



Multnomah County FY 2021 Approved Budget

Presented to the
Board of County Commissioners

Multnomah County
May 12, 2020

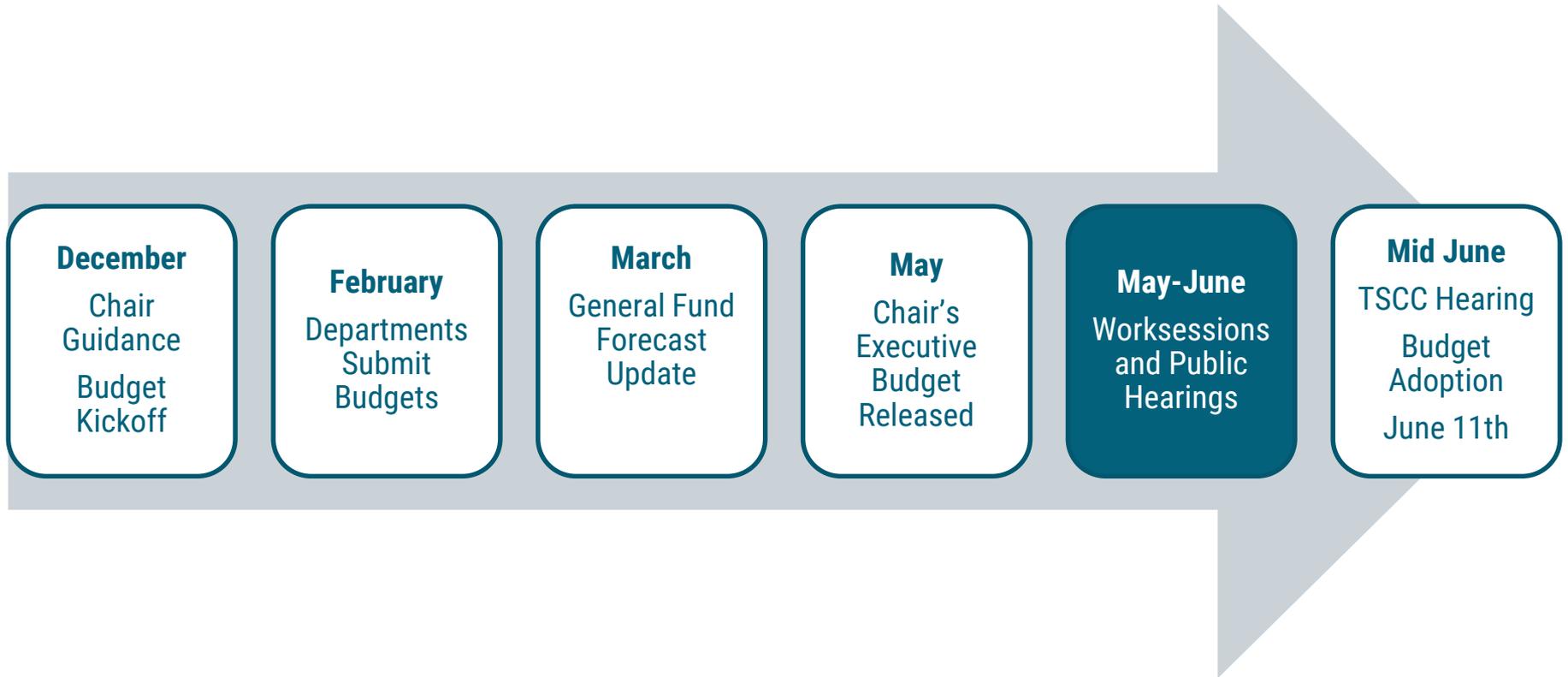
Located at: www.multco.us/budget

Overview

- **Budget Process and Calendar**
- **'Corporate' Budget Overview**
 - ✓ General Fund/Other Funds Overview
 - ✓ FTE and Labor Group Information
 - ✓ Budget Highlights
 - ✓ General Fund Basics
 - ❑ Financial Picture and Assumptions
 - ❑ Reductions, Reallocations, Transitions/Redesigns, and Fund Shifts
 - ❑ Contingency & Reserves
 - ✓ Other Funds
- **Financial Trends**
 - ✓ Cost Growth
 - ✓ Revenue Growth
- **Summary**



FY 2021 Budget Process



Worksessions

1: General Government

- 5/12 COVID-19 Public Health & Economic Relief
- 5/12 Budget Kickoff
- 5/13 Community Services
- 5/13 County Management
- 5/15 County Assets

2: Public Safety Human Services

- 5/19 COVID-19 Update
- 5/19 Sheriff's Office
- 5/20 ODE, CIU, Equity & Inclusion
- 5/21 County Human Services
- 5/21 District Attorney
- 5/22 Community Justice

3: Health Department

- 5/26 Corrections Health, Mental Health & Addictions
- 5/27 Public Health
- 5/29 Integrated Clinical Services

4: JOHS, Library & Adoption

- 6/2 Joint Office of Homeless Services
- 6/3 Library & Library District
- 6/4 *TBD*
- 6/8 Amendments
- 6/9 TSCC Hearing
- 6/10 *TBD*
- **6/11 Budget Adoption**



Public Hearings

- Virtual Public Hearings
 - May 20th 6-8pm
 - May 27th 6-8pm
- Other Public Hearings
 - May 7th – Approval of the Executive Budget
 - June 9th – Tax Supervising & Conservation Commission Hearing
 - June 11th – Budget Adoption



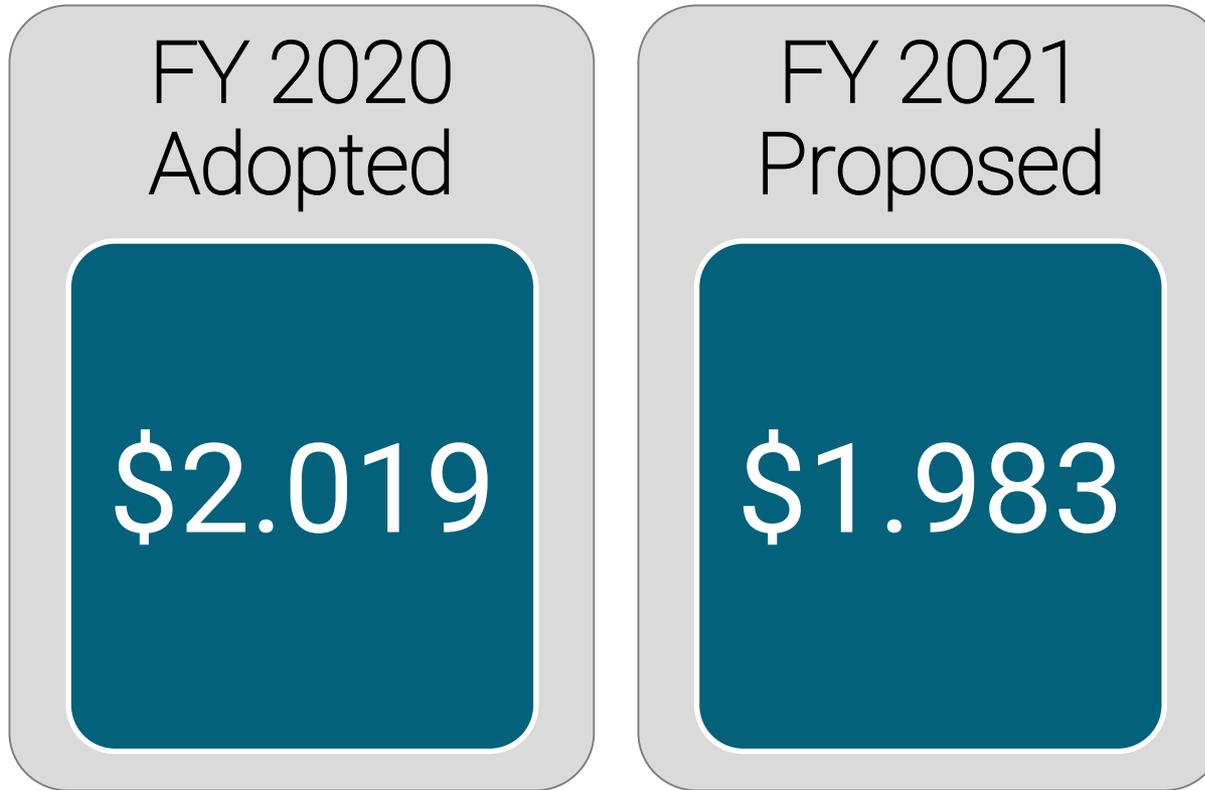
Budget Deliberation and Adoption

- During any Worksession, any member of the Board may:
 - Propose an amendment
 - Propose a budget note
 - Ask for additional information
- Budget Adoption includes:
 - Levying Property Taxes
 - Financial and Budget Policies
 - Multnomah Investment Policy
 - Fund Resolution
 - Salary Compensation Resolution



Overall Financial Context (in billions)

Includes contingencies, reserves & unappropriated balance

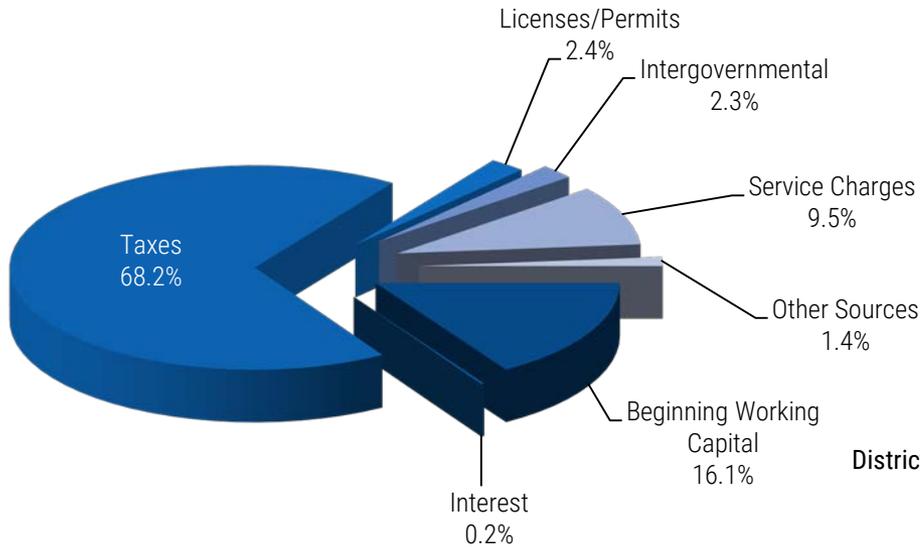


- Represents 39 Funds with resources from \$51k to \$692.4 million
- A **decrease** of \$36.1 million or -1.8%
- New Fund for the CARES Act

