A JOINT RESOLUTION ESTABLISHING THE ALLOCATION OF COSTS FOR THE COUNTIES SUBSIDIES OF NORCOR CORRECTIONS AND ADOPTING THE FORMULA FOR FUNDING

WHEREAS, Northern Oregon Corrections (hereinafter NORCOR) is an intergovernmental corrections entity formed under the authority of Oregon Revised Statutes, Chapter 190, consisting of the Counties of Gilliam, Hood River, Sherman and Wasco as member counties; and

Whereas, Member Counties of NORCOR met in joint mediation on August 9, 2012 for the purpose of defining an equitable method of distributing the costs of the four counties portion of the NORCOR budget annually; and

Whereas, the Member Counties arrived at a formula which served the combined interests of the several counties and agreed that each county would consider this formula in an open meeting of the governing board for approval before any county is bound by this formula; and

Whereas, The Counties agree to act in good faith, and

Now, Therefore, be it hereby resolved that the allocation policy and conditions are approved by the member counties as follows;

This formula, once approved by each member county will continue in operation until changed by action of the NORCOR Board of Directors, subject to ratification by the member counties.

Annually beginning with the year 2013-14 the NORCOR Board of Directors will examine and approve a budget for the operation of NORCOR Corrections in the normal process prescribed by law.

The portion of this budget which is not funded by other revenues and becomes the responsibility of the member counties will be allocated as follows;

Since NORCOR is situated in The Dalles, Wasco County bears additional costs, such as the costs associated with crimes committed in the facility. The NORCOR formula is designed to compensate Wasco County for those costs by exempting it from a portion of the budget (10% in the first year and 7.5% thereafter) and then to allocate among the Counties the cost of running NORCOR based upon a weighted average of each County's use of the adult and youth beds. The percentage of use is calculated on a five year rolling average, to ease the impacts of peaks and valleys in bed usage.

The funding formula

1) Each NORCOR County's individual share of the overall budget will be initially based upon the following formula:

The County's % of use of the adult beds times the overall adult budget
 plus
the County's % of use of the juvenile beds times the overall juvenile budget

 For <u>example</u>, for the last five years, applying this formula results in the following individual contribution amounts:

Adult: $3,500,000 Juvenile: $791,000 Overall

W: 63.08% = $2,207,800 39% = $308,490

H: 25.56% = $ 894,600   51% = $403,410

S: 6.14% = $ 214,900 2% = $ 15,820

G: 5.22% = $ 182,700 9% = $ 71,190

 100.00% 101%3

Each county's percentage of the overall budget in this example is therefore as follows:

W: $2,207,800 + $308,490/$4,291,000 = 58.6%

H: $ 894,600 + $403,421/$4,291,000 = 30.2%

S: $ 214,000 + $ 15,820/$4,291,000 = 5.4%

G: $ 182,700 + $ 71,190/$4,291,000 = 5.9%

 100.1%

 2) However, for the fiscal year 2013, Wasco County will be held harmless for 10.00% of the budget. Thereafter, Wasco County will be held harmless for 7.5% of the budget. The other three Counties will share in paying that portion of the budget based upon their proportionate share of use of the facilities.

In this example, the shares are calculated as follows:

30.2% + 5.4% + 5.9% = 41.5%

H: 30.2%/41.5% = 72.8%

S: 5.4%/41.5% = 13.1%

G: 5.9%/41.5% = 14.2%

Applying those percentages to the current budget gives the following additional contributions from Hood River, Sherman and Gilliam counties:

$4,291,000 x 10% = $429,100

H: 72.8% x $429,100 = $312,385

S: 13.1% x $429,100 = $56,212

G: 14.2% x $429,100 = $60,932

 $429,529

3) Applying the complete formula to the current budget yields the following contribution amounts in this example:

$4,291,000 - $429,100 = $3,861,900

 W: 58.6% x $3,861,900 = $2,263,073

H: (30.2% x $3,861,900) + $312,385 = $1,478,679

S: (5.4% x $3,861,900) + $56,212 = $264,755

G: (5.9% x $3,861,900) + $60,932 = 288,784

 $4,295,2914

4) $4,291,000 x 100.1% = $4,295,291, meaning that when the rounding error is removed the formula works.

Effective date: This resolution will be in full force and effect for fiscal year 2013-2014 upon the ratification of the governing board of each member county.

Gilliam County:

_____   _____

Pat Shaw, Judge

_____   _____

Date

Hood River:

_____   _____

Ron Rivers, Chair

_____   _____

Date

Sherman:

_____   _____

Gary Thompson, Judge

_____   _____

Date

Wasco:

_____   _____

Sherry Holliday, Chair

_____   _____

Date