



FY 2025 Budget Kick-Off Meeting

This meeting will be recorded and posted to the Central Budget Office website.

Please use the Q&A box (not the chat) to post any questions you have.

December 12, 2023

Multnomah County
Budget Office
www.multco.us/budget

Agenda

- Welcome & Introductions
- Policy Guidance & Direction - Chair Vega Pederson
- Equity in the Budget Process - Joy Fowler
- Budget Process, Constraints and What's New
- Financial Context & Forecast
- Q&A on Policy & Financial Context
- Updated Technical/Questica for FY 2025
- Wrap Up and Final Questions



County Chair Policy and Guidance



Jessica Vega Pederson
County Chair



Chair Policy Guidance and Direction



“One-County” Solutions



**Leading with County
Values**



Community Engagement



**Measurable & Data
Driven Decisions**



**3% General Fund
Constraint**



Our Budget Equity Process

- County Budget as a Moral Document
- Budget Preparation with equity impacts in mind
- Ability to explain how using equity helped you reach a decision
- Program Offer Narratives



Equity in the Budget Process

- [Equity and Empowerment Lens](#) Support
- Lens Primary Focus Areas:
 - Program Level
 - Performance Measures
 - Department Level
- [FY 2025 Budget Equity Tool](#) and the [FY 2025 Budget Equity Tool Worksheet](#)



Process Timeline

We are Here 

Budget Prep

Nov. - Feb.

General Fund Forecast
Budget Instructions
Department Internal
Budget Process



1

Dept. Submitted

Feb. 12th

Departments **Submit** a requested budget to the Chair for consideration



2

Chair Proposed

March - April

Chair releases the Proposed Budget on **April 25th**
Chair meetings w/departments



3

Worksessions

May - June

Board Deliberation
Budget Worksessions
Public Hearings
Community Engagement



4

Budget Adoption

June 6th

Board Adopts the Budget for FY 2025



5



Major Milestones



Budgetary Constraints

- **3% General Fund constraint** applied to current service level
 - New - Department-Specific ISR inflation factors
 - New/OTO/Reallocation Requests - Discuss at the January meeting with the Chair and in your transmittal letter.
- DCA completed a 5% constraint exercise this fall
 - After program additions, the net impact is approximately +\$0.7 million
 - Impacts other departments by constraining the increase in internal service costs.



