

Biennial Budgeting for Local Governments: A Review

Multnomah County Central Budget Office

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Introduction

In October 2023, the Multnomah County Budget Process Audit recommended that the County explore the feasibility of transitioning from an annual to a biennial budget cycle. The Auditor's recommendation stems from a desire to increase efficiency, enhance public engagement in the budget process, and improve the budget-to-actuals expenditure reports that inform budget development. In response to that audit, this report discusses the most commonly cited advantages and disadvantages of biennial budgeting based on a review of the literature. The report also includes case studies of five local governments that currently use variations of biennial budgeting.

In weighing the merits of biennial budgeting, there are several key questions to consider:

- Would a biennial budget meaningfully reduce the amount of time that County employees spend on budget development? If so, could that time savings be leveraged to make County operations more efficient?
- Would it improve public engagement with the budget process?
- Would it improve the transparency of spending and policy decisions?
- Would it help Multnomah County align more effectively with state and federal grant funding timelines?

Please note that this report does not attempt to definitively answer these questions; rather, it aims to provide context for further consideration. Additional research is needed to explore how Multnomah County could effectively implement a biennial budget based on the County's unique environment and characteristics. This report is not providing a recommendation for or against biennial budgeting.

Defining Biennial Budgeting

Under Oregon Local Budget Law, local governments can choose to budget using a two-year, or *biennial*, cycle instead of an annual cycle. The State of Oregon itself follows a biennial calendar that begins on July 1 of each odd-numbered year and ends on June 30 of the following odd-numbered year. The practice of budgeting in two-year increments creates an "off-budget year" during which preparatory budget work is reduced significantly. This potential for time savings is one of the most appealing aspects of biennial budgeting.

Note that this report frequently uses the terms "Year 1" and "Year 2" when referring to the first and second fiscal years in a biennium, respectively.

Approaches to Biennial Budgeting

As the case studies in this report illustrate, jurisdictions have taken various approaches to multi-year budgeting. Broadly speaking, there are two styles of biennial budgeting: "true" and "modified" biennial budgeting.

True biennial budgeting, which is less common among local governments, appropriates funds for a twenty-four-month period, or two fiscal years, without making any distinction between these two years. Revenues and expenditures for both years are combined throughout the budget book, and treated as a single budget period.

Modified biennial budgeting, meanwhile, appears more commonly among local jurisdictions, likely because it offers more flexibility. Under a modified biennial budget, appropriations are still made for two years at a time, but revenues and expenditures are often separated by fiscal year throughout the budget book. In some cases, a jurisdiction may choose to *only* adopt the Year 1 budget and defer the adoption of the Year 2 budget until the end of Year 1. While this approach may sound quite similar to an annual budget cycle, appropriations are still planned on a two-year basis.¹ A jurisdiction may also place restrictions, formally or informally, on department-level spending to ensure that departments do not overspend during Year 1.

Additionally, jurisdictions using a modified biennial budget may undertake some form of **mid-biennium review** in order to true-up financial forecasts or respond to unanticipated economic factors prior to the beginning of Year 2. If managed well, the mid-biennium review can streamline the process of updating the budget. However, if mismanaged, it may negate much of the time savings associated with two-year budgeting. It is unclear whether a modified biennial budgeting significantly saves time or effort compared to other approaches.

¹ See the case of Seattle, WA, for an example of a jurisdiction that does not adopt its budget for both years simultaneously, despite operating on a biennial cycle.

Literature Review: The Pros and Cons of Biennial Budgeting

Overview

Biennial budgeting is not a new concept, yet there is little consensus in the literature as to whether it is superior to annual budgeting. For many jurisdictions, multi-year budgeting has given staff the time to focus on strategic planning, program evaluation, and other projects. Other sources caution that the challenges of financial forecasting, long-term decision-making, and the complexities of the mid-cycle review process may outweigh or altogether negate these gains in administrative capacity. The following section examines the most common advantages and disadvantages of biennial budgeting based on a review of the literature.

The most frequently named **advantages** of biennial budgeting include:

- Time savings associated with budget development, which can present opportunities to focus on program evaluation and strategic planning
- Longer planning horizons (both within the budget office and throughout jurisdictional departments and services), which encourages strategic thinking
- Enhanced public transparency in spending decisions and trends over time

The most frequently named **disadvantages** include:

- Diminished accuracy of financial forecasts
- Reduced capacity to respond to unexpected economic downturns
- More effort and complexity surrounding budget development
- Risk of misspending due to reduced departmental oversight

Does the level of government matter?

At the municipal level, many administrators (Bailey, 2003, 2013, 2023; Jackson, 2002; Sessions, 2024) have had great success in switching to biennial budgeting. Compared to counties and states, small and mid-sized cities are less likely to have a dedicated budget office, and even marginal gains in administrative capacity can increase productivity, making the potential to streamline budget development very attractive. Furthermore, many notable risks of biennial budgeting, such as reduced departmental oversight and added forecasting complexity, might be more manageable for smaller jurisdictions.

When considering state and federal governments, the literature is more critical of multi-year budgeting. Snell (2011) observes that states have been trending away from biennial budgeting in the past few decades, as state revenue sources have become less predictable, populations have grown, and biennial legislative sessions have fallen out of style. Despite this trend, nineteen states still operated under a biennium in 2024.² At the federal level, the literature cautions overwhelmingly against biennial budgeting, arguing that it would erode Congressional

² These include Texas, Ohio, and Virginia, the second-, seventh-, and twelfth-most populous states in 2024, respectively. Washington, the thirteenth-most populous state, also uses a biennium, as does Oregon, the twenty-seventh. (*Population size based on 2023 estimates from the U.S. Census Bureau.*)

oversight and increase the need for large supplemental appropriations and ad-hoc adjustments (see Mann, 2000; Kogan, Greenstein, & Horney, 2012; and White, 2018).

Far less consideration has been given to county governments, which fall somewhere between municipalities and states in terms of their revenue stability, population size, and overall growth. For the most part, the literature implies that counties have more in common with cities than with states when it comes to budgeting. This report examines three different counties ranging in size from fewer than 100,000 to over 2 million residents, and notably, all three have successfully adopted many iterations of biennial budgets, suggesting that population size does not necessarily determine whether multi-year budgeting will be successful.

Advantages

Time Savings

The idea that biennial budgeting can reduce the total amount of time spent on budget preparation is arguably its greatest appeal. Multnomah County spends roughly eight months in budget development each fiscal year, with only a relatively short period during which to reflect on the previous budget cycle and work on lower-priority projects before the next cycle begins. The County's Budget Process Audit (McGuirk, 2023) cited the time-intensiveness of preparing program offers and engaging community members as key reasons to explore biennial budgeting. Most sources in the literature count time savings – or at least the *potential* for time savings – as a major advantage of biennial budgeting, if leveraged correctly.

Under a biennial cycle, a jurisdiction has nearly a year during which it is not actively preparing for the next budget cycle. This off-budget year can create opportunities to take on projects that a jurisdiction might not otherwise have time for, such as strategic planning, program evaluation, performance measurement, and more in-depth budget deliberation (see Bailey, 2003; Beier, 1987; MRSC, 2024; Sessions, 2024; Van de Water, 2002). In Benton County, Oregon, biennial budgeting has allowed staff to increase their operational efficiency and streamline service delivery because they are not in a “constant cycle of budget development” (Sessions, 2024). Similarly, the City of Auburn, Alabama found that they drastically increased administrative capacity by switching to a biennial budget (Jackson, 2002). During the off-budget year, City staff “had only to review and revise” budget appropriations for Year 2, rather than preparing an entire budget from scratch.

Long-Term Planning and Strategic Thinking

Budgeting for two fiscal years simultaneously requires that jurisdictions take a longer-term perspective as they plan for upcoming programs and services. Some sources (Bailey, 2023; MRSC, 2024; Sessions, 2024; Van de Water, 2002) believe that this extended planning horizon encourages strategic thinking because it requires that policymakers “anticipate future needs” (Van de Water, 2002) rather than focusing on balancing the budget for a single year. In the City of Auburn, Alabama, staff found that biennial budgeting served as a “more strategic approach to resource allocation” that replaced the “incrementalism” of annual budgeting (Jackson, 2002).