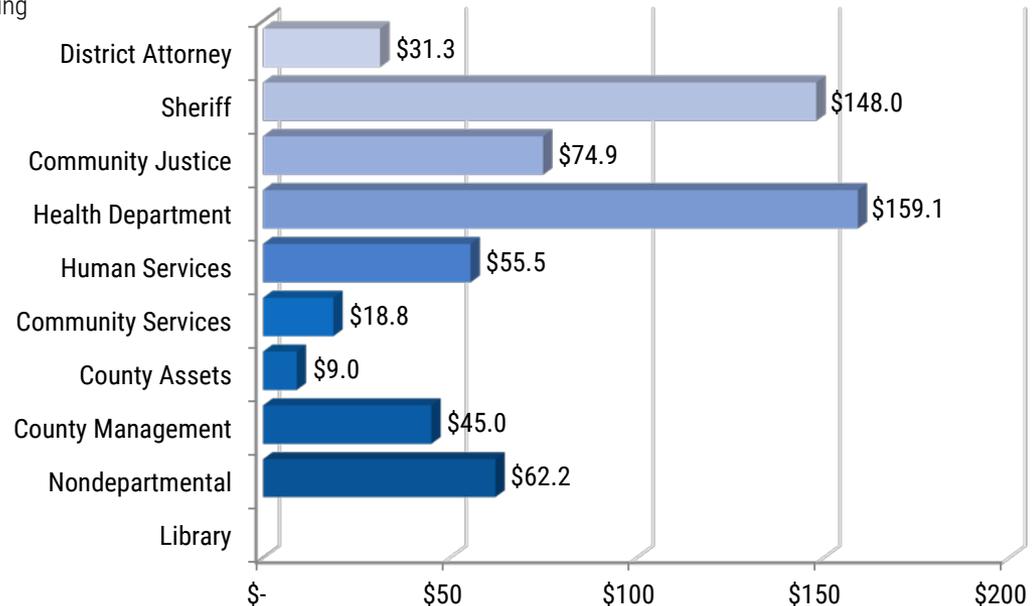


General Fund Overview - \$692.3 Million

Where the money comes from:



Where the money goes to:*

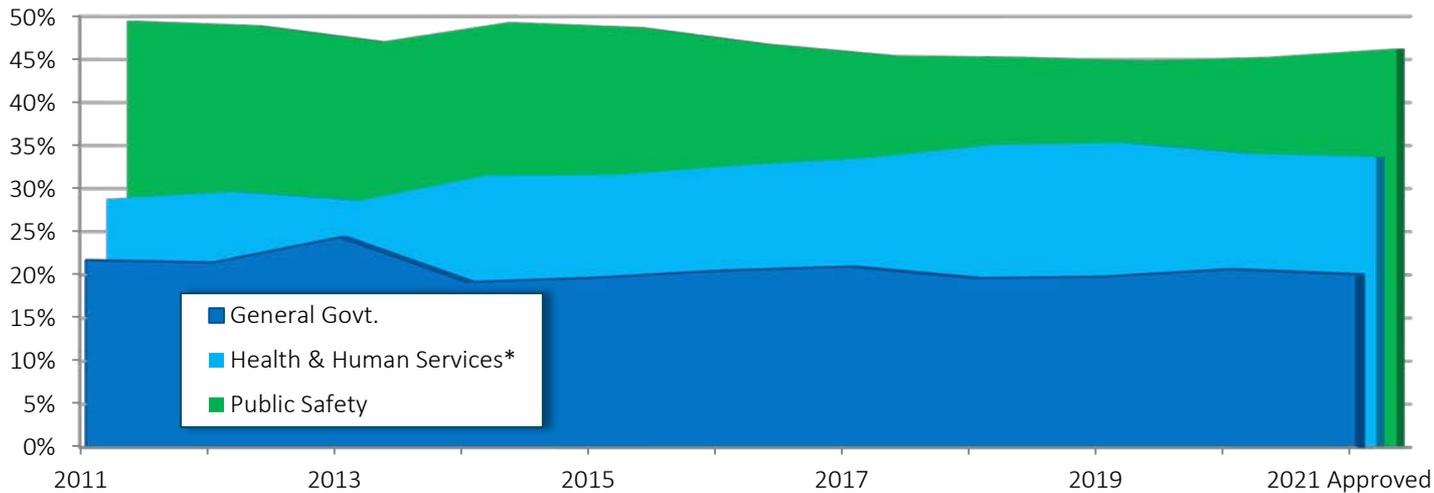


*Note: does not include transfers, reserves and contingencies.
Health Dept. includes \$54.2 million of FQHC/PCPCH



Where Do We Spend General Fund?

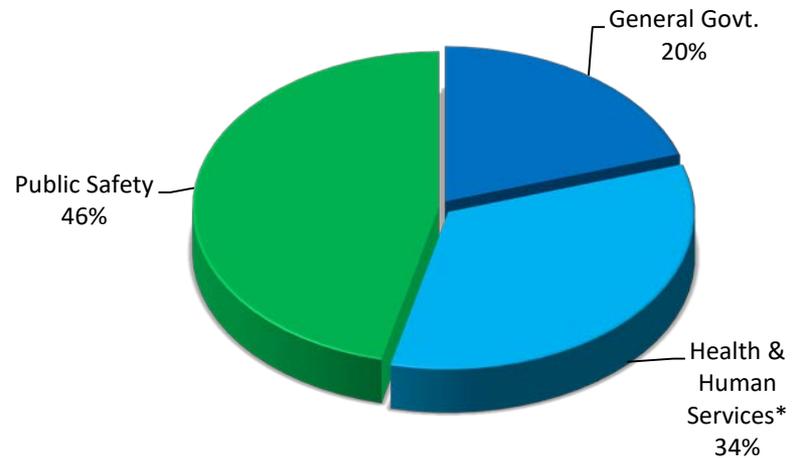
FY 2011 Adopted to FY 2021 Approved



Based on department appropriations

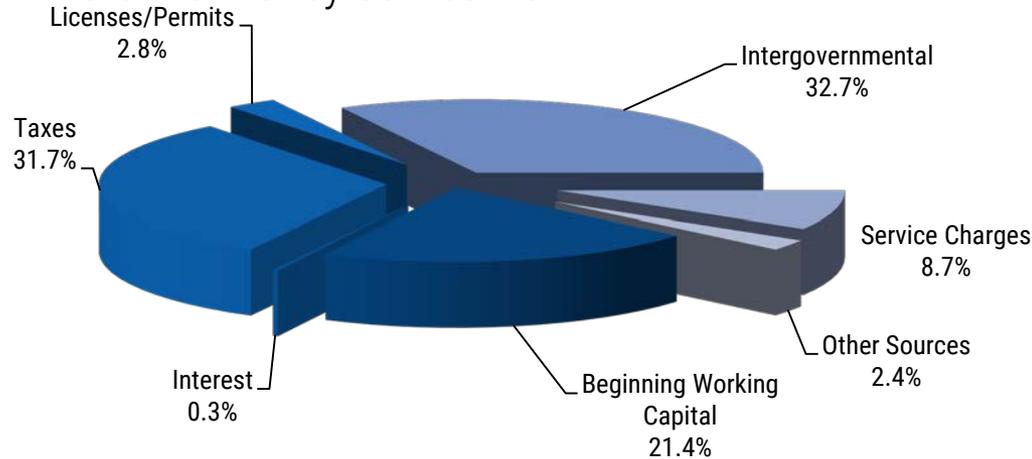
*Health does not include FQHC Expenditures

Joint Office Homeless Services is shown as Health/Human Services

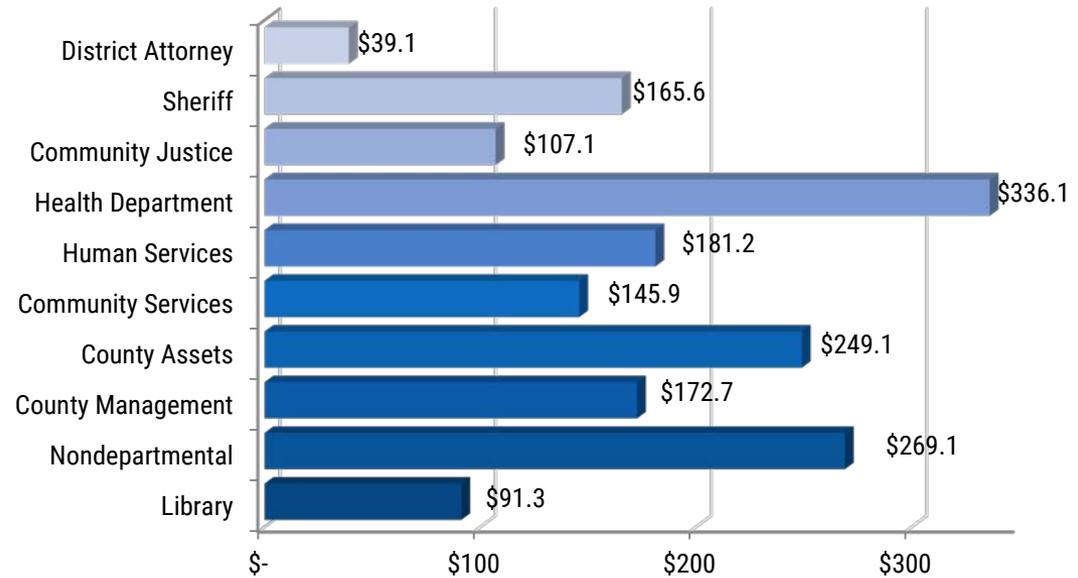


All Funds Overview - \$1.98 Billion

Where the money comes from:



