



FY 2023 Budget Kick-Off Meeting

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

Please use the chat box to post any questions you have.

December 15, 2021

Multnomah County
Budget Office
www.multco.us/budget

- Welcome & Introductions
- Chair Kafoury's Remarks
- Equity in the Budget Process - Neisha Saxena & Alejandro Juárez
- Policy Guidance & Direction
- Financial Context & Forecast
- Q & A on Policy and Financial Context
- Updated Technical Requirements and Questica Updates for the FY 2023 Budget
- Wrap Up & Final Questions



Multnomah County Chair Deborah Kafoury



Welcome to the
FY 2023 Budget
Kick-Off Presentation

Preparing the Budget with an Equity Lens - Neisha Saxena and Alejandro Juárez, Office of Diversity and Equity

- Prepare the budget with equity impacts in mind
 - Budgets reflect the priorities of the organization
 - Please utilize the updated tool in the materials
 - Engage your Equity Managers
- Be prepared to explain how you used equity to come to your decisions
- Give a fresh look to the program offer narratives
- Workshop January 13!

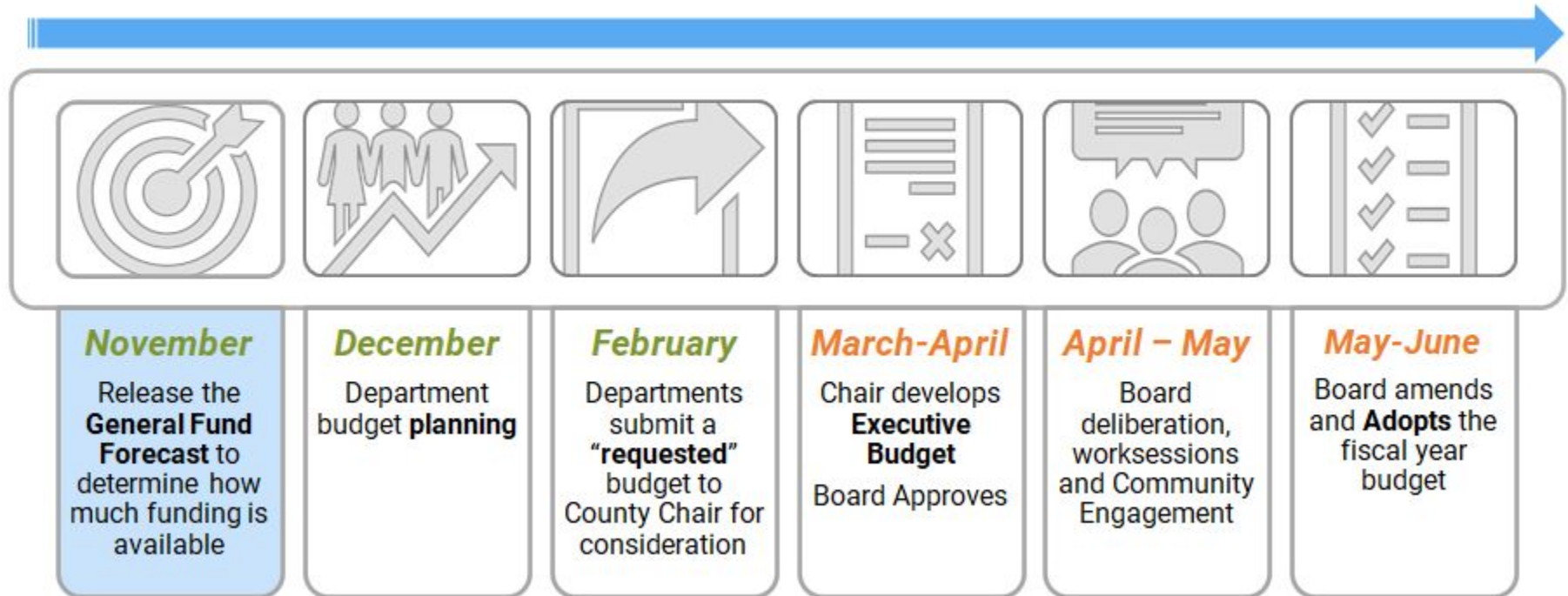


A budget is one of the **most important policy** documents that the County produces. It tells our community what the County's **priorities** are and where the County is **investing** the community's resources.

The budget **helps** the Chair, the Board of County Commissioners, and our community **understand** the programs and services provided to the community.



COUNTY BUDGET PROCESS TIMELINE



Note:

Departments have their own internal budget process developed within the larger countywide process.



Budget Calendar - Major Milestones

- December 10th: Big Release of budget materials
- January 18-29th: Departments meet with Chair's Office (*Chair's Office Meeting #1*)
- **February 18th**: Department Submitted budget due to Central Budget Office
- March 4th: Program Offers posted online
- **April 28th**: Chair's Executive budget released. This is the Proposed budget
- May to Mid June: Board deliberation and public hearings
- **June 9th**: Budget adoption



FY 2023 - 0% Constraint: Preparing Current Service Level budgets

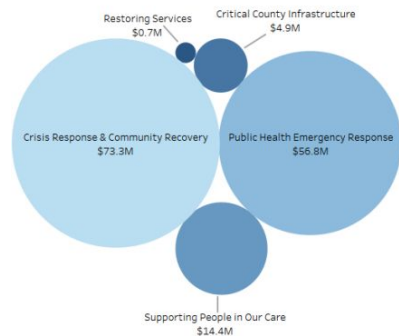
- **Focus on County Chair's Policy Guidance**
- Use an **Equity Lens** - who are we serving and why?
- Programs are still expected to **review Outcomes** and Efficiency of Service Delivery
- **New/OTO/Reallocation Requests** - Must be discussed at the January meeting with the Chair and in your transmittal letter.