Multi-year budgeting may also create broader alignment across a jurisdiction's Capital Improvement Plan, strategic plan, and other major municipal spending documents (Bailey, 2023; Sessions, 2024; Van de Water, 2002).

Transparency in Spending and Performance

Some sources (Beier, 1987; Van de Water, 2002) argue that multi-year budget cycles can also improve transparency and allow for better cross-year comparisons. Because more time has elapsed between budget development periods, a jurisdiction will have gathered a more robust dataset with which to evaluate trends in spending and performance. This trend analysis can help legislators make informed decisions and may lead to more efficient spending practices. These findings are reflected in the Multnomah County Budget Process Audit (McGuirk, 2023), which posits that a biennial cycle would allow the County to include budget-to-actuals comparisons for an entire fiscal year in their program offers for each upcoming budget cycle. Currently, roughly half of the fiscal year has elapsed when departments begin preparing program offers for the next fiscal year.³ A biennial cycle would allow the County to collect more data on spending and performance and take more time to analyze trends before budget development begins anew. (Such trend analysis would also complement strategic planning efforts, as discussed in the previous section.)

In addition to improving program evaluation, better cross-year comparisons can lend clarity to long-term spending choices. Voters might find it easier to track the County's policies and priorities by seeing these decisions play out over time. Bailey (2013) finds that biennial budgeting can make the costs of newly implemented programs more transparent – especially for programs that incur relatively small costs in their first year but see significant increases in the following years.

Other Advantages

Listed below are additional advantages that appear less frequently in the literature and seem to factor less in a jurisdiction's decision-making, but are still worth noting.

“De-politicizing” the budget: Several sources (Bailey, 2003; MRSC, 2024; Jackson, 2002) argue that biennial budgeting can “de-politicize” the budget development process by separating it from local election cycles. In many jurisdictions, the first year in a biennium always falls on a non-election year, ensuring that the most intensive months of budget deliberation do not coincide with local campaigning. Even in the absence of major political tensions, elections can be time-consuming for policymakers. Leaders in the City of Auburn, Alabama found that separating the budget process from local election cycles allowed legislators more time to devote to the budget itself.

More opportunities for public engagement: The Multnomah County Budget Process Audit (McGuirk, 2023) found that compressed budget development timelines and complex processes

³ See page 11 in the [2023 Multnomah County Budget Process Audit](#).

often limit the extent to which voters can effectively engage with, or influence, budgetary decisions. The audit suggests that a biennial cycle might create more opportunities to educate and involve the public. The literature does not discuss this aspect in biennial budgeting in much detail, focusing instead on the benefits of time savings and strategic planning.

Alignment with the State's budget calendar: Both Benton County (Sessions, 2024) and the City of West Linn (2009) have found it advantageous to align their budget cycle with the State's by switching to a biennial budget.⁴ The State releases a variety of grant funding sources, as well as rate changes to the Public Employee Retirement System (PERS), in two-year increments.

Smoothing out budget reductions: Beier (1987) suggests that a two-year budget cycle can reduce the severity of budget constraints by spreading those reductions across two years. However, Bailey (2013) points out that deficits will also appear larger when looking at a two-year period.

Flexibility in outsourcing: Van de Water (2002) argues that a two-year window gives departments more flexibility to adjust their spending when outsourcing their services to independent contractors.

Disadvantages

Unreliable Economic Forecasts

Making economic predictions is an essential, complex aspect of public budgeting. Virtually every piece of literature on biennial budgeting (Bailey, 2003; Beier, 1987; MRSC, 2024; Snell, 2011; White, 2018) acknowledges that two-year financial forecasts are bound to be less accurate than one-year forecasts. Inaccurate forecasts may drive governments to over- or underspend, prompting significant budget revisions in the second year and potentially reducing the efficacy of programs and services. The effort required to prepare multi-year forecasts, coupled with this increased uncertainty, may be enough to turn jurisdictions away from biennial budgeting altogether. Even Bailey (2013), an enthusiastic advocate for multi-year budgeting, describes biennial forecasting as “more than twice as tricky” (37) as annual forecasting.

Jurisdictions can mitigate accuracy issues somewhat by releasing updated forecasts towards the end of Year 1 and using these projections to revise the Year 2 budget, if necessary. Having a formal mid-biennium review process can help jurisdictions make methodical budget adjustments based on changing forecasts. Still, biennial budgeting will almost certainly make financial forecasting more challenging and less reliable for policymakers.

The literature appears divided on whether the benefits of biennial budgeting outweigh these forecasting challenges. White (2018) argues that the risks associated with unreliable forecasts can undermine the benefits of longer planning horizons and more transparent spending

⁴ The State of Oregon's fiscal cycle begins on July 1st of each odd-numbered year and ends on June 30th of the following odd-numbered year. Multnomah County's fiscal year also begins on July 1st.

decisions, writing that “information can only improve transparency...if it is true” (137).⁵ At the local level, however, these concerns may be less warranted. Bailey (2023), who has served as Finance Director for two Washington cities, does not see twenty-four-month forecasting horizons as being significantly less reliable than twelve-month horizons.

Difficulty Responding to Unexpected Downturns

Jurisdictions may worry that a two-year budget will make them less nimble in the face of sudden economic downturns or other major shocks (Van de Water, 2002). This issue is related to, but distinct from, the issue of forecasting uncertainty. Just as a jurisdiction may struggle to make budget decisions based on unreliable forecasts, it may also be reluctant to make long-term policy choices in ever-evolving economic and political climates. A jurisdiction experiencing rapid growth in its tax base may find multi-year budgeting just as challenging as one experiencing significant population decline or revenue loss.

According to Van de Water (2002), many jurisdictions opt for a “modified” form of biennial budgeting precisely because of these concerns. Unlike true biennial budgeting, a modified model allows a jurisdiction to plan for two-year periods while still appropriating funds annually. However, it is not clear from the literature whether biennial budgeting actually makes a jurisdiction less responsive to change or merely creates the impression of inflexibility. Snell (2011) argues that the length of the budget cycle, whether annual or biennial, “cannot insulate” governments from economic downturns or other conditions outside of their control; these factors will always pose a threat, regardless of the budgeting model used.

Added Complexity in Budget Development

While biennial budgeting may reduce the *overall* time spent on budget preparation, it can also add complexities to the process. Even advocates of biennial budgeting (Bailey, 2023; MRSC, 2024; Sessions, 2024) acknowledge that many issues found in annual budgeting are worsened under a biennium. This report frames long-term planning as an advantage of biennial budgeting, but leaders in some jurisdictions (Bailey, 2013; Sessions, 2024) have found that longer timelines often complicate decision-making. Financial forecasting becomes more arduous; cost-of-living (COLA) adjustments and other cost increases are compounded⁶ (Bailey, 2023); and budget decisions are likely to last longer and therefore feel weightier. Whether these efforts are worthwhile – whether the gains from time savings, strategic thinking, and program evaluation outweigh these added complexities – depends on how effectively a jurisdiction manages its off-budget year.

Risk of Departmental Overspending

Budget staff and legislators may worry that, with more time between budget development periods, departmental supervision will decline. Without proper management, departments may overspend during Year 1, using funds that should have been set aside for Year 2. Smaller

⁵ It should be noted that White’s essay focuses primarily on Congressional budgeting, which varies considerably from local government budgeting in terms of scope, scale, and process.

⁶ COLA adjustments must be made for both budget years, rather than on an annual basis.

jurisdictions may trust that their departments will manage spending with minimal oversight in the off-budget year. For instance, in Benton County, Oregon, departments can spend their appropriations as they see fit over a two-year period.⁷ However, larger jurisdictions may wish to regulate department spending more closely by limiting the share of total biennial appropriations that a department can spend in a single year.