Where the money goes to:*

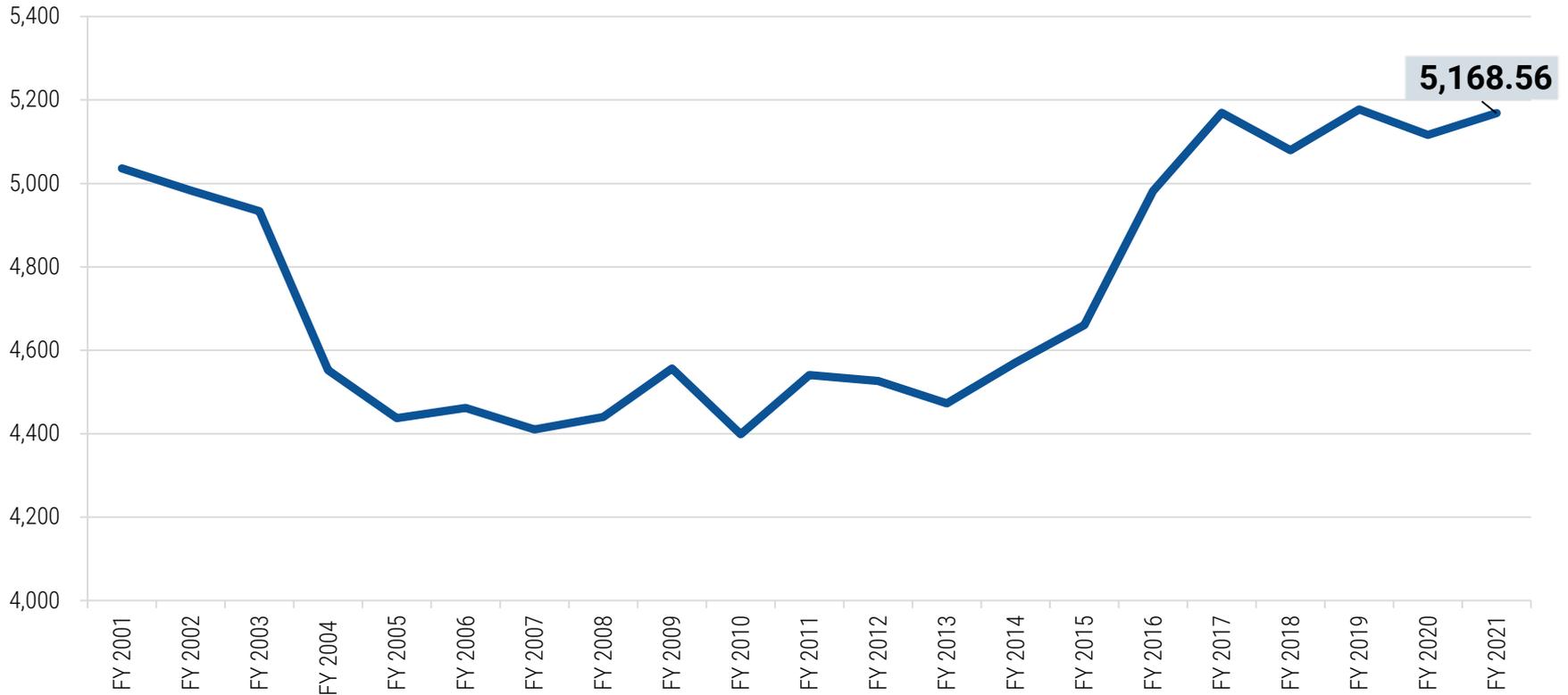


*Note: does not include transfers, reserves, and contingencies



Full Time Equivalents – 5,168.56 FTE

FY 2001 Adopted – FY 2021 Approved (All Funds)



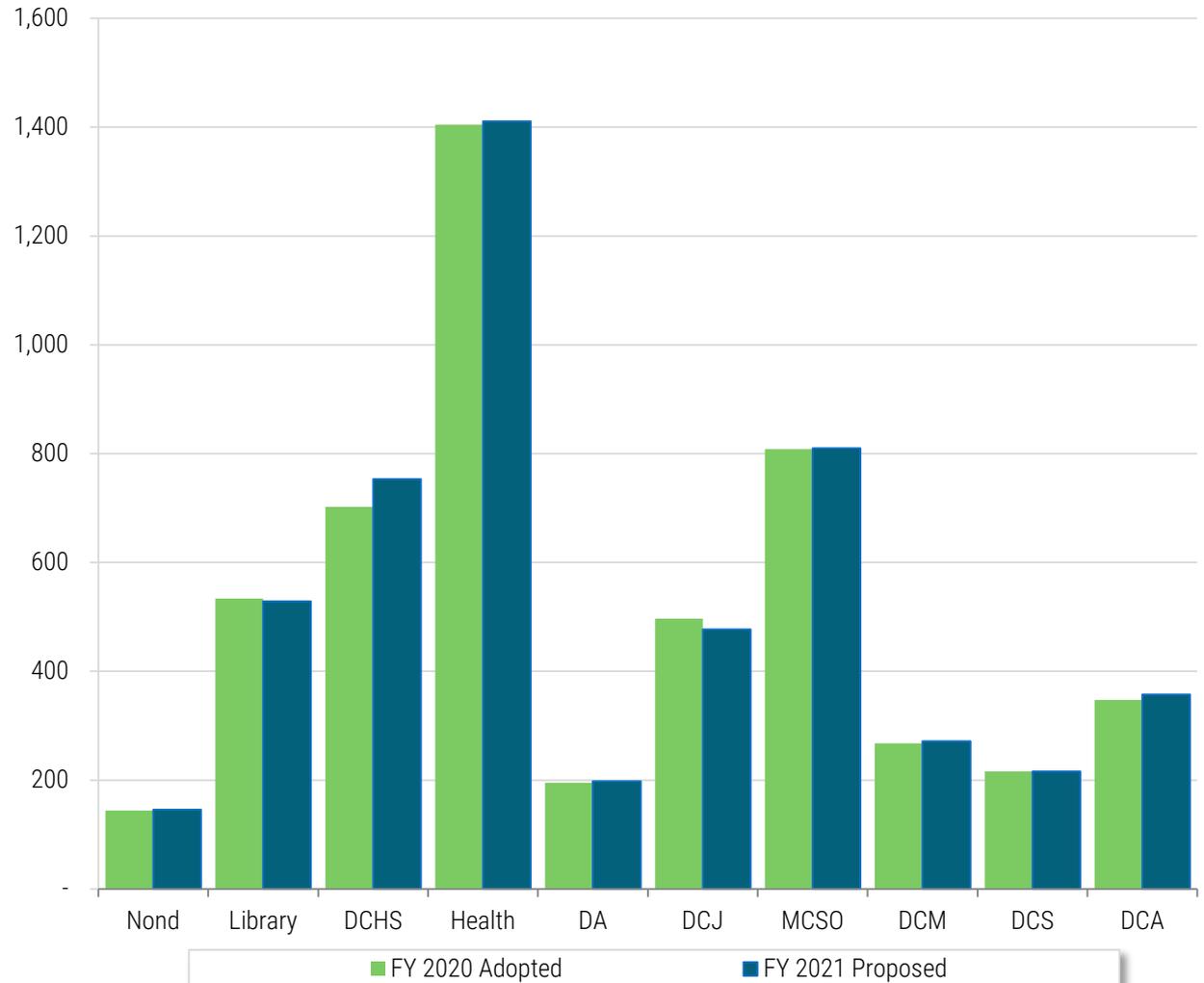
Full Time Equivalents (FTE) by Department