FY 2025: New & Updated



Budget to Actuals Dashboard

Reporting at the Program Offer



Fee Schedule

Highlighted during Budget Adoption



Administration Program Offers

Provide consistency across departments for better understanding



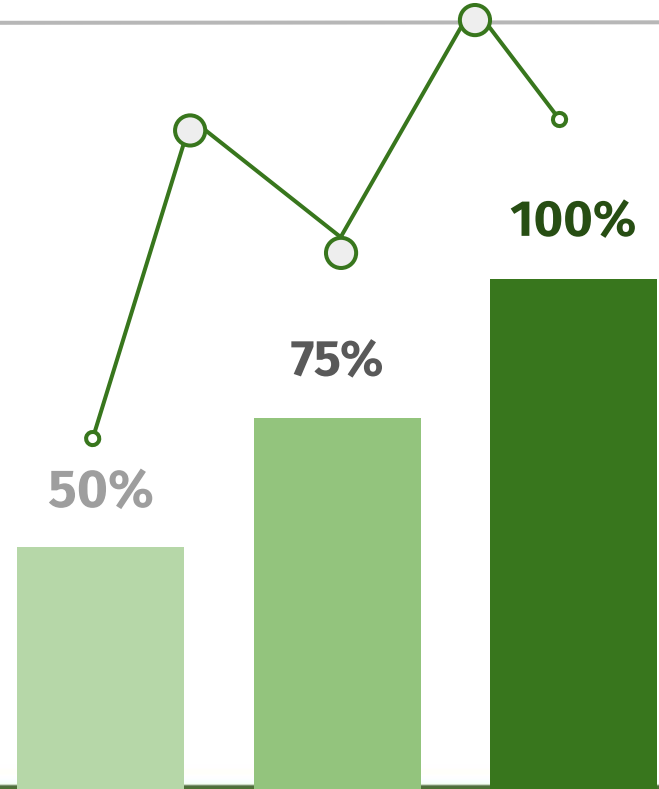
COLA for Human Services Contracts

3.7% for all General Funded services



Multico American Rescue Plan Funding

- **Multico ARP** funding has been spent. There **should not be any** requests for additional funding.
- Some departments have **Other ARP** sources. These **can be included** in your regular program offers. They no longer need stand alone program offers.



Forecast/Financial Context

- Inflation moving in the right direction.
 - Job growth slowing
- Real household incomes still increasing.
- Locally, development declining and employment growth has stalled.
 - Permitting Activity
- Uncertainty
 - Property Values
 - Population



5 Year Forecast - General Fund

Table 1: Forecasted Ongoing General Fund Expenditures, Revenues, and Balance

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	721,925,865	744,327,435	770,580,634	802,329,856	829,550,707
Expenditures	726,032,190	760,581,852	790,059,013	827,661,959	858,430,351
Ongoing Surplus/(Deficit)	(4,106,325)	(16,254,417)	(19,478,379)	(25,332,103)	(28,879,644)
SB 1145 Ongoing Funding Gap	(6,570,686)	(6,833,513)	(7,106,854)	(7,391,128)	(7,686,773)
BHRC Ongoing Funding Gap	(3,350,000)	(3,484,000)	(3,623,360)	(3,768,294)	(3,919,026)
November Forecast with SB 1145 Backfill and BHRC	(14,027,010)	(26,571,930)	(30,208,593)	(36,491,525)	(40,485,443)

Note: Revenues/Expenditures include video lottery, but excludes reserves and one-time resources