Jurisdictions can build guardrails into the budget process that formally or informally restrict access to Year 2 spending during Year 1. For instance, jurisdictions that use modified biennial budgets report revenues and expenditures on an annual basis in their budget documents, even if they prepare the budget on a biennial basis. This practice allows them to communicate upper limits on departmental spending in Year 1. Other jurisdictions, such as the City of Seattle, impose formal limits on annual spending by waiting to adopt the Year 2 budget until the end of Year 1, which entirely restricts access to Year 2 appropriations until they are adopted.

Beier (1987) recommends that jurisdictions adopt a modified biennial budget rather than a true biennial budget to mitigate the risk of overspending while still maximizing productivity. As Beier points out, spending errors or poor decisions could “go unnoticed for a longer period” in a biennium, which ultimately makes it more difficult to course-correct. A jurisdiction's budget office should always strive to issue spending guidance to its departments and should work with departments to correct overspending as soon as it occurs.

Other Disadvantages

Listed below are other aspects of biennial budgeting that, while cited less frequently in the literature, still pose risks, especially for jurisdictions that are new to multi-year budgeting.

Failure to maximize time savings: The literature (in particular, Bailey, 2023 and Van de Water, 2002) emphasizes the importance of time management in a biennium. Mid-cycle budget adjustments can quickly become time-consuming, whether they take the form of a structured mid-biennium review process or a series of ad-hoc supplemental budget measures. Even in an off-budget year, departments must continue to update expenditure and revenue forecasts, manage spending and cash-flow, review performance, and perform other necessary actions that, if not managed well, could quickly negate any time savings gained by biennial budgeting. (See Snell's (2011) research on the State of Connecticut, which illustrates this point.)

Perceived loss of legislative control: The City of West Linn (2009), which uses biennial budgeting, argues that it may create the perception – real or imagined – that there will be fewer opportunities for either legislators or the public to influence budget decisions. Snell (2011) also notes that term-limited legislators may have fewer chances to familiarize themselves with the budget process if it occurs less frequently. Holding annual public hearings (for instance, during the mid-biennium review process) and publishing mid-cycle financial reports can help improve public transparency, but may do less to acquaint legislators with the budget process.

⁷ Benton County analysts do monitor department-level spending throughout the fiscal calendar, but all appropriations are made in two-year increments, with no formal distinction between Years 1 and 2.

Higher stakes: Some sources (Snell, 2011; Van de Water, 2002) have expressed concern that a biennial timeline may place additional pressure on department analysts and legislators to adequately prepare the budget. Legislators may find decision-making more stressful when considering multi-year timelines, where decisions can have long-term impacts on programs and where forecasts are less certain.

Software limitations: Biennial budgeting software exists, but further research is needed to determine whether Multnomah County's current software programs, Questica and Workday, are compatible with biennial budgeting. The County would likely find it burdensome and costly in the short term to move to a new platform.

Budgeting in a deficit: Budget deficits will appear larger when looking at a two-year, rather than a one-year, period (Bailey, 2013). In the event of a serious economic recession, biennial budgeting will likely require more frequent mid-cycle revisions, as well as closer monitoring of department spending. (See also "Difficulty Responding to Unexpected Downturns" above.)

Additional Considerations

In addition to the advantages and disadvantages described above, this report presents several neutral findings and lingering questions below.

The Mid-Biennium Review Process

Any jurisdiction considering a switch to biennial budgeting will need to consider how to approach mid-cycle budget revisions. Forecasting uncertainties, unexpected changes in economic conditions, and routine adjustments within departments all make it necessary to modify the budget during the "off-budget" period. Having a clear plan and process for addressing these changes can ensure that decision-makers and departments implement these revisions as efficiently as possible. In the absence of a formal review process, a jurisdiction will likely see a large increase in supplemental budget measures that must be addressed on an ad-hoc basis.⁸

Depending on the model of biennial budgeting,⁹ a mid-biennium review can consist of relatively minor adjustments based on updated forecasts (see Cuyahoga County), or it may include the formal adoption of the entire Year 2 budget (see the City of Seattle). The State of Washington requires that all jurisdictions conduct a formal mid-biennium review sometime between the ninth and twelfth month of Year 1, including public hearings and, in most cases, a published report that reflects the updated budget. Bailey (2023), who has managed local budgets in Washington jurisdictions, strongly recommends implementing a formal mid-biennium review process even if it is not legally required. However, he also cautions against "reopening" the budget process

⁸ Note that passing supplemental measures on an ad-hoc basis is not inherently bad, as evidenced by Benton County (Sessions, 2024). For larger counties, however, the process might easily become unwieldy.

⁹ A "true" biennial budget is more likely to have a limited mid-cycle review period, while a "modified" biennial budget might update its entire budget book going into Year 2.

entirely, which can quickly erode any of the time savings gained in the off-budget year. Instead, Bailey advises that a jurisdiction focus on truing up estimates and making small adjustments.

The Rolling Biennial Budget Model

In some instances, jurisdictions may take on a highly modified form of biennial budgeting that is sometimes referred to as a “rolling” biennial budget. Under this model, a jurisdiction plans appropriations for two years at a time, but still releases their budget on an annual basis. Each year, the jurisdiction must update and adjust the planned appropriations that were made during the previous year before they adopt the budget. This practice allows a jurisdiction to increase its planning horizon without committing to a two-year budget cycle – they still prepare and release the budget each year. Notably, however, a rolling cycle does not allow for an “off-budget year,” one of the main advantages of biennial budgeting. Because a rolling biennial budget is functionally quite different from other forms of multi-year budgeting, this report does not explore this model further. For examples of jurisdictions that use a rolling biennial budget, see the City of Dallas, Texas or San Diego County, California.

Unanswered Questions

Does biennial budgeting improve public engagement?

The Multnomah County Budget Process Audit (McGuirk, 2023) suggests that adding time between budget development cycles could improve public engagement by creating more opportunities for community input. This report finds very little evidence in the literature to either support or refute this idea. Most of what has been written about local-level biennial budgeting focuses on its potential to make budgeting more efficient, transparent, and strategic. If a jurisdiction can successfully leverage the time saved during the off-budget year, it seems reasonable that it could devote more resources to improving civic engagement. At the same time, extending the time between budget preparation cycles could also reduce interest and engagement in the process, if not handled correctly. Ultimately, the County would need to conduct more research on this front.

Would a biennial budget have any impact on Multnomah County’s alignment with the State’s grant funding timelines, Public Employee Retirement System (PERS) rate setting, and other important state or federal funding milestones?

Two jurisdictions in Oregon – Benton County and the City of West Linn – have said that biennial budgeting keeps them aligned with State funding timelines.

How would Multnomah County implement a biennial budget?

Considerable research would be needed to investigate the potential impacts of a two-year budget on County departments and legislators, as well as how to modify the current budget process to accommodate this change.

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Case Studies of Comparable Jurisdictions

Overview

This report examines five local governments in the United States that currently practice biennial budgeting. Four are located in the Pacific Northwest, two in Oregon. Most of these jurisdictions have been practicing biennial budgeting for at least a decade, with the exception of the City of Hillsboro, which adopted its first biennial budget in 2023. Of these five jurisdictions, only two have “true” biennial budgets; the others have taken “modified” approaches that allow them to separate appropriations by fiscal year while still budgeting for both years simultaneously. These jurisdictions range from mid-sized municipalities to major population centers.

A key consideration when comparing these case studies is the **scope of the mid-biennium review process**. Benton County, for instance, does not appear to conduct any formal mid-biennium review, and frequently passes supplemental budget measures throughout the budget cycle. Cuyahoga County implements its mid-biennium review in the fourth quarter of Year 1, close to the adoption of the Year 2 budget. At the far end of the spectrum, the City of Seattle undertakes a more extensive mid-biennium review that begins early in Year 1 and lasts roughly ten months. Lengthier mid-biennium review periods may allow legislators and budget staff more time to true-up estimates and adjust spending, but it also risks undermining the time savings that makes biennial budgeting so appealing.