+51.88

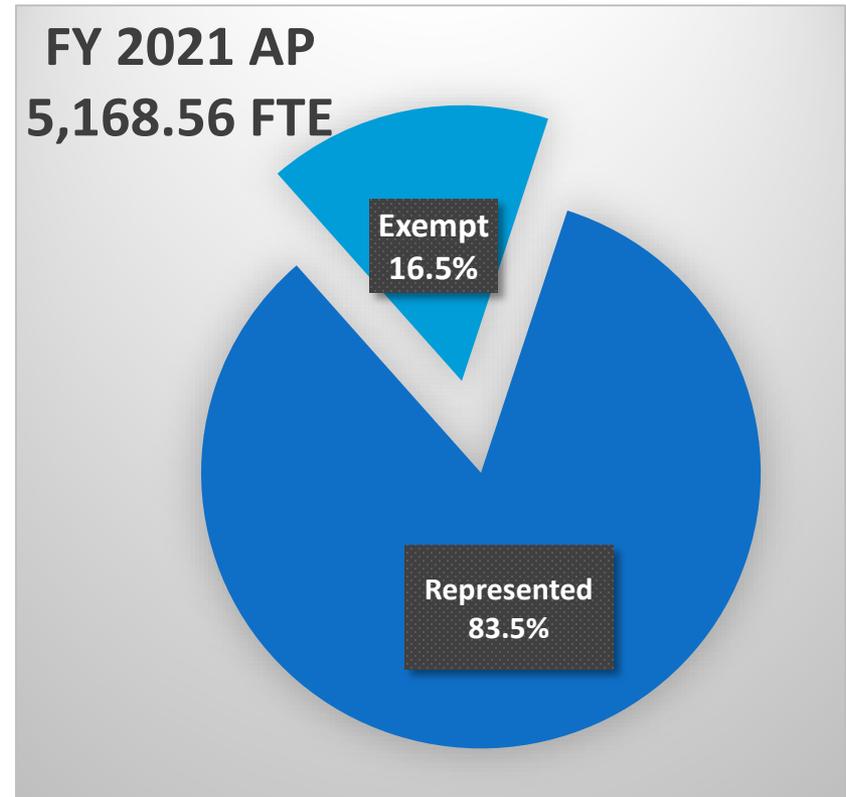
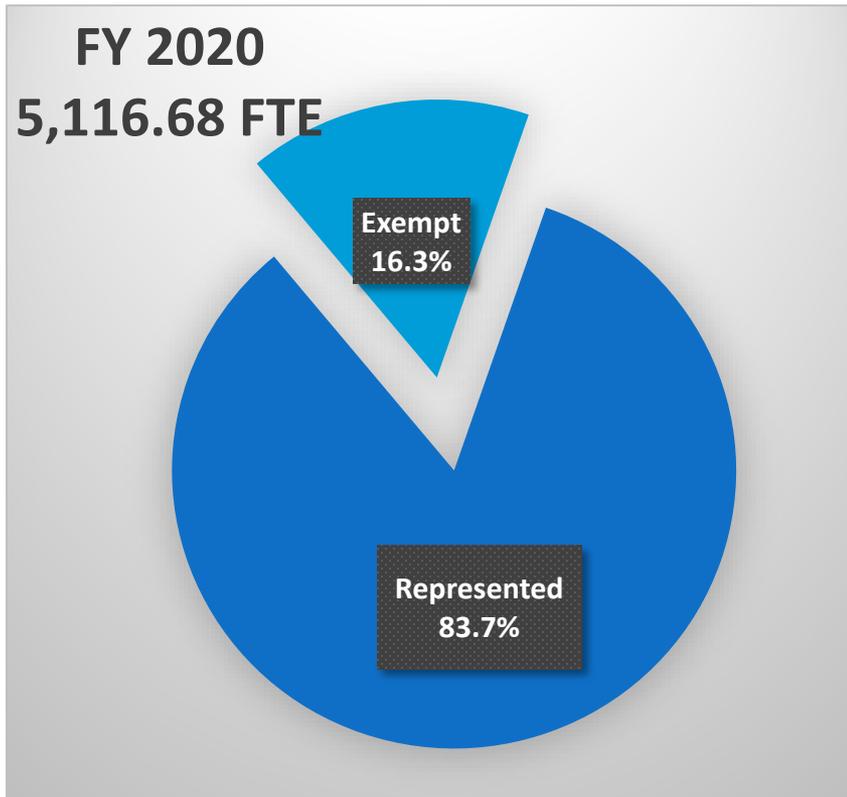
total FTE increase
all funds

DCHS *increased* by
51.20 mid-year due to
state funds

DCJ *decreased* by
-19.67 mid-year SB1145
reductions



FTE Represented vs. Non Represented



FTE by Labor Group Year-over-Year

	FY 2020 Adopted	FY 2021 Approved	Difference	% Incr./Decr.
Painters & Allied Trades	1.00	1.00	0.00	0.0%
Operating Engineers	17.00	17.00	0.00	0.0%
Electrical Workers	24.00	27.00	3.00	12.5%
Physicians	18.52	18.90	0.38	2.1%
Juvenile Custody Svcs. Spec.	59.00	59.00	0.00	0.0%
Prosecuting Attorneys	70.94	72.95	2.01	2.8%
Deputy Sheriff's	123.75	123.25	(0.50)	-0.4%
Parole/Probation Officers	122.50	118.50	(4.00)	-3.3%
Oregon Nurses	167.09	162.09	(5.00)	-3.0%
Corrections Deputies	435.00	434.00	(1.00)	-0.2%
Dentists	24.17	25.25	1.08	4.5%
Exempt/Management/Elected Officials & Staff	833.95	850.42	16.47	2.0%
AFSCME Local 88	3,219.76	3,259.20	39.44	1.2%
Total	5,116.68	5,168.56	51.88	1.0%



Budget Highlights

- Fully funds reserves and maintains BIT stabilization reserve
- Maintains Essential Services
 - ✓ Maintains previous investments in the Joint Office of Homeless Services and Elections
 - ✓ Maintains the County's 1,192 jails beds & preserves the number of deputy district attorneys serving the community
 - ✓ Maintains the County's support for 90 SUN Schools in six districts
 - ✓ Preserves health services for over 65,000 clients in our clinical system
- Opening of the New County Courthouse
- Provides for represented employee step and COLA increases and other labor provisions
- Program Offers were developed prior to COVID-19



General Fund Basics

- Policy Direction & Assumptions in the Approved Budget
 - ✓ In total, the County was facing a **\$58 million budget gap** going into FY 2021.
 - ✓ Directed Departments to submit General Fund budgets that reflected a 2% constraint relative to current service levels, resulting in \$7.7 million to be allocated.
 - ✓ Asked DCA to implement a 2% constraint on Internal Service Rate current service levels, resulting in approximately \$800,000 in savings (\$400,000 in the General Fund).
 - ✓ Non-Represented employees will not receive a COLA and Non-Represented employees making more than \$100,000 will not receive a Merit increase in FY 2021, saving \$3.4 million in the General Fund.
 - ✓ BIT Reform generated a net increase of \$29.6 million in new revenue, while providing relief to thousands of small businesses by increasing the Owner's Compensation deduction and increasing the Gross Receipts exemption.
 - ✓ Used \$15.8 million in OTO resources to cover the remaining budget gap.



General Fund Basics

■ One-Time-Only Funds

- ✓ \$43.1 million after funding General Fund reserve and BIT Reserve
- ✓ Sources include:
 - ❑ \$11.6 million of additional BWC in FY 2019 (mostly from departmental underspending and higher BIT revenues in FY 2018) and higher revenues in FY 2019.
 - ❑ \$14.8 in remaining resources for earmarked projects.
 - ❑ \$2.2 in Emergency Shelter Capital Carryover.

- Of these General Fund Resources, \$15.8 million were dedicated to closing the County's FY 2021 budget gap.
 - ✓ Underlying assumption is that revenues will recover enough by FY 2022 to consider use of OTO in FY 2021 to be "bridge funding."

Page 34 of the Budget Director's message has a complete list



General Fund Basics – Reductions & Shifts

- Majority of essential services are maintained from FY 2020
- Reductions
 - ✓ Variety of administrative, support, & office reductions across the County
 - ✓ Eliminating DCJ's Assessment and Treatment for Youth and Families (ATYF) program \$964,127 and 7.00 FTE
 - ✓ Due to COVID-19 uncertainty, reducing the Youth Opportunity & Workforce Development program by \$1.0 million
 - ✓ Reducing a 1.00 vacant position in the Complaints Investigation Unit \$113,744
 - ✓ Management/Exempt staff COLA freeze and no merit for those earning more than \$100,000 resulted in \$3.4M in savings
- Reductions – Capacity Adjustments
 - ✓ Reduced under utilized contract services in DCJ by \$791,700
- Reductions – to Reallocate (*see Health, JOHS, DCJ, and DCM*)
- Reductions – Funding Shifts
 - ✓ Shifts \$2.9 million of CGF expenditures in Health to BWC and Other Funds



General Fund Reserves – Fully Funded

- General Fund Reserve @ 10% of corporate revenues or \$45.8 million
- BIT Reserve @ 10% or \$9.3 million
- General Fund Contingency \$11.8 million
 - ✓ Regular - \$1.5 million
 - ✓ BIT Reserve - \$9.3 million
 - ✓ COVID-19 Response - \$1.0 million
- General Fund Contingency Set Asides
 - ✓ Behavioral Health Resource Center - \$8.75 million
 - ✓ SE Health Center Repairs - \$6.0 million