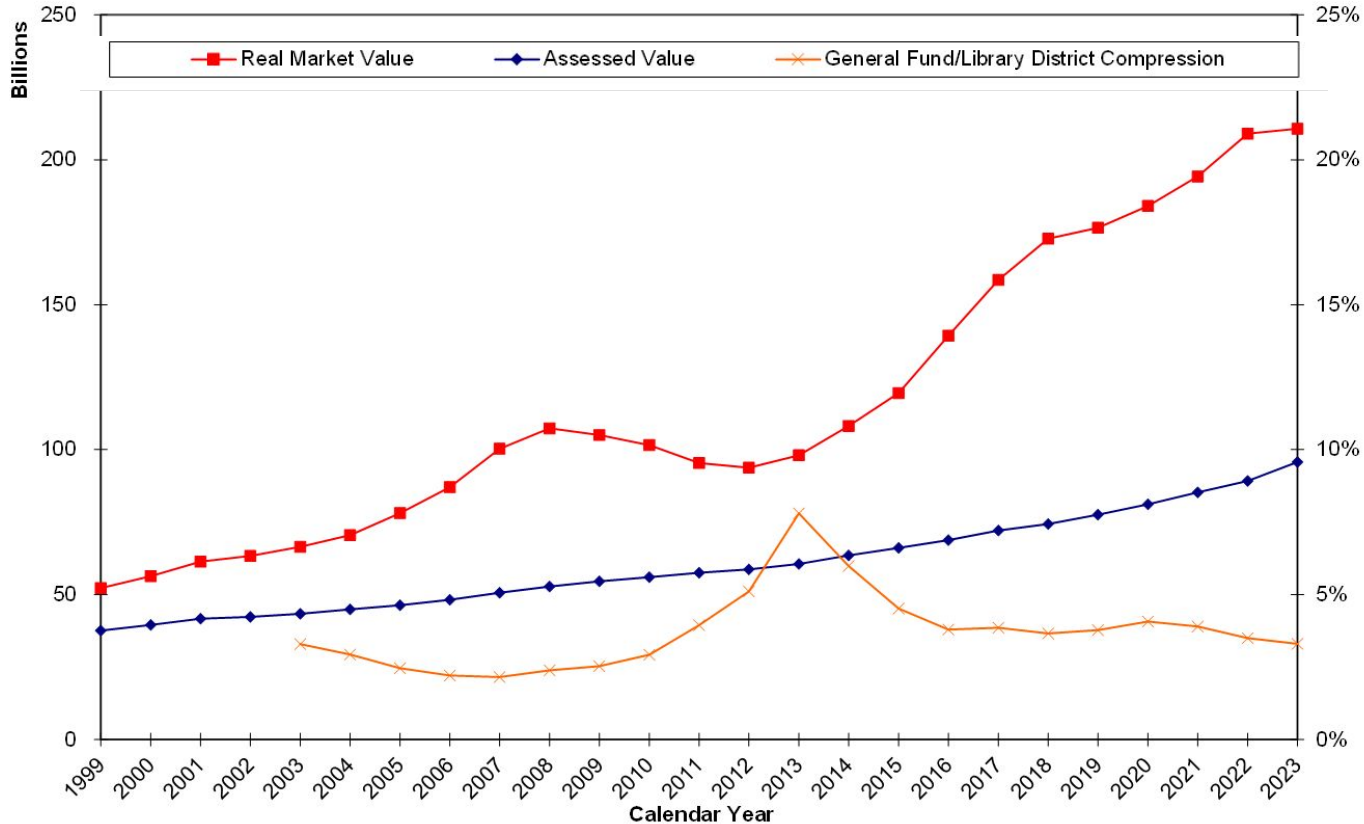


Forecast/Financial Context

- Forecasted Deficits and Structural Deficit
 - Lower AV Growth
 - Declining Property Values and Development
 - Persistent inflation and PERS
 - Uncertainty around SB 1145 and BHRC
- Changes in Interest Revenue and Security Costs



Multco Assessed & Real Market Value & Compression



FY 2025 Cost Drivers

Labor Costs (Change in rates)	5.70%	
COLA	3.72%	0.02% due to implementing JCSS contract. Underlying Step/Merit higher due to increases in public safety
Step/Merit/Contract Adjustment	1.88%	
Medical/Dental	7.00%	Was assumed to increase by 7.00%
PERS	0.15%	Reduction of 1.1% for PERS Bond Rate. Increase of 1.25% for PERS Rate
Retiree Medical	0.00%	
Liability/Workers Comp/TriMet	0.06%	Includes TriMet and General Liability
Materials and Services	3.70%	
Contractual Services	3.70%	Every 1% increase is approximately \$700,000
Internal Services	8.13%	Includes additional security costs

General Fund Cost Driver Notes

A 1% increase in base pay = approximately \$3.9 million

A 4% increase in medical/dental rates = approximately \$2.0 million

A 1% (of base pay) increase in PERS = roughly \$2.8 million



FY 2025 One-Time-Only Funds

General Fund FY 2023 Beginning Working Capital & FY 2025 OTO ^{1, 2}

Year-End as of November 1, 2023

FY 2024 Beginning Balance ³	227,183,730
FY 2024 Budgeted Beginning Balance	177,955,961
Additional FY 2024 BWC (OTO)	49,227,769
Plus Additional FY 2024 Revenues	9,128,985
Less Amount to Maintain FY 2025 Reserves at Board Policy Level	<u>(4,345,458)</u>
OTO Funds for FY 2025 per November Forecast	54,011,296

Includes \$37.0 million of departmental underspending, and 12.2 million in revenues above forecast (primarily BIT and Interest Earnings).

50% Dedicated to County Facility/IT Projects per Board Policy 27,005,648

Remaining 50% to be Allocated 27,005,648

1. Assumes the FY 2024 General Fund Contingency is fully spent in FY 2024.
2. Assumes departments fully spend their FY 2024 appropriation.
3. Adjusted for additional restricted County Clerk BWC, and Tax Title: Affordable Housing.