Opportunities for **public engagement** also vary by jurisdiction. Three jurisdictions do not appear to have any public budget committees, while Benton County and the City of Hillsboro both appoint local residents to their budget committees, in accordance with Local Budget Law ([ORS 294.414](#)). The quality of public engagement – and whether multi-year budgeting enhances or diminishes it – should be an important factor for any jurisdiction considering biennial budgeting. The 2023 Multnomah County Budget Process Audit suggested that a two-year budget may allow Community Budget Advisory Committees (CBACs) more time to participate in budget deliberations, but based on the findings from these case studies, public budget committees do not appear to engage with biennial budgets any differently than they would with an annual budget.

Please note that the information in these case studies has been taken from publicly available sources – primarily the jurisdictions’ budget books and website materials. As such, the level of detail varies by jurisdiction. Each case study includes a snapshot from the jurisdiction’s budget book to illustrate whether the jurisdiction separates appropriations by fiscal year or combines them into a single twenty-four-month period.

Comparison of Case Study Jurisdictions

The table below summarizes the variations in budgeting style by jurisdiction.

Jurisdiction	Budget Style	Appropriations	Notes	Duration of Budget Process
City of Seattle, WA	Modified biennial budget	Two one-year budgets	Year 2 budget is “endorsed” but not adopted until the end of Year 1; appropriations for each year are separated in the budget book	~11 months
Cuyahoga County, OH	Modified biennial budget	Appropriations for two years	Both years adopted simultaneously, but appropriations for each year are separated in the budget book	~9 months
Benton County, OR	True biennial budget	Appropriations for two years	Appropriations for both years are combined in the budget book; budget actuals for both years are also combined in the ACFR and audit	Unclear
King County, WA	True biennial budget	Appropriations for two years	Appropriations for both years are combined in the budget book	Unclear
City of Hillsboro, OR	Modified biennial budget	Appropriations for two years	Both years adopted simultaneously, but appropriations for each year are separated in the budget book	~8 months

City of Seattle, Washington

Population: 737,015

FY 2023-24 Budget: \$12.03 billion

Budget Summary

The City of Seattle operates using a **modified** biennial budget, meaning that City Council approves funding for Year 1 while simultaneously endorsing proposed amounts for Year 2. A budget book containing both the Year 1 Adopted and Year 2 Endorsed¹⁰ budgets is released at the start of the biennium. However, revenues and expenditures are balanced separately for each year. Halfway through the biennium, City Council must again move to adopt the Year 2 budget, with the opportunity to make mid-cycle adjustments.

It is unclear whether this approach reduces or increases administrative burden compared to an annual budget process. On the one hand, preparing the Year 2 Endorsed Budget jointly with the Year 1 Adopted Budget may create opportunities for longer-term strategic planning. Furthermore, because the Mid-Biennium Adopted Budget Book is not intended to deviate substantially from the Year 2 Endorsed Budget, this may greatly streamline the process of creating the Year 2 Adopted Budget. On the other hand, the timeline of the mid-biennium review process (see *Figure 2*) superficially resembles an annual budget process, raising questions regarding whether the City actually saves time during the off-budget year.

Budget Timeline & Process

Seattle's biennium begins on January 1st of odd-numbered years and ends on December 31st of the following year. The City's budget process lasts nearly eleven months from start to finish. Their budget calendar aligns with King County's budget process. However, while the State of Washington also begins its biennium on odd-numbered years, the State's fiscal calendar runs from July 1 to June 30.

Milestones

- Departments submit their requested budgets in **June**.
- The Mayor, with support from the City Budget Office, submits the Proposed Budget and 6-year Capital Improvement Plan (CIP) no later than **October** 3rd of the year prior.
- The Proposed Budget and CIP are adopted by City Council no later than **December** 2nd of the year prior. The budget book includes both the Year 1 Adopted and Year 2 Endorsed Budgets. It goes into effect on January 1st.

Mid-Biennium Review Process

¹⁰ When the Seattle City Council adopts the Year 1 Budget, they also “endorse” the Year 2 Budget, meaning that they approve all Year 2 appropriations but do not formally adopt them. This requires that the City balance revenues and expenditures for Year 1 and Year 2 simultaneously, but also that they revisit the Year 2 Endorsed Budget during the mid-biennium review period, prior to its formal adoption.

The State of Washington requires that local governments using biennial budget cycles implement a “mid-biennium review and modification,” as specified in [RCW 35A.34.130](#). For Seattle, this process closely resembles the initial budget preparation process (see *Figure 2*). While state law dictates that this review occur *no sooner than* eight months after the start of the biennium, Seattle’s review process technically begins in February of Year 1, less than two months after the start of the biennium, and extends through the end of the year.

Mid-Cycle Budget Modifications

Once the budget has been adopted, the City may use supplemental budget appropriation ordinances to make mid-year adjustments. City Council may eliminate, decrease, or re-appropriate any unspent appropriations by majority vote. The Budget Office may approve, without ordinance, any intradepartmental appropriation transfers, provided that they do not exceed 10%.

The process of creating the Mid-Biennium Adopted Book, which is prepared over the course of Year 1 and released at the start of Year 2, also ostensibly allows for mid-cycle modifications and adjustments to the budget. For instance, the 2024 (Year 2) Adopted Budget saw an increase in General Fund resources by [\\$9 million](#) and Payroll Expense Tax Fund resources by \$20 million based on the financial forecast from October of the previous year. The budget book emphasizes that modifications made to the Year 2 Endorsed Budget prior to its adoption are intended to be relatively limited in scale and scope.

Monitoring Process

City departments are legally required to spend within their annual appropriations. The Budget Office is responsible for monitoring citywide and department-level spending throughout the fiscal year. Delaying the adoption of the Year 2 budget until the end of Year 1 ensures that departments cannot exceed their Year 1 appropriations. The City does not appear to have a public-facing budget monitoring dashboard to track spending by department, fund, or category.

Public Engagement

The public can participate in the budget process in several ways:

1. The public can attend budget committee meetings.
 - a. The Select Budget Committee, which is made up of City Council Members, meets on three occasions between September and October to discuss the budget for the upcoming fiscal year. All sessions are open to the public and encourage public comment. However, the City does not appear to use community advisory committees as a public engagement tool.
2. The public can attend either or both of the two public budget hearings held in October and November, respectively.
3. The public can submit written comments to the City Council at any time.

The City also has a publicly available interactive [dashboard](#) that displays the operating budget through various charts and figures.