Other Funds

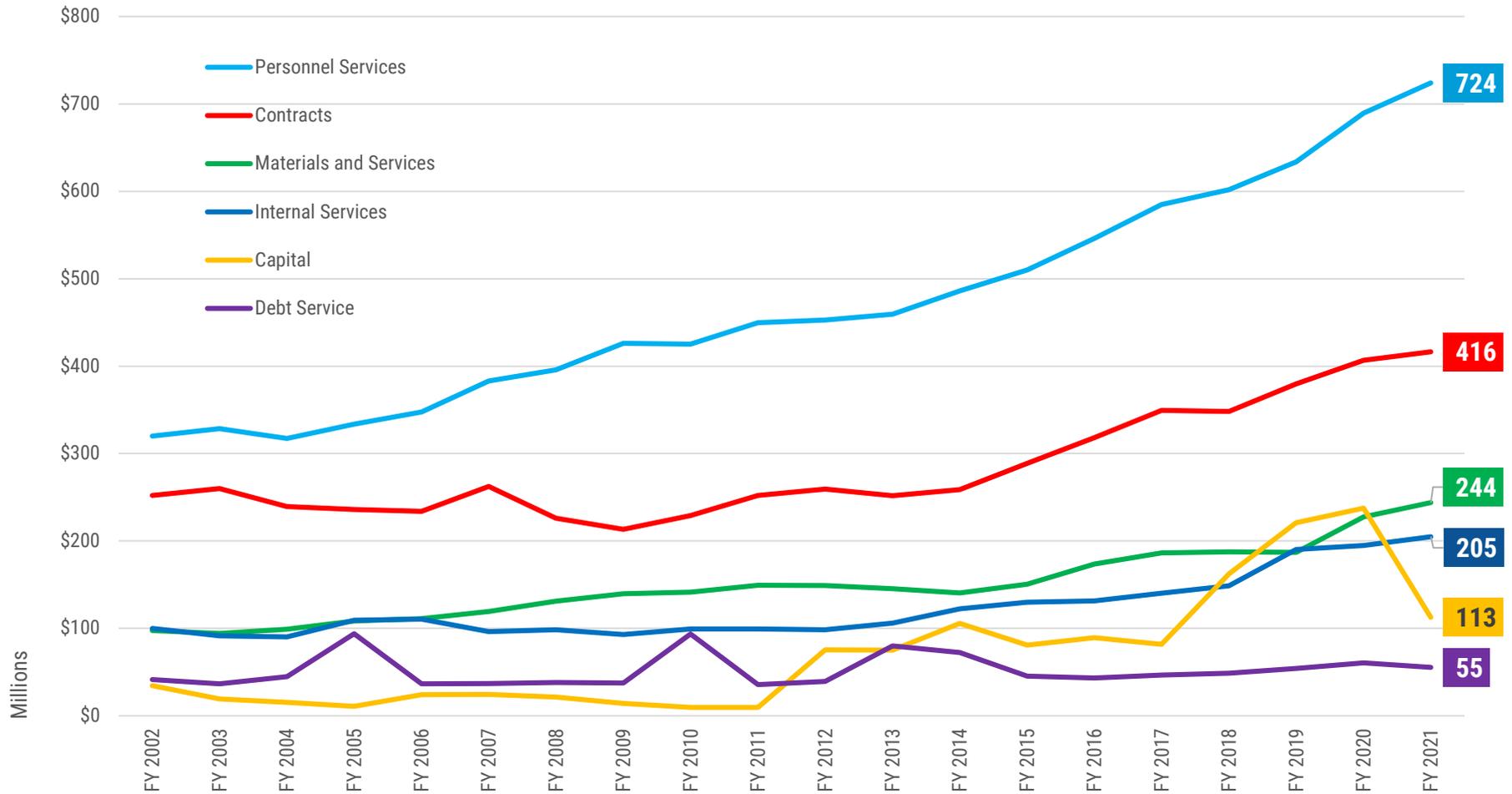
- State funding and operational decisions or financial decisions independent of the County General Fund
 - ✓ State is facing a \$2.0 to \$3.0 billion shortfall in the current biennium
 - ✓ Governor has asked for 8% reductions for the biennium
 - ✓ Since there is only 1 year left, will be closer to 17% reductions

- CARES Funding - \$28 million
 - ✓ Assumes we spend \$8.0 million in FY 2020
 - ✓ Balance of \$20 million available in FY 2021



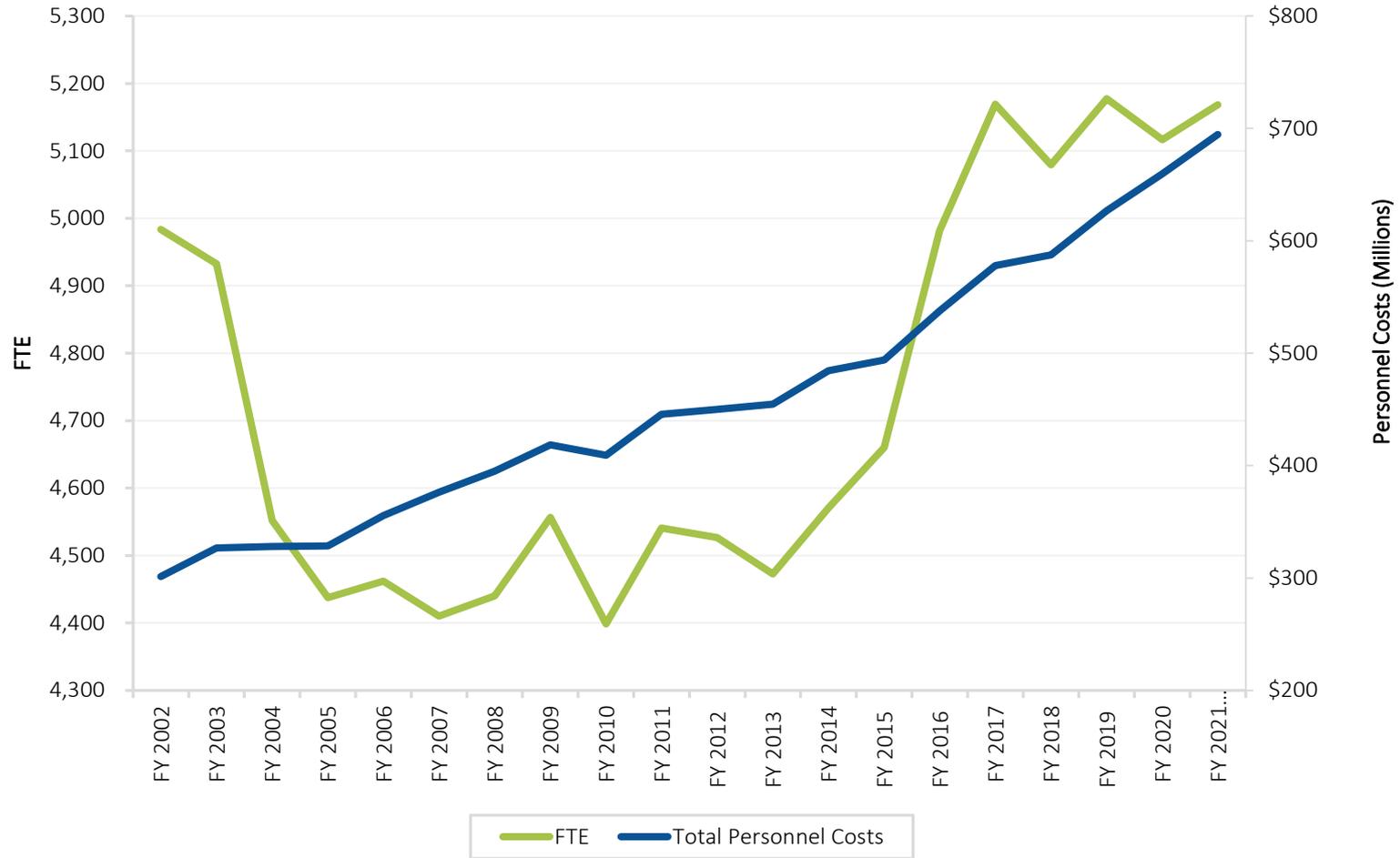
What We Spend our Resources on...

FY 2002 Actuals – FY 2021 Approved (All Funds)



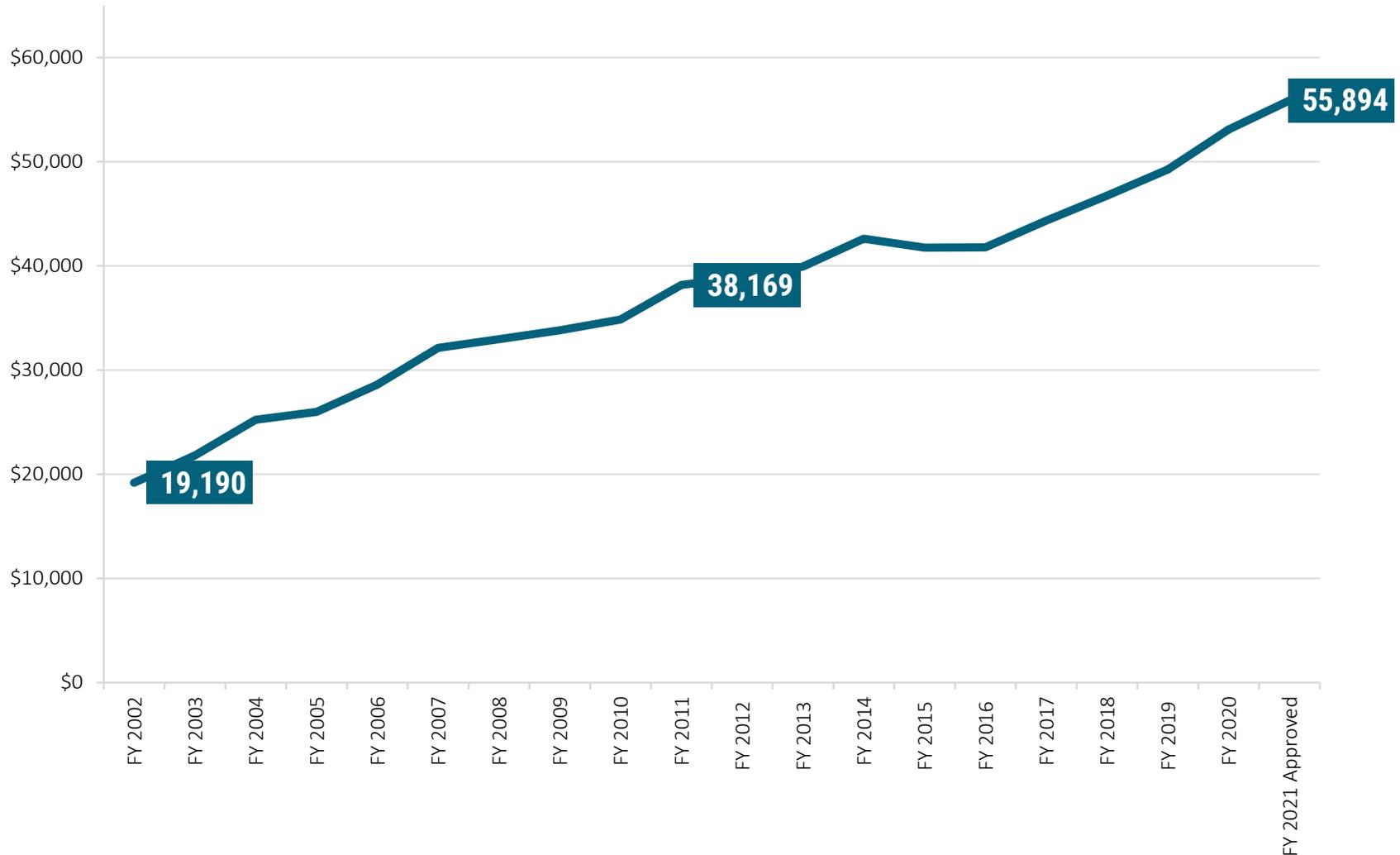
FTE vs. Total Personnel Costs

FY 2002 Adopted to FY 2021 Approved (All Funds)



