the formula results in the following:

	Biennium 2005-2007
State DOC Community Corrections Allocation	190,221,843
Multnomah County Share (Biennial)	22.6049%
	42,982,409
Department of Community Justice	27,959,842
Sheriff's Office	14,664,137
LPSCC	358,387
	2005-2006
DCJ	13,700,323
MCSO	7,185,427
LPSCC	175,610
	2006-2007
DCJ	14,259,519
MCSO	7,478,710
LPSCC	182,778

DOC Actual Cost Study

The Department of Corrections has convened a work group of Oregon Association of Community Corrections Directors (OACCD), which for the past year has been working to determine the "actual cost" of providing supervision, sanctions, treatment and services to felony offenders on community supervision in the State. At the same time, State DOC has been working on a parallel project with the Oregon State Sheriff's Association (OSSA) to determine the "actual cost" of jail beds. This memorandum addresses the former study.

The State is projecting a proposed increase in DOC funding due to increased population and cost of living. This would result in a higher allocation using the current formula.

However, the current formula fails to capture the costs of sanctions, services and treatment for offenders; these costs have been included in the analysis for the Actual Cost Study. The study has not at this time been finalized. The Governor will decide whether to include the results of the study in his budget, and at what level. All indications are that revisions to the formula based on the Actual Cost Study would increase funding for community corrections.

Multnomah County is actively involved with statewide committees working on this question, i.e. State Department of Corrections, Association of Oregon Counties and the Community Corrections Funding Committee.

Juvenile Detention Beds

The September 5 memorandum, referenced above, addressed the cost of Multnomah County juvenile detention beds, and cited a figure of \$450 per bed per day. The memo used that figure to make an assumption of revenue loss due to renting beds to Washington and Clackamas Counties at a lesser amount. I believe that this figure was driven by dividing the number of juvenile detention beds currently occupied by the total cost of the program offer. Further detail work needs to be done to

Corrections Grand Jury and independent investigation
September 15, 2006

isolate the cost of the detention beds, since that program offer includes costs for community alternatives to detention and facility costs for other residential programs, as well as other costs.

The chart below breaks detention costs by operations to support occupied beds, spread across 80 beds, and debt service costs to pay for construction, which are spread across all beds, both occupied and unoccupied.

Operations of the detention facility include intake and admissions, detention staff, support staff, food, equipment and supplies, and facilities maintenance and utilities.

The Juvenile Detention bed day rate, including administration and support costs, is \$308.60 per bed per day. That figure includes the cost of debt service on the certificates of participation, issued to pay for facility construction¹.

The Auditor's FY 05 Service Efforts and Accomplishments Report provides data for the average cost per bed day in detention (excludes treatment programs, adjusted for inflation):

\$290.59 for FY 02
\$311.23 for FY 03
\$287.37 for FY 04
\$268.37 for FY 05

At the time of construction of the facility, Multnomah County formed an agreement with Washington and Clackamas Counties to provide for their use of the regional juvenile detention facility.

Clackamas County paid up front a share of capital construction for 10 beds (\$750,000), so their remaining obligations cover operations and maintenance on the facility, and detention program operations.

Washington County is currently paying an annual amount of \$256,325 for debt service payments on the construction costs for 26 beds (10 beds at \$102,716, by agreement dated November 1993 and 16 beds at \$153,609, by agreement dated July 1997).

Clackamas and Washington Counties currently contract for beds in the detention facility at 14 beds each. The current lease agreement for both Washington and Clackamas counties is for \$132.19 for the first 10 beds and \$191.00 for the next 4 beds.

When debt service costs are taken out of the formula, the per bed per day operating rate is \$291.70.

¹ The debt service cost of \$996,923 is spread over the total 191 available beds in the facility. Current occupied bed level is 80 beds, not including residential treatment.

Juvenile Detention Beds Analysis

Total Cost of Detention Operations (excl debt)	7,203,599
Admin cost on above 4.78%	344,332
Support cost on above 13.46%	969,604
Cost including Admin and Support	8,517,535
Per Bed Cost @ 80 Beds (annual)	106,469
Per Bed Cost @ 80 Beds (daily)	\$ 291.70
Cost of Debt Service (spread over 191 beds)	996,923
Admin cost on above 4.78%	47,653
Support cost on above 13.46%	134,186
Cost including Admin and Support	1,178,762
Per Bed Cost @ 191 Beds (annual)	6,172
Per Bed Cost @ 191 Beds (daily)	\$ 16.91
Total Bed Cost per day	\$ 308.60

*General Population, not including RAD or SRTP, not including community shelter beds