Other Findings

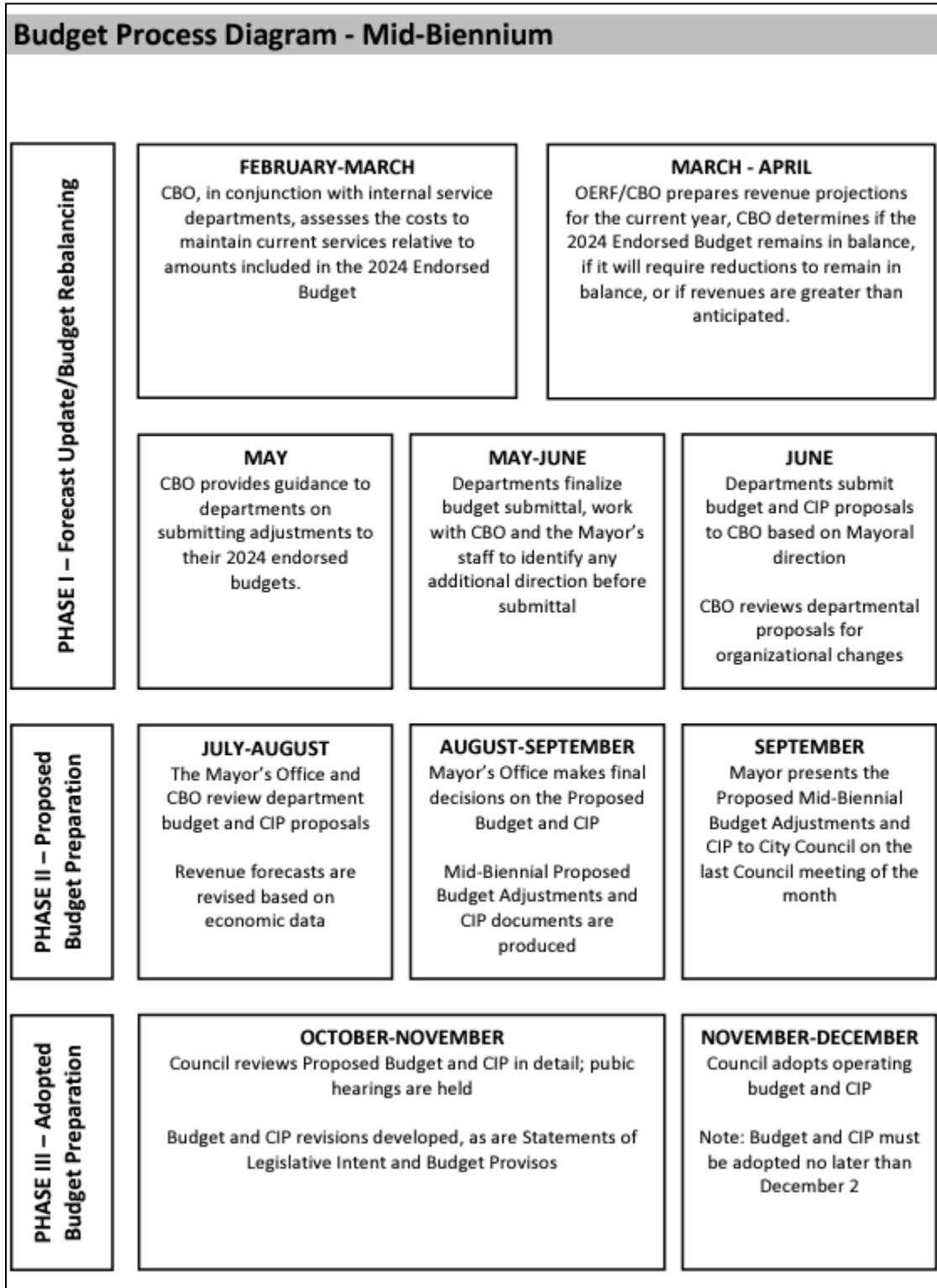
- *What does their forecasting process look like?*
 - The City’s Office of Economic and Revenue Forecasts releases forecasts in April, August, and October of each year. The City Budget Office relies on these forecasts to make adjustments to the Year 2 Endorsed budget. Their budget book does not include forecasted amounts for future biennia.
- *What is their credit rating?*
 - In 2024, the City received a score of Aaa from Moody’s Ratings.
- *How long has the City operated under a biennial budget?*
 - Seattle has used a biennial budget cycle since at least 2001. They briefly operated on an annual cycle for FY 2021 and FY 2022, likely due to uncertainties associated with the COVID-19 pandemic, but resumed their biennial cycle in FY 2023.

Figure 1. Snapshot of Expenditures from Seattle’s FY 2023-24 Budgets

	2021 Actuals		2022 Adopted Budget		2023 Proposed Budget		2024 Endorsed Budget	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Administration								
Office of the City Auditor	2,627	2,827	2,142	2,142	2,276	2,276	2,305	2,305
City Budget Office	7,303	7,427	7,613	11,436	8,216	8,216	8,712	8,887
Civil Service Commissions	551	551	602	602	895	895	919	919
Ethics and Elections Commission	1,092	5,820	1,298	2,166	1,276	8,011	1,299	2,181
Office of Economic and Revenue Forecasts	0	0	635	635	702	702	706	706
Finance and Administrative Services*	59,558	331,437	65,006	379,330	55,512	417,287	57,234	428,500
Finance General**	86,237	303,609	97,175	423,501	199,964	339,047	215,343	343,259
Seattle Information Technology Department	0	247,557	2,337	283,661	225	312,775	225	293,133
Legislative Department	20,393	20,393	19,910	19,910	20,817	20,817	21,135	21,135
Office of the Mayor	7,514	7,514	7,638	7,638	10,406	10,406	9,920	9,920
Office of the Employee Ombud	737	737	1,092	1,092	1,152	1,152	1,160	1,160
Office of Intergovernmental Relations	2,545	2,545	3,059	3,059	3,106	3,106	3,141	3,141
Employees’ Retirement System	0	264,859	0	8,685	0	10,474	0	10,526
Seattle Department of Human Resources	22,299	330,723	23,434	370,809	24,861	399,898	25,046	426,280
<i>Subtotal</i>	<i>210,855</i>	<i>1,525,998</i>	<i>231,941</i>	<i>1,514,666</i>	<i>329,409</i>	<i>1,535,063</i>	<i>347,144</i>	<i>1,552,052</i>
Total	1,530,024	6,594,217	1,585,297	7,143,467	1,606,167	7,433,683	1,651,357	7,386,654

Source: City of Seattle 2023 Adopted and 2024 Endorsed Budgets, page 44

Figure 2. Seattle’s Mid-Biennium Budget Process



Source: City of Seattle 2023-2024 Adopted Mid-Biennium Budget Adjustments, page 12

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Cuyahoga County, Ohio

Population: 1,233,088

Largest Population Center: City of Cleveland

FY 2024-25 Budget: \$1.6 billion

Budget Summary

One of the largest counties in Ohio, Cuyahoga County operates using a **modified** biennial budget: while it makes appropriations on a two-year basis, the budget document lists appropriations for each year separately. While the County's Office of Budget Management releases the biennial budget in full at the start of the biennium, funds are balanced separately for each fiscal year. A mid-biennium review process occurs in October of Year 1 (roughly ten months into the fiscal year) in order to revise the Year 2 budget.

Budget Timeline & Process

The County's biennium begins on January 1st of each even-numbered year and ends on December 31st of the following odd-numbered year. The budget process lasts roughly nine months. Notably, while the State of Ohio also budgets on a biennial basis, starting on each even-numbered year, their fiscal calendar runs from July 1 to June 30.

Milestones

- Budget preparation begins in **April** and **June**, when the Office of Budget Management develops and releases a "base budget."
- Between **June** and **August**, County departments review the base budget.
- In **August** and **September**, a budget panel made up of County officials discusses the base budget. These discussions are open to the public. The Office of Budget Management prepares the County Executive's recommended budget.
- The County Executive submits their recommended budget in early **October**. Between October and December, the recommended budget is presented to the County Council, which holds public hearings and makes any necessary amendments.
- The County Council adopts the budget in early **December**. It goes into effect on January 1st.

See *Figure 4* for a visual depiction of the budget process.

Mid-Cycle Budget Modifications

The County amends the budget throughout the biennium on an ad-hoc basis. County legislators must also review a "fiscal agenda" that is prepared by the Office of Budget Management, usually on a monthly basis. The mid-biennium review, which takes place in the fourth quarter of Year 1, also provides opportunities to true-up financial forecasts for Year 2.

Monitoring Process

Every March (three months into the fiscal year), the Office of Budget Management must deliver a public presentation of the budget that includes an overview of program budgets, County operations, and updated financial projections. This presentation can be condensed during the second year of the biennium to focus on any relevant changes that were made since the initial budget adoption period.

The Office of Budget Management releases quarterly financial reports that assess whether current operations remain aligned with the adopted budget. They also prepare monthly financial reports that outline any significant budgetary changes. These reports are delivered to the County Council and published on their website.

Public Engagement

All budget panel discussions appear to be open to the public and to invite public testimony. However, the County does not appear to have a community budget committee, community advisory panel, or other constituent-based groups that formally participate in the budget process. The County does not appear to use a publicly available dashboard to depict the operating budget or track spending throughout the biennium.