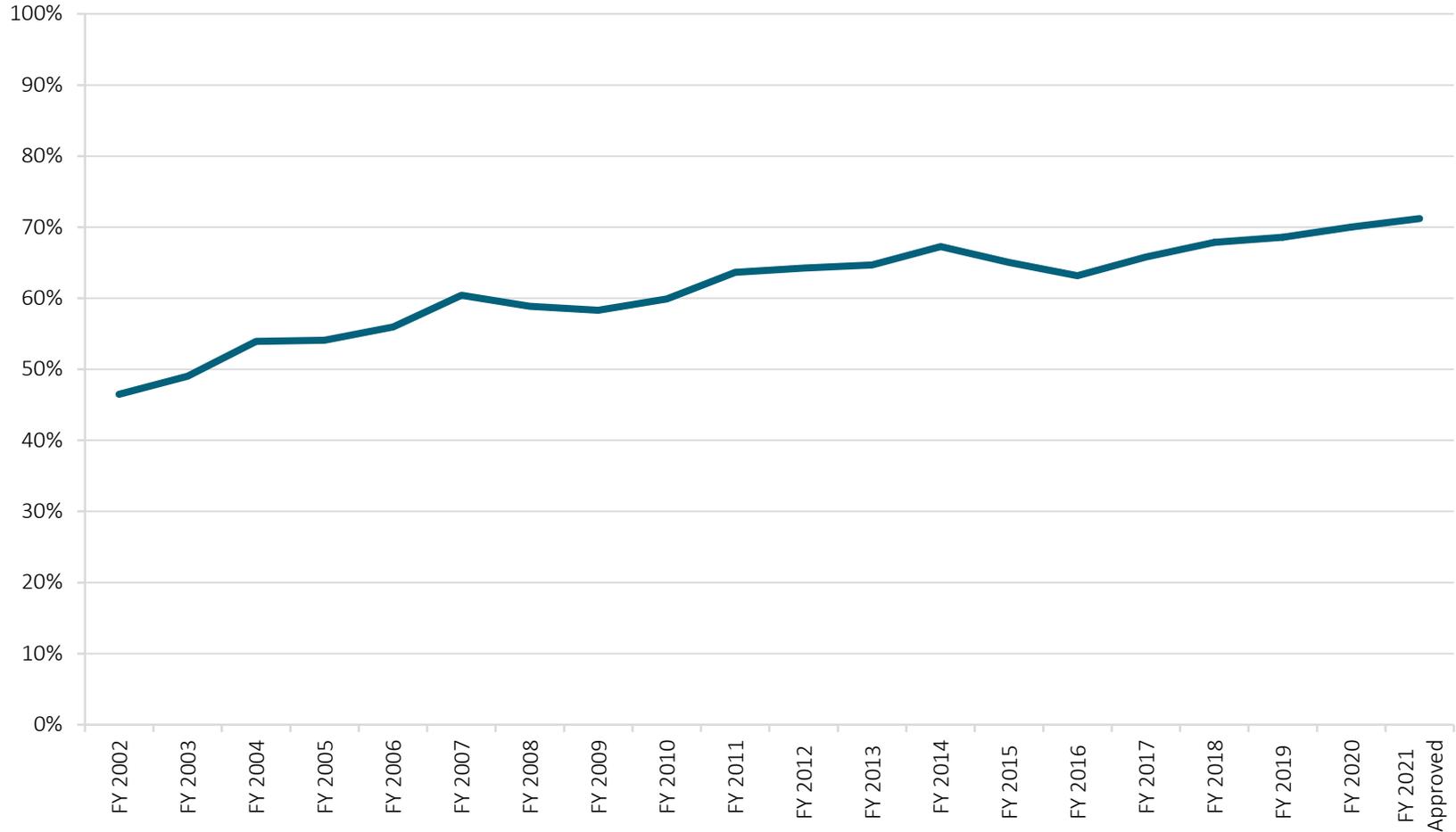
Avg. Benefits & Insurance Cost per FTE

FY 2002 Adopted to FY 2021 Approved



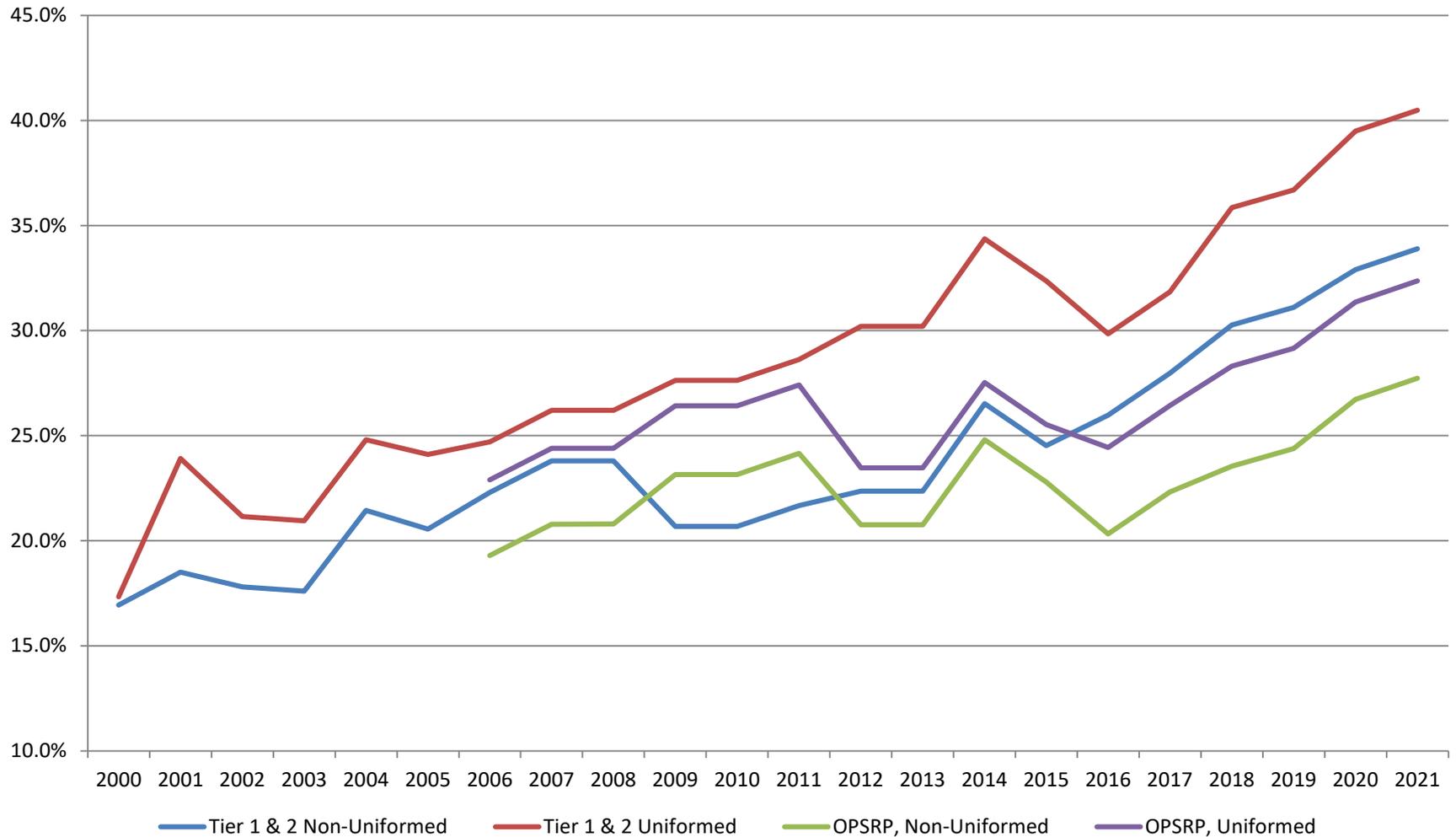
Benefits & Insurance % of Payroll

FY 2002 Adopted to FY 2021 Approved



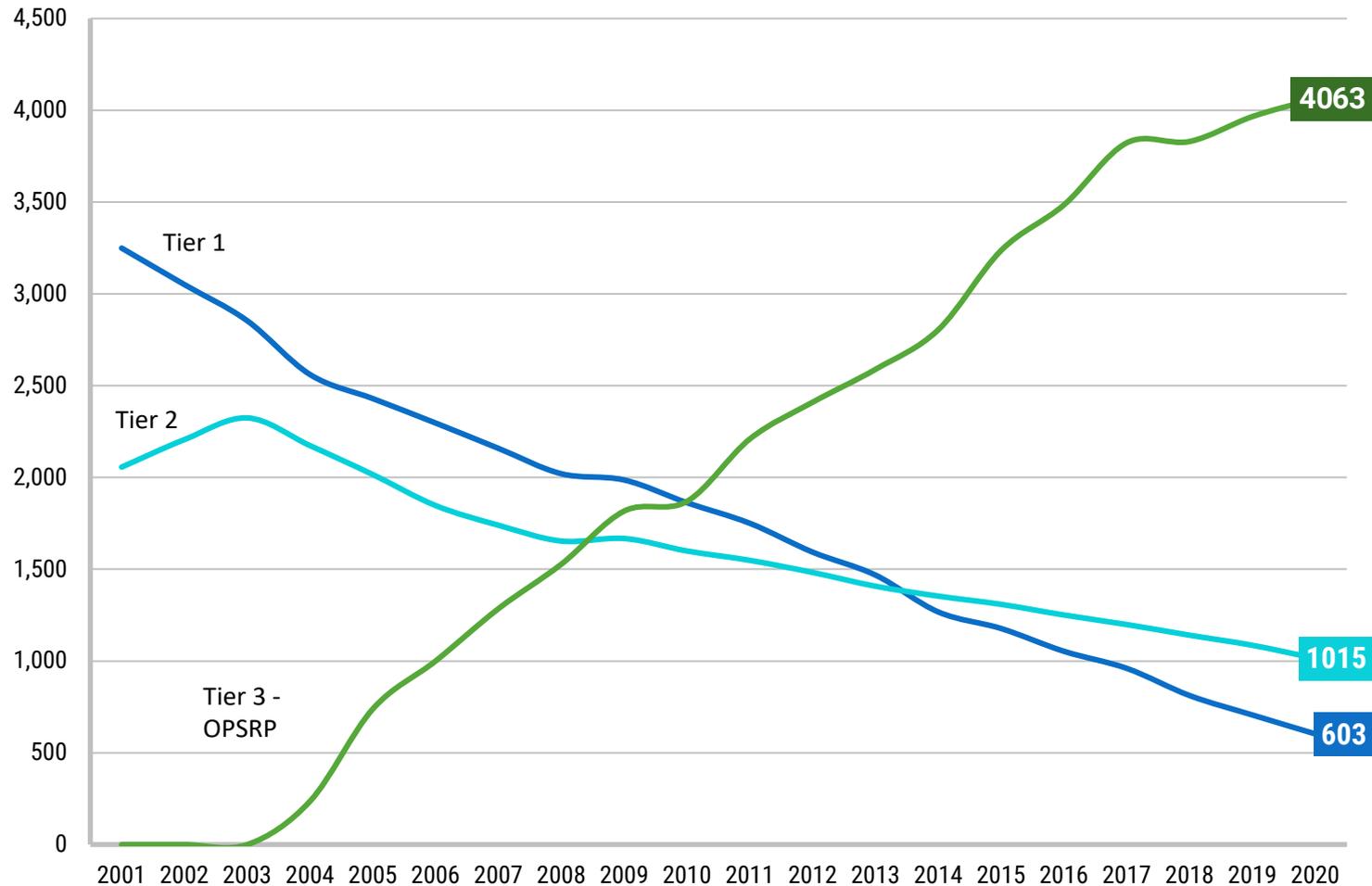
PERS Rates Charged to Departments

Based on % of Payroll for PERS, 6% Pick-Up, & PERS Bond

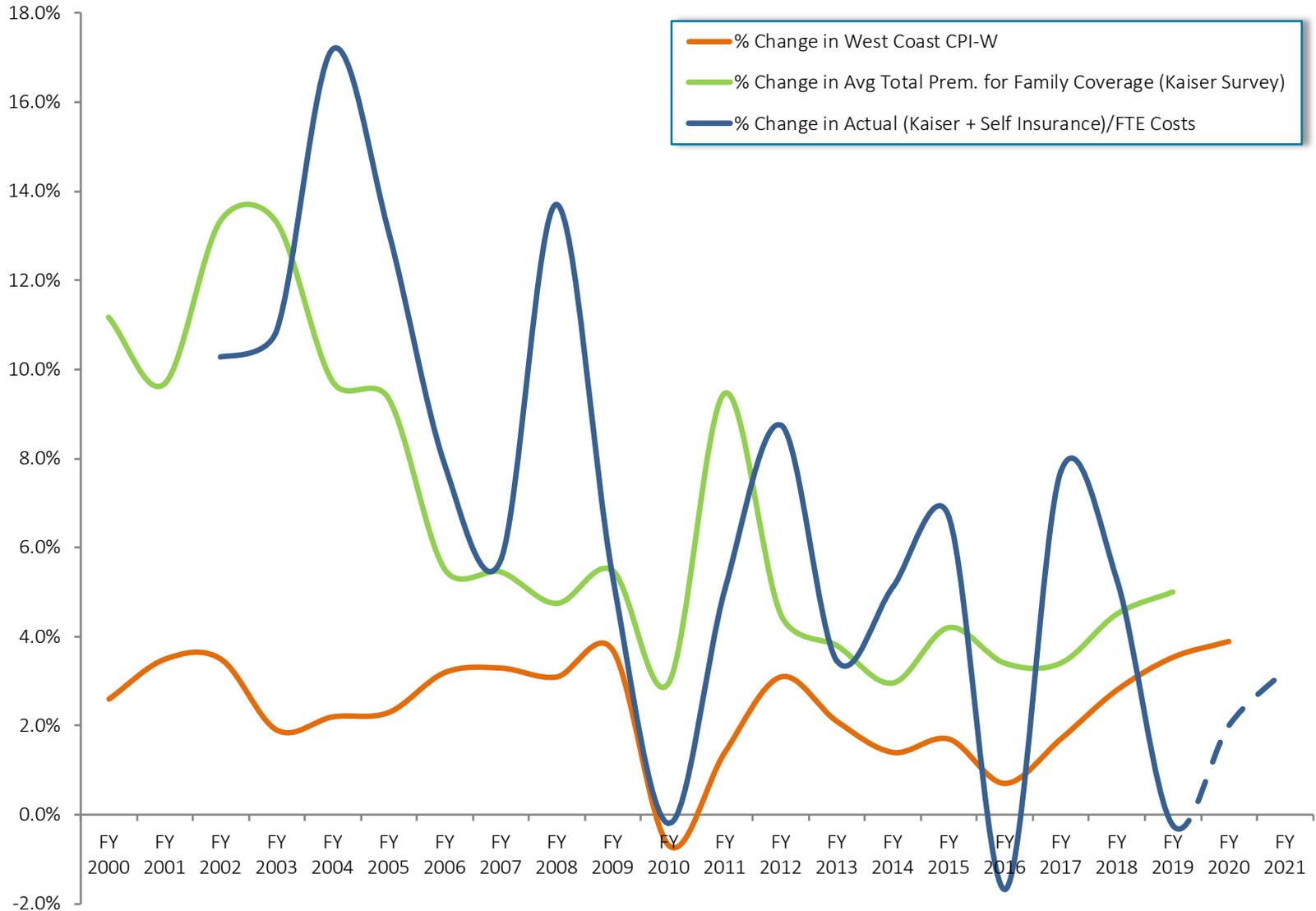


Employees by PERS Tier

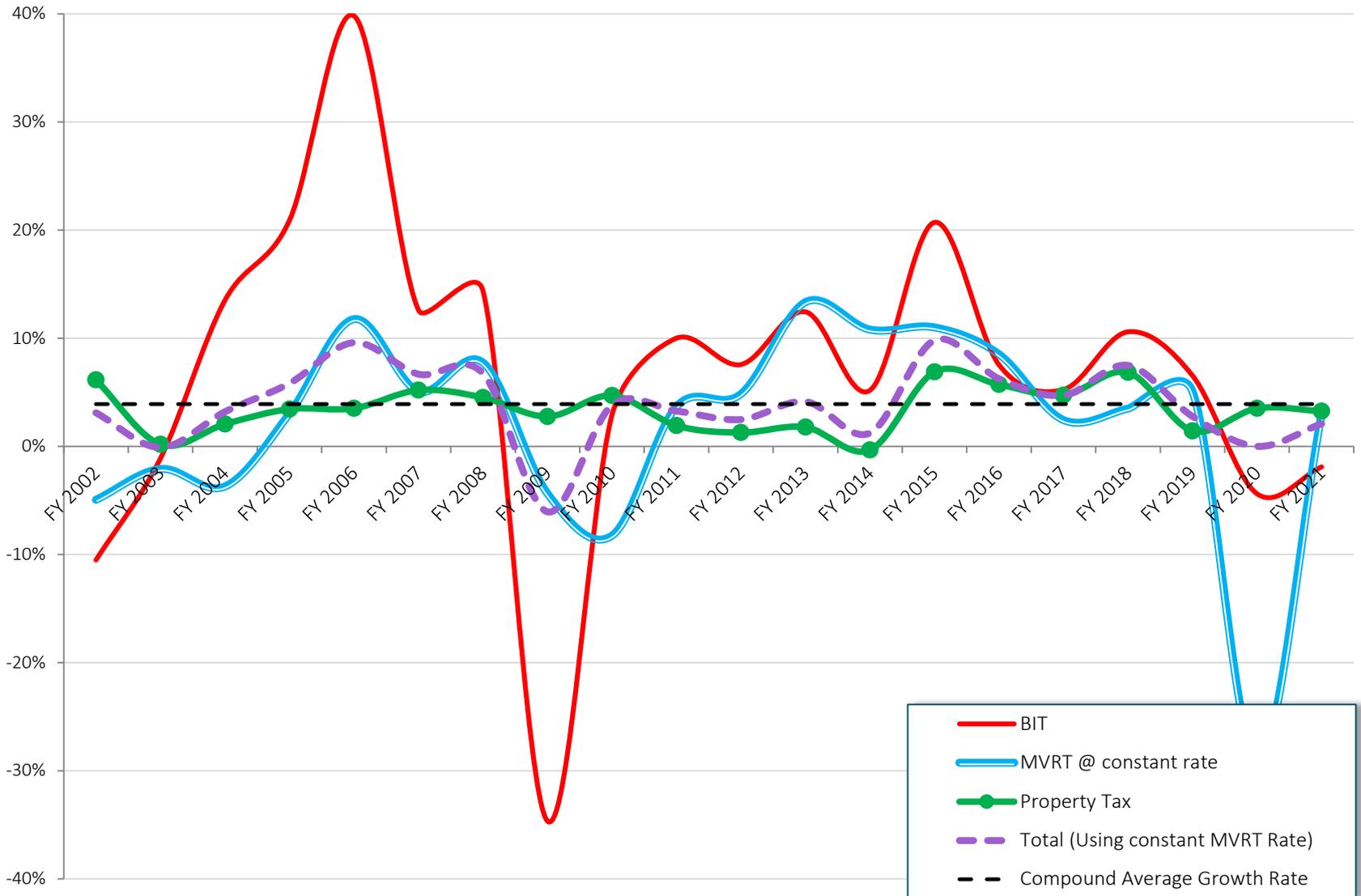
Based on Actual People on January 1st



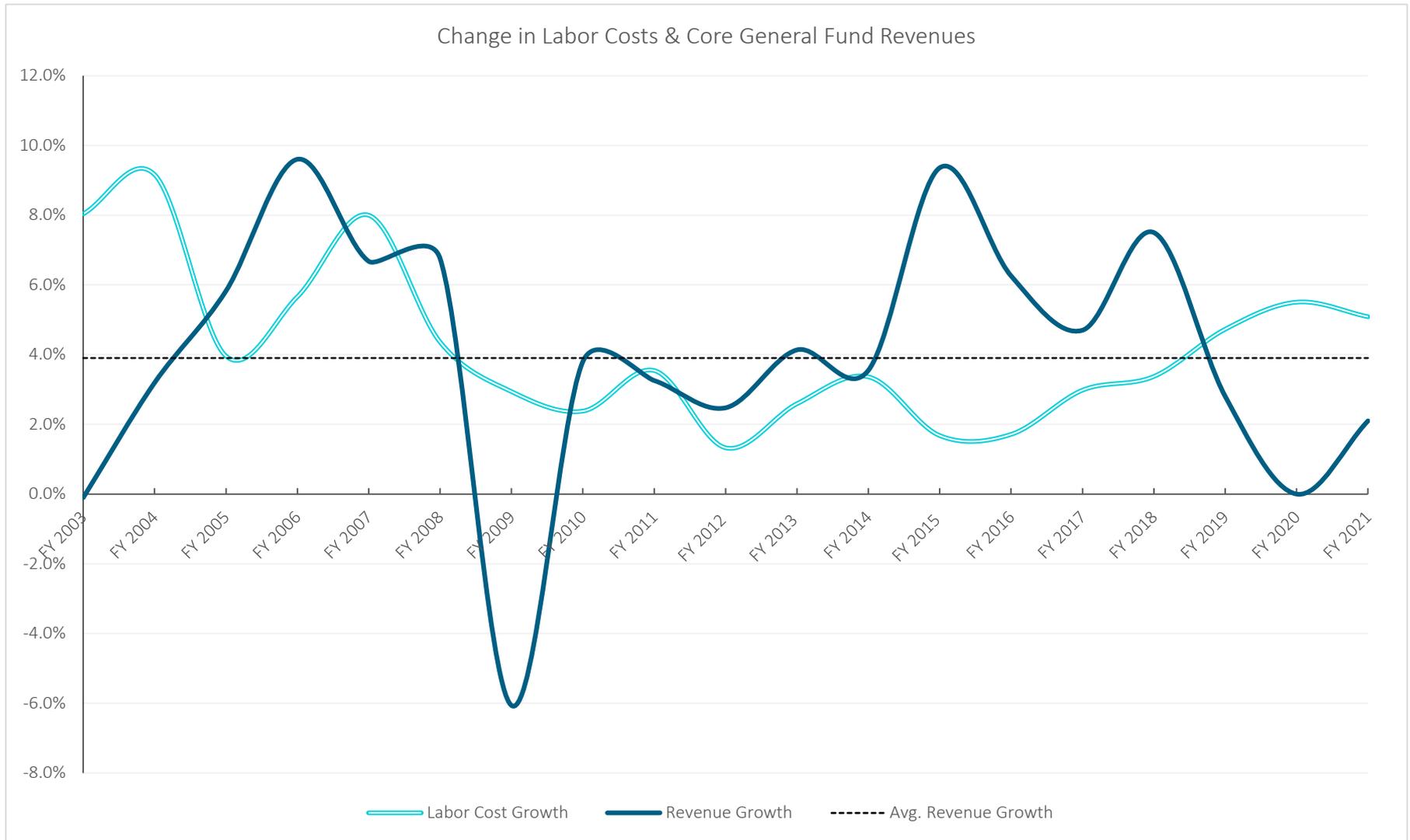
Health Care Inflation/Costs



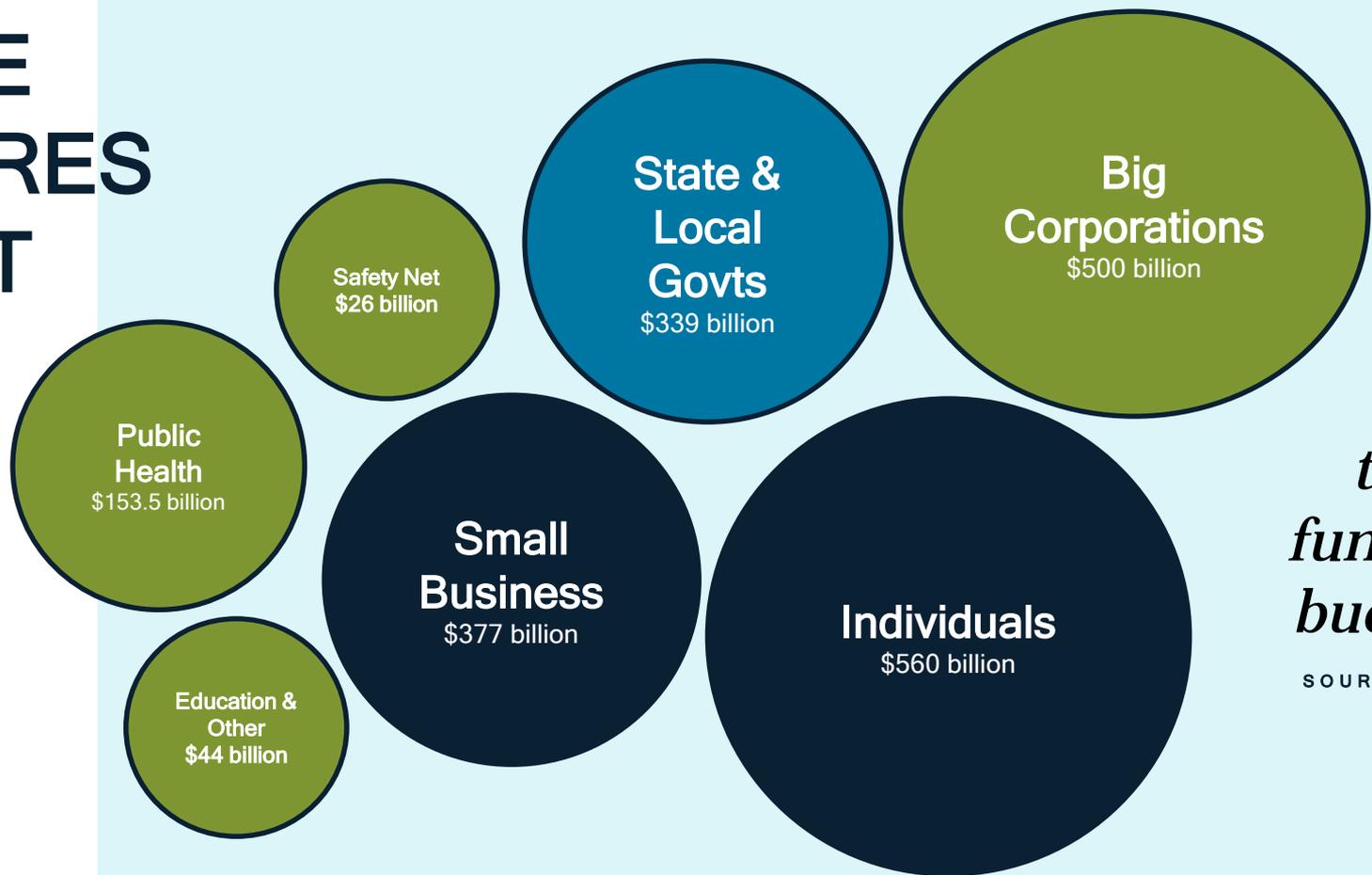
How Fast does GF Grow to Support Services?



Cost Growth vs. Revenue Growth



THE CARES ACT



*the
funding
buckets*

SOURCE: NPR

● DESIGNATED

● POTENTIAL



Known Allocations to Our Region as of 04/20