Questions on Budget Policy or Financial Context?

Please put your questions in the Q&A box. Budget Office staff are monitoring and will provide them to the presenters.



Questica Open for FY 2025

- Access program offers through your department business managers who determined initial program offer structure
- Position costs based on Workday data as of 11/9/2023
- Narrative starting point:
 - Significant Program Changes deleted for a clean start
 - Performance Measures

Measure Type	Performance Measure	FY23 Actual	FY24 Budgeted	FY24 Estimate	FY25 Target
Output	# of families served with home visiting		500		
Outcome	% of participating parents who report reading to/with a child at least 3 times/week		95%		



Technical/Questica Updates

- **Performance Measure Types:**

- At least 2 performance measures are still required, but they do not have to be an outcome and output. You can use any type for each performance measure now.

- **Program Offer Types:**

- **Added:**
 - Capital
 - Restoration Request
- **Removed:**
 - Support
 - Program Alternative/Reconstruction
- **Updated:**
 - Existing ➔ Operating



Administration Program Offers

Each **department** should have at least these 5 program offers



Each **major division** should have at least one admin program offer



Department/Division Narratives

- **New:** Mission, Vision, and Values
- **Removed:**
 - Successes & Challenges
 - COVID-19 & American Rescue Plan section
- **Reorganized:** Division narrative grouped with that division's program offers



Internal Service Inflation Factors

- Historically we used a countywide internal service rate (ISR) inflation factor on County General Fund (CGF) allocations
- Method changes for Facilities and IT created budgetary shifts outside of department control
- Composite rates (weighted) based on CGF costs:
 - Department-specific Facilities increase
 - Department-specific IT increase
 - Countywide increase for all other ISR types



Voter Approved Initiatives

- Led by coordinating departments
- Monitored by outside agencies and our community
- Alignment with the overarching program goals
- Strategy discussed with Chair
- Key component of Department Transmittal Letters
- Stand alone program offers without any other funding sources included (except for SHS)

Funding Stream	Program Contact	Budget
Supportive Housing Services (SHS)	Antoinette Payne	All Rev and Exp in JOHS, some FTE in relevant departments
Preschool for All (PFA)	Brooke Chilton-Timmons	Revenue in DCHS; Expenses in relevant department
Library General Obligation Bond	Kate Vance/Katie O'Dell	Revenue in DCA; Expenses in DCA with limited FTE in Library

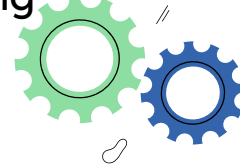


FY 2025 Budget Monitoring & Reporting



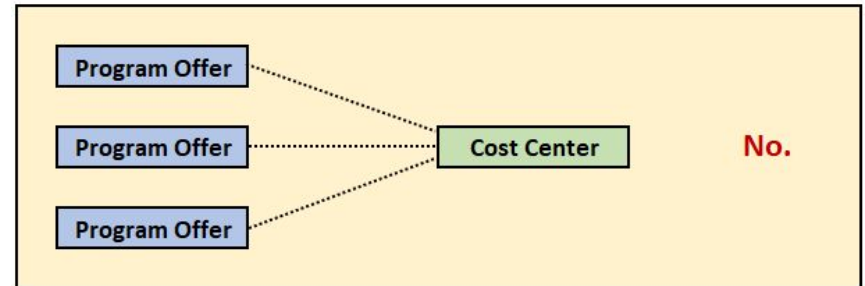
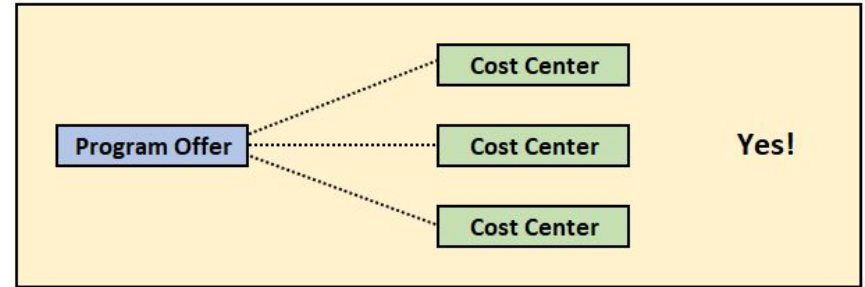
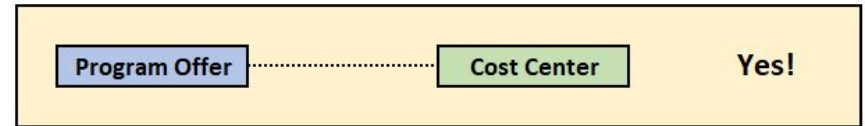
Highlights