Other Findings

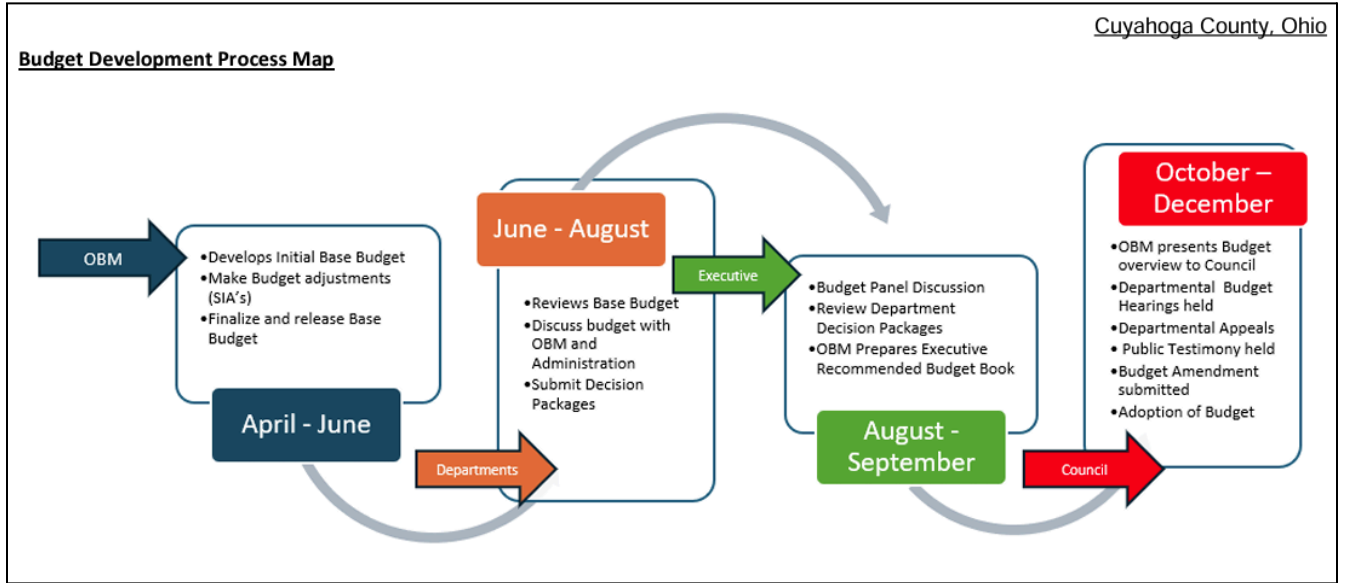
- *What does their forecasting process look like?*
 - The budget book provides fund projections for two biennia (roughly five years) past the current budget cycle, as required by the County’s financial policies.
- *What is their credit rating?*
 - In 2022, the County received a score of Aa2 from Moody’s and a score of AA from Standard and Poor’s.
- *How long has Cuyahoga County operated under a biennial budget?*
 - Public records indicate that the County has used biennial budgeting since at least 2014.

Figure 3. Revenue Sources for all Funds, Cuyahoga County FY 2024-25 Adopted Budget

All Funds	2023 Actual	2024 Recommended Budget	2024 Adopted Budget	2025 Recommended Budget	2025 Adopted Budget	2026 Projection	2027 Projection	2028 Projection
Beginning Balance	1,151,262,002	1,067,977,156	1,067,977,156	1,127,773,264	1,025,195,649	983,615,807	986,375,196	1,011,174,467
Operating Revenue								
Charges for Services	357,050,045	389,420,839	388,772,772	405,812,081	412,763,921	423,083,019	433,660,095	444,501,597
Fines & Forfeitures	11,781,062	13,049,712	13,049,712	13,117,568	13,117,568	13,445,507	13,781,645	14,126,186
Interest Earnings	41,238,692	17,145,140	17,145,140	17,617,377	17,617,377	18,498,246	19,423,158	20,394,316
Intergovernmental	512,349,358	388,477,039	400,915,485	388,007,304	400,450,516	400,450,516	400,450,516	400,450,516
Licenses & Permits	2,764,170	1,466,611	1,466,611	1,479,382	1,479,382	1,516,367	1,554,276	1,593,133
Other Revenue	38,738,654	20,185,277	20,089,029	10,433,082	10,359,678	10,618,670	10,884,137	11,156,240
Other Taxes	87,634,392	102,485,480	128,676,658	103,284,418	128,590,722	131,805,490	135,100,627	138,478,143
Property Tax	414,521,229	411,789,166	400,849,091	414,765,941	403,825,866	413,921,513	424,269,550	434,876,289
Sales Tax	331,589,769	348,169,074	348,169,074	361,266,118	361,266,118	370,297,771	379,555,215	389,044,096
Total Operating Revenue	1,797,667,371	1,692,188,338	1,719,133,572	1,715,783,271	1,749,471,148	1,783,637,098	1,818,679,219	1,854,620,515

Source: Cuyahoga County 2024-2025 Biennial Budget, page 80

Figure 4. Cuyahoga County Biennial Budget Process



Source: Cuyahoga County 2024-2025 Biennial Budget, page 32

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Benton County, Oregon

Population: 97,713

Largest Population Center: City of Corvallis

FY 2024-25 Budget: \$485.9 million

Budget Summary

Benton County, currently the only county in Oregon to use a biennium, practices **true** biennial budgeting, meaning that appropriations for both fiscal years are adopted simultaneously and combined throughout the budget book. In a 2024 webinar hosted by the Oregon Association of County Treasurers and Finance Officers, a representative from the County's Financial Services Department spoke positively about the transition to a biennial budget, citing time savings and enhanced strategic planning as major advantages. Software limitations have proven the greatest drawback for the County, which has yet to find a software system that truly accommodates biennial budgeting. Instead, the Financial Services Department balances budget amounts separately for each year in their software platform, Munis, and then combines figures for both years to create the budget book.¹¹

Budget Timeline & Process

The County's biennium begins on July 1st of each odd-numbered year and runs through June 30th of the following odd-numbered year, which mirrors the State of Oregon's fiscal calendar. The Benton County Budget Book and website materials do not describe budget preparation in great detail, making it difficult to determine the total length of the process.

Milestones

- The Financial Services Department works with department directors to create the Proposed Budget, taking into account both current service levels and financial forecasts.
- The Chief Financial Officer and Senior Budget Strategist approve department budget requests and generally complete the proposed budget by **March**.
- In the spring, the proposed budget is presented to the Budget Committee, which consists of three elected Commissioners and three appointed County residents. Public budget hearings typically take place between **April** and **May**.
- After voting on any necessary amendments, the Board of County Commissioners adopts the budget in **June**. The adopted budget takes effect on July 1st.

While not a stated goal of the County's, beginning the biennium in July of odd-numbered years means that the most intensive budget preparation work does not coincide with local election cycles. Because their fiscal calendar aligns with the State's, Benton County can more easily make budgetary adjustments based on the State's PERS rate changes, which County staff have described as a major advantage. However, some sources of State grant funding, such as the

¹¹ Findings from the literature review (see *previous section of report*) suggest that budget management software compatible with biennial budgeting does exist, though further research is needed.

Oregon Health Authority, do not align with the County’s budget timeline, which can create challenges (Sessions, 2024).

Once the budget development process begins, the Financial Services Department asks other County departments to put any permanent FTE changes on “hold” so that budget estimates do not continue to fluctuate, as this would make budget development more challenging (Sessions, 2024). Departments are still permitted to hire limited-duration positions – if, for instance, they receive a new grant during the budget process.

Mid-Cycle Budget Modifications

The Board of County Commissioners can modify the current budget at any time, so long as any major changes are accompanied by a public hearing. According to the County’s Financial Services Department, supplemental budget measures occur frequently during the biennium – perhaps more frequently than they would under an annual budget cycle. While these measures may sometimes be “bundled” together for efficiency, they are usually passed on an ad-hoc basis throughout the biennium. The Financial Services Department sees the frequency of supplemental budget measures as a neutral feature of biennial budgeting, rather than a drawback.

Monitoring Process

The County’s financial analysts monitor department spending throughout the biennium and work with individual departments to correct any overspending as it occurs. Note, however, that County departments are not formally required to limit their Year 1 spending, so long as they do not exceed total appropriations for the biennium as a whole. The County does not appear to publish any public-facing dashboards or quarterly revenue reports.

Public Engagement

The Budget Committee includes three appointed County residents, who participate in budget hearings and deliberate on the proposed budget. All budget hearings are open to the public. Any major budget amendment also requires a public hearing, in accordance with Oregon Local Budget Law.