Coronavirus Relief Funds

\$1.635B

Oregon Allocation

\$1.39B

State of Oregon

\$114M

City of Portland

\$105M

Washington County

\$28M

Multnomah County

[\(Tax Foundation\)](#)

Our Region

\$291M

Shared amongst the 3,454 hospitals across Oregon to be used to pay for COVID-related expenses. [BIZJOURNALS](#)

\$196M

Federal Transit Administration funds directly to Tri-Met [OREGON LIVE](#)

\$116M

Oregon higher education institutions to provide direct emergency cash grants to college students. [KTVZ](#)

\$72M

US Dept of Transportation funding for the Portland International Airport [KPTV](#)

\$1.5M

Oregon allocation for the Emergency Management & Performance Grant Program [FEMA](#)

\$38.6M

To Oregon for childcare needs of essential workers – [KOIN](#)

\$5.95M

Dept of Health & Human Services to Portland Providers [STATE OF REFORM](#)

\$1.12M

Help Americans Vote Act (HAVA) direct to Oregon

what
we
know



*what
we
know*



Multnomah County

\$28M

State and Local
Coronavirus Relief
Funding

known provisions:

- Cannot be used for lost revenue.
- Only necessary expenditures related to COVID-19.
- Expenses are not accounted for in the most recently approved budget.
- Expenditures are incurred between March 1 - December 30, 2020.

SOURCE:
NATIONAL
LEAGUE OF
CITIES



Summary

- **Balanced Budget**
- **Goals for Planning**
 - Focus on essential services
 - Make realistic assumptions and allow for thoughtful planning
 - Maintain financial flexibility
 - Fully funded reserves and contingencies
- **Risks**
 - State Budget Reductions
 - COVID-19 Expanded Response



Questions