- Publicly Available Dashboard
- Compares Actual Spending to Budget
- Informs Future Decision Making



FY 2025 Reporting Relationships

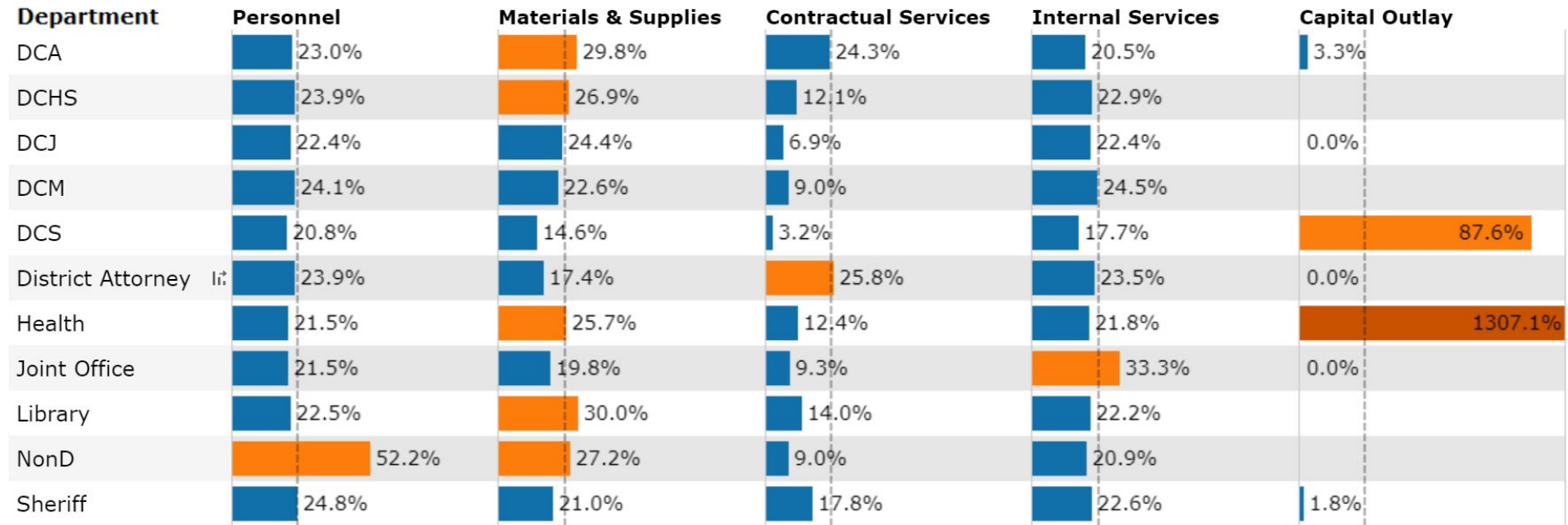
- Each **related cost center** should be associated with only **one parent program offer** in a budget year (with exceptions like capital or OTO funding).
 - Program offers may contain multiple related cost centers
 - Related cost centers may appear in **only one** parent program offer
- Work closely with your Central Budget Analyst
- Resources:
 - [FY 2025 Budget Manual](#)
 - [Core Data Best Practices Guide](#)