Other Findings

- *What does their forecasting process look like?*
 - The budget book includes revenue and expenditure projections for two biennia (roughly five years) past the current budget cycle. The County does not appear to release mid-year revenues forecasts.
- *What is their credit rating?*
 - In 2023, Benton County received a rating of Aa1 from Moody’s Investors Service.
- *How long has Benton County operated under a biennial budget?*
 - Benton County began biennial budgeting in 2005.

Figure 5. Total Resources for Benton County's FY 2023-25 Adopted Budget

All Funds							
Category Title	2017-19 Biennium Actual	2019-21 Biennium Actual	2021-23 Biennium Adopted	2023-25 Biennium Proposed	2023-25 Biennium Approved	2023-25 Biennium Adopted	% Change Over Adopted
General Revenues	68,524,365	72,228,348	74,423,598	91,174,091	91,174,091	83,451,003	9.3%
Charges for Service	89,022,436	98,002,193	121,032,128	134,738,521	134,738,521	134,738,521	0.0%
Operating Grants/Contribution	52,138,020	78,010,803	98,873,806	79,663,928	80,118,900	80,118,900	-0.6%
Capital Grants/Contributions	1,992,213	1,242,539	24,811,633	42,871,852	42,871,852	44,884,740	-4.5%
Fund Transfers In	11,000,645	17,472,416	23,713,985	32,767,550	27,665,885	27,665,885	18.4%
Loans	7,087,852	11,187,068	1,300,000	110,000,000	110,000,000	-	0.0%
Current Program Income	229,765,531	278,143,367	344,155,150	491,215,942	486,569,249	370,859,049	32.5%
Unrestricted Beginning Balance	14,647,878	22,867,347	20,700,000	29,654,900	29,654,900	29,654,900	43.3%
Dedicated Beginning Balance	22,051,042	27,761,829	47,191,615	83,349,523	83,349,523	85,362,411	80.9%
Beginning Balances	36,698,920	50,629,176	67,891,615	113,004,423	113,004,423	115,017,311	69.4%
Total Resources	266,464,451	328,772,543	412,046,765	604,220,365	599,573,672	485,876,360	18%

Source: Benton County 2023-25 Adopted Budget Book, page 22

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King County, Washington

Population: 2.27 million

Largest Population Center: City of Seattle

FY 2023-24 Budget: \$15.8 Billion

Budget Summary

King County uses a **true** biennial budget, meaning that the County Council adopts the Year 1 and Year 2 budgets simultaneously and combines appropriations for both years in their budget book. Unlike Seattle, King County does not release an updated budget book for Year 2, which suggests that any mid-biennium revisions are relatively minor in scale and scope. The budget book is prepared by the Office of Performance, Strategy, and Budget, which also conducts performance assessments and comprehensive planning for the County.

Budget Timeline & Process

King County's fiscal calendar begins on January 1st and ends on December 31st. The County recently passed a voter-approved amendment to shift their budget timeline so that it begins on odd-numbered years, ensuring that the majority of budget preparation work does not overlap with County elections, which fall on even-numbered years. This change also ensures that the County's budget cycle more closely aligns with the State of Washington's biennium, which begins on July 1 of each odd-numbered year. The budget book does not specify the total length of the preparation process.

Milestones

- Departments submit their proposed budgets to the County Executive (whose role resembles that of Multnomah County's Chair) by the **beginning of July** in the year prior.
- Based on department proposals, the County Executive delivers the Executive Proposed budget to County Council in late **September**.
- In **October**, County Council holds a series of public meetings to invite community input
- The Council adopts the budget in **November**. The budget must be adopted at least 30 days prior to the start of the new fiscal year.
- The budget goes into effect on **January 1st**.

Mid-Cycle Budget Modifications

Under [RCW 36.40.250](#), the State of Washington requires all counties with biennial budgets to implement a mid-biennium review process, which allows the county to adjust its Year 2 budget appropriations before the end of Year 1. Any significant changes require a public hearing. However, King County's budget book does not include details about this process. Their financial management policies state that "changes to the adopted budget should be minimized" (2022, 10).

Monitoring Process

The County publishes quarterly reports that compare budget-to-actuals for major funds, as well as any updates on major capital projects. It is unclear how much formal guidance the Office of Performance, Strategy, and Budget issues to departments to ensure that they do not exceed their Year 1 budget appropriations. The County does not appear to have a public-facing budget monitoring dashboard that tracks spending throughout a fiscal year.

Public Engagement

The County holds several public hearings to discuss amendments to the Executive Proposed Budget, usually in October. However, the County does not appear to host any formal public budget committees. The County's Budget Committee consists solely of elected members of the County Council. Prior to these public hearings, county departments also conduct community outreach while preparing their proposed budgets.

In recent years, the County has engaged in Participatory Budgeting. In 2023, the County formed a 29-member community steering committee to discuss how to spend \$11 million in "community driven" funding, with an emphasis on "racial equity" (King County, 2023). However, their deliberations were limited to that particular fund source, rather than directed at the overall budget.

Other Findings

- *What does their forecasting process look like?*
 - Financial forecasts are prepared by the Office of Economic and Financial Analysis (OEFA), an entity independent from the County Council and the Office of Performance, Strategy, and Budget. OEFA produces revenue forecasts tri-annually, in March, July, and August. They also produce quarterly economic forecasts in February, May, August, and November.
 - The budget book includes revenue and expenditure projections for two biennia (roughly five years) past the current budget cycle.
- *What is their credit rating?*
 - In 2023, King County received a rating of Aaa from Moody's Investors Service and a rating of AAA from Standard and Poor's.
- *How long has King County operated under a biennial budget?*
 - King County has used biennial budgeting since 2015.

Figure 6. Snapshot of General Fund Revenues for King County FY 2023-24 Adopted Budget

	2021-2022 Estimated	2023-2024 Adopted	2025-2026 Projected	2027-2028 Projected
BEGINNING FUND BALANCE	174.2	225.9	110.1	38.4
REVENUES*				
Property Tax*	780.2	821.2	857.6	895.0
Sales Tax*	355.6	381.2	406.7	421.4
Federal Revenue	269.3	113.6	15.4	15.4
State Revenue	64.8	43.7	41.9	41.9
Fines, Fees, Transfers	181.8	178.6	155.2	157.3
Charges for Services	583.3	660.7	687.6	724.2
Other Taxes	14.6	11.0	11.2	11.4
Interest	12.6	31.4	33.6	32.4
General Fund Revenues	2,262.3	2,241.3	2,209.0	2,298.9

Source: King County 2023-24 Biennial Budget, page 42

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City of Hillsboro, Oregon

Population: 109,532

FY 2023-24 Budget: \$1.87 billion

Budget Summary

Hillsboro's City Council voted in 2022 to adopt a biennial budget, citing administrative efficiency, additional time for budget planning, and improvements in public service delivery as the key drivers in their decision-making. The City uses a **modified** biennial budget: while they adopt appropriations for both fiscal years simultaneously, they balance revenues and expenditures separately for each fiscal year within the budget book (see *Figure 8* below). Because Hillsboro is new to biennial budgeting, separating appropriations by year allows for closer comparisons with previous budget cycles. It may also help guide annual spending practices within departments while still allowing the City to extend its planning horizon.

Budget Timeline & Process

The City spends roughly eight months developing the budget, a timeline that does not appear to have changed significantly after switching to a biennial cycle.

Milestones

- Budget preparation begins in **November** with the release of the Budget Calendar.
- In **January** and **February**, departments prepare and submit their requested budgets, with guidance from the City's Finance Department. A budget committee work session and opportunities for public comment also take place during this time.
- In **March** and **April**, the City Manager's Office, Finance Department, and department managers meet to review the requested budgets and prepare the proposed budget.
- In **May**, the City presents the proposed budget to the Budget Committee, inviting additional public comment. At this time, the City prepares a supplemental budget that takes into account any changes in revenue forecasts. The Budget Committee formally approves the budget.
- In **June**, after hosting a public hearing, City Council adopts the approved budget by ordinance. The adopted budget goes into effect on July 1.

See *Figure 7* for a visual depiction of the City's budget process. Note that, according to the budget book, the City expects to alter this process in the coming cycles, but does not describe which aspects of the process they might change.

Mid-Cycle Budget Modifications

The budget is reviewed and amended by the City Council on an ongoing, as-hoc basis. However, the budget book does not specify whether any formal mid-biennium review process will occur going forward. The City notes that they will update their financial projections in Year 2, which may prompt mid-cycle adjustments to the budget. Per Oregon Local Budget Law, any fund changes greater than 10% require a public hearing.

Monitoring Process

Hillsboro is still in the process of establishing monitoring tools that will support their transition to a biennial cycle. The City produces quarterly “budget status” reports, but these do not appear to be posted for the general public. The City does not have a publicly available budget dashboard.

Public Engagement

Hillsboro holds public hearings during multiple stages of the budget process, including the submission of department budget requests, the presentation of the proposed budget, and the City Council’s deliberation over, and eventual adoption of, the approved budget.

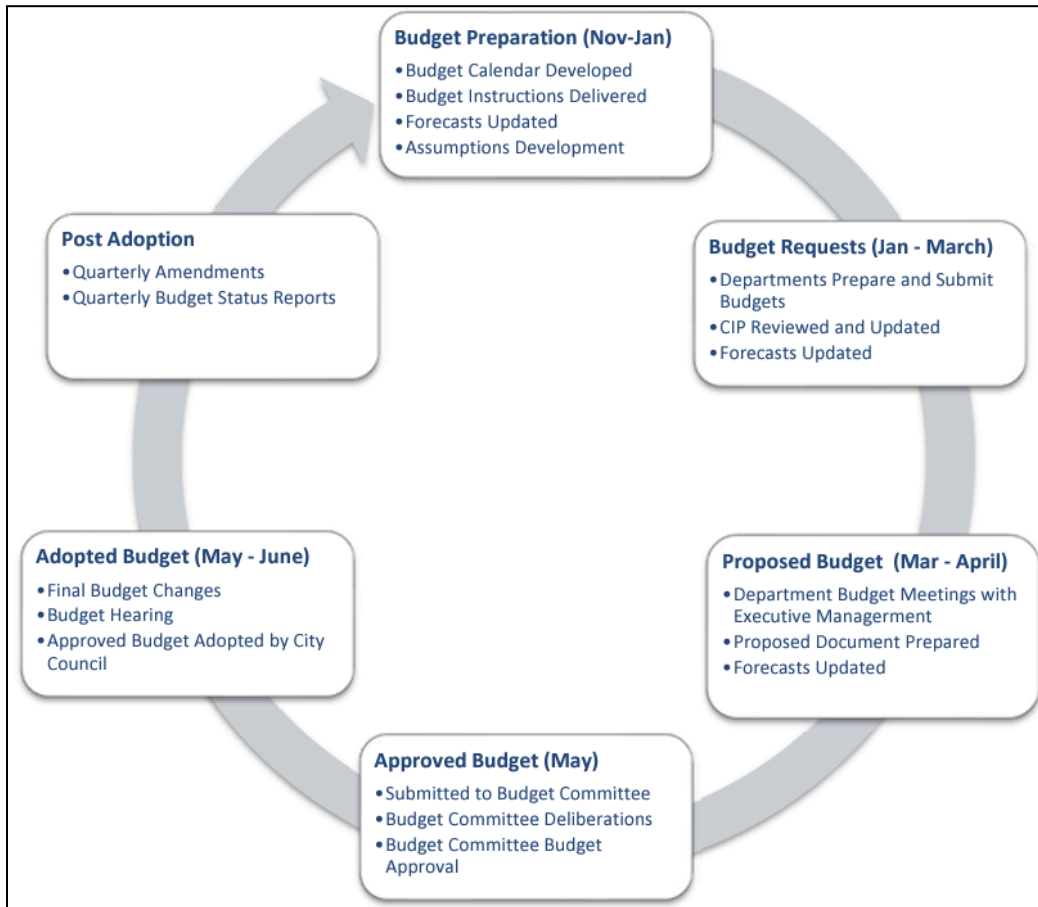
A Budget Committee, which is made up of seven members of the public, each serving three-year terms, works alongside the City Council to support budget development. According to the City’s website, the Budget Committee’s involvement will not change under a biennial cycle; they will continue to meet annually to discuss financial forecasts and other economic conditions that may impact the budget.

Other Findings

- *What does their forecasting process look like?*
 - The FY 2023-25 budget includes revenue projections for two biennia (roughly five years) past the current budget cycle. The City will update their forecasts during the second year of the biennium.
- *How long has Hillsboro used a biennial budget cycle?*
 - The FY 2023-25 Adopted Budget marks the City’s first biennial budget cycle

See the following page for Figures 7 and 8.

Figure 7. City of Hillsboro Budget Process Diagram



Source: City of Hillsboro 2023-25 Adopted Budget Document, page 34

Figure 8. Hillsboro's Total Budget Resources for FY 2023-25

Total City Budget Resources by Category	Actual 2020-21	Actual 2021-22	Adopted 2022-23	Biennial Budget		Adopted 2023-25	2023-24 Change from 2022-23		
				1st Year 2023-24	2nd Year 2024-25		Dollar Change	Percent Change	Percent of Total
Taxes	86,253,904	93,273,216	97,600,515	109,455,785	114,504,370	223,960,155	11,855,270	12%	9%
Licenses and Permits	13,207,720	20,244,711	7,920,000	7,478,430	8,274,635	15,753,065	(441,570)	-6%	1%
Fines and Forfeiture	570,369	535,769	630,000	624,000	624,000	1,248,000	(6,000)	-1%	0%
Charges for Services	118,292,699	132,375,454	156,011,855	162,836,196	174,159,359	336,995,555	6,824,341	4%	14%
Interest	4,054,657	3,506,693	3,515,865	5,943,320	7,166,108	13,109,428	2,427,455	69%	1%
Franchise Fees	18,120,483	19,557,380	19,950,000	22,439,600	24,233,000	46,672,600	2,489,600	12%	2%
Grants and Donations	8,990,674	21,564,739	8,225,405	10,993,132	1,352,726	12,345,858	2,767,727	34%	1%
Intergovernmental	13,929,736	14,505,590	14,778,640	15,230,730	15,457,325	30,688,055	452,090	3%	1%
Connection Fees	366,119	330,279	500,000	315,000	315,000	630,000	(185,000)	-37%	0%
Systems Development	28,640,507	41,238,310	23,600,000	22,185,000	22,211,000	44,396,000	(1,415,000)	-6%	2%
Other Financing Src	45,052,746	47,813,027	87,995,420	80,737,790	85,842,990	166,580,780	(7,257,630)	-8%	7%
Miscellaneous	83,583,828	121,268,108	267,308,938	290,150,187	203,868,113	494,018,300	22,841,249	9%	25%
Water Sales	7,429,008	9,083,645	11,634,292	12,715,430	13,454,563	26,169,993	1,081,138	9%	1%
Contributions in Aid	1,119,487	1,488,210	5,407,001	5,844,400	8,640,179	14,484,579	437,399	8%	0%
Equipment Reserve	-	-	500,000	-	500,000	500,000	(500,000)	-100%	0%
Insurance Premiums	3,110,205	3,767,612	4,340,325	5,162,550	5,461,300	10,623,850	822,225	19%	0%
Beginning Working Capital	328,805,122	382,654,497	381,681,944	431,759,815	-	431,759,815	50,077,871	13%	36%
Total Resources	\$ 761,527,264	\$ 913,207,240	\$ 1,091,600,200	\$ 1,183,871,365	\$ 686,064,668	\$ 1,869,936,033	\$ 92,271,165	8%	100%

Source: City of Hillsboro 2023-25 Adopted Budget Document, page 22

Sources

City of Hillsboro, Oregon. (n.d.). *2023 - 2025 Adopted biennial budget, City of Hillsboro, Oregon.*

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