FY 2024 Budget Monitoring Dashboard

Ledger Category by Department (% of Budget Expended)

■ Under Budget
 ■ Running Hot
 ■ Over Budget



FY 2024 Budget Monitoring Dashboard

DCM Fund Details

Hover your mouse over the bar chart for 5 Digit Fund details

■ Under Budget

4 Digit Fund	Actual	Revised Budget	% of Budget Expended
1000: General Fund	\$13,884,153	\$65,298,636	21.3%
1504: Recreation Fund	\$95	\$40,000	0.2%
1515: Coronavirus (COVID-19) Response Fund	(\$806)	\$0	
1522: Preschool For All Program Fund	\$451,351	\$6,601,264	6.8%
3500: Risk Management Fund	\$38,800,789	\$172,156,772	22.5%

DCM Ledger Category

Hover your mouse over the bar chart for Ledger Account details

■ Under Budget

Ledger Category	Actual	Revised Budget	% of Budget Expended
Personnel	\$12,724,563	\$52,854,367	24.1%
Contractual Services	\$1,894,001	\$21,006,226	9.0%
Materials & Supplies	\$36,990,945	\$164,014,622	22.6%
Internal Services	\$1,526,072	\$6,221,457	24.5%

DCM Cost Centers *(Hover your mouse over the bar chart for additional details)*

■ Under Budget

■ Running Hot

■ 100% Allocated

Cost Center	Actual	Revised Budget	% of Budget Expended
701000 - DCM Budget Office	\$622,612	\$2,657,617	23.4%
701100 - DCM Evaluation and Research Unit	\$141,377	\$598,079	23.6%
702000 - DCM Labor Relations	\$340,256	\$1,226,436	27.7%
702001 - DCM HR Risk Labor Relations	\$15,650	\$61,399	25.5%



Departments' Responsibility

- **Review current year spending** by program offer as part of **FY 2025 decision making**.
- **Fully implement core data requirements**.
- Adjust internal processes to ensure **program offers reflect operations**.
- **Provide information** to the Central Budget Office to **report annually** to Board on budget to actuals.



Technical Budget Questions?

Please put your questions in the Q&A box. Budget Office staff are monitoring and will provide them to the presenters.



Resources

- [FY 2025 Budget Manual](#)
- [U Learn Questica Site](#)
 - On Demand Training Videos & Quick Reference Guides
- Schedule an Analyst multco.budget.office@multco.us
- Budget Office Website www.multco.us/budget
 - [Current & Historical Budgets](#)
 - [Calendars](#)
 - [Budget Office Contact Information](#)
 - [Economic Forecasts](#) (current & historical)
 - [DCA Cost Allocations](#)
 - [Forms & Templates for Budget Submission](#)
- [Core Data Best Practices Guide](#) (and Request Forms/Checklists)



FY 2025 Department Budget Contacts

Department	Finance/Budget Manager	Central Budget Office Analyst
District Attorney's Office	Michelle Myers	Aaron Kaufman
Dept. County Assets	Lisa Whedon	Leah Isaac
Dept of County Human Services	Robert Stoll	Erin Russell
Dept of Community Justice	Colby Dixon	Aaron Kaufman
Dept of County Management	Debra Anderson	Ching Hay
Dept of Community Services	Britta Schinske	Chris Yager
Health Dept	Trista Zugel	Ashlye Manning
Joint Office of Homeless Services	Antoinette Payne	Chris Yager
Library	Katie Shifley	Jeff Renfro
Sheriff's Office	Scott Schlimpert	Ashlye Manning
Non Departmental	Christian Elkin	Erin Russell