- **Voter Initiatives - Year 2**
 - Supportive Housing Measure
 - Preschool for All
 - Library Bond
- **American Rescue Plan Funding**
- **Continuation of COVID-19 response**
 - Public Health Authority
 - Vaccination Efforts
 - Community Recovery
- **Pushing equity considerations deeper into the budget process**



American Rescue Plan



Direct County Allocation

- Direct allocation of **\$158** million to Multnomah County, paid in two tranches.
- The first tranche was included in the FY 2022 budget, and the remainder **\$78.9M** will be budgeted in **FY 2023**.
- **Funding decisions** will be made in **alignment with the principles and priorities** that have guided the County's investments in our responses to COVID-19 and its impacts throughout the community.
- FY 2023 will need to reflect emerging COVID-19 trends and the cascading impacts that the public health emergency has on the health, wellness and resiliency of our community.



COVID-19 Response & Recovery: County Priorities



Public Health Emergency Response

Testing, tracing, outbreak response, vaccination, call center, emergency ops, communication, education & engagement.



Core Services Supporting People in our Care

Uphold the welfare of people in our direct care, particularly those in congregate settings like shelter, jail and juvenile detention.



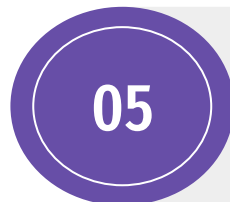
Restore Services Impacted by Budget Reductions

Restore and continue important services that are impacted by budget cuts at the local, state or federal level.



Crisis Response & Community Recovery

Maintain the social service safety net, and make investments that address the negative impacts of the pandemic to help our community recover.



Critical County Infrastructure

Investments in key County infrastructure like improved air quality in our buildings and expanded technology.



COVID-19 Impacts

- Focus on FY 2023. The ongoing impact will vary widely by department and who we serve.
- Continue to explain **anticipated impacts**:
 - Transmittal Letter
 - Dedicated section in Department Narratives
 - Program Offers:
 - **Significant Changes** section - Explain changes impacting services, increased costs, personnel impacts, etc.
 - **Executive & Program Summaries** - Explain permanent operational or structural changes
- Discuss changes in revenue assumptions or resource reallocations due to COVID with the Chair's Office



Other Things to Know

- **Transmittal Letter** has been updated
 - Continue to post online to increase community understanding of the context and values for each department's budget proposals.
 - Greater emphasis and requirements for how equity was used to build and evaluate your budget proposals
 - Section for COVID-19 impacts
 - American Rescue Plan program offers
- **Stay Tuned!** We will be updating the budget process
 - Budget Work Sessions
 - COVID Impacts & Federal Funding



FY 2023 Budget Kick-Off // Financial Context

Forecasted Ongoing General Fund Balance					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	623,633,298	647,657,071	690,626,642	713,908,921	738,167,780
Expenditures	604,210,686	630,492,612	650,217,804	673,118,910	696,619,513
Ongoing Surplus/(Deficit)	19,422,612	17,164,459	40,408,839	40,790,011	41,548,267
Expanded Homeless Services - Homeless Providers Workforce Retention	(1,000,000)	(1,042,500)	(1,086,806)	(1,132,996)	(1,181,148)
Adjusted November Forecast	18,422,612	16,121,959	39,322,032	39,657,015	40,367,119

- Major URAs returning AV to tax roll in FY 2023 and FY 2025.
- Impact of BIT Reform
- Assumes higher inflation in FY 2023 and FY 2024.
- Does not include Year 2 of ARP funding.



FY 2023 Budget Kick-Off // Financial Context

	Adopted¹	November Forecast Change	March Forecast Change	May Forecast Change	Net Change From Adopted	Note
Property Taxes	335,936,853	5,431,926			5,431,926	Early River District URA Return
Business Income Taxes	113,300,000	29,753,799			29,753,799	Fed'l support and pulling forward income
Motor Vehicle Rental Taxes	25,000,000	0			0	
US Marshal/BM 73/BOP	6,077,250	540,200			540,200	High Usage at beginning of year
State Shared					0	
Video Lottery	6,093,382	206,618			206,618	Return to normal growth
Liquor	5,281,966	0			0	
Cigarette	611,242	0			0	
Marijuana	1,000,000	0			0	
Amusement	173,000	0			0	
Recording Fees/CAFFA Grant	8,204,161	750,000			750,000	
Indirect					0	
Departmental	25,544,980	0			0	
Central Indirect/Svc Reimburse	16,982,480	0			0	
					0	
All Other	27,921,591	0				
FY 22 Revenue Adjustments²	572,126,905	36,682,543	0	0	36,682,543	
% of Revenue		6.41%	0.00%	0.00%	6.41%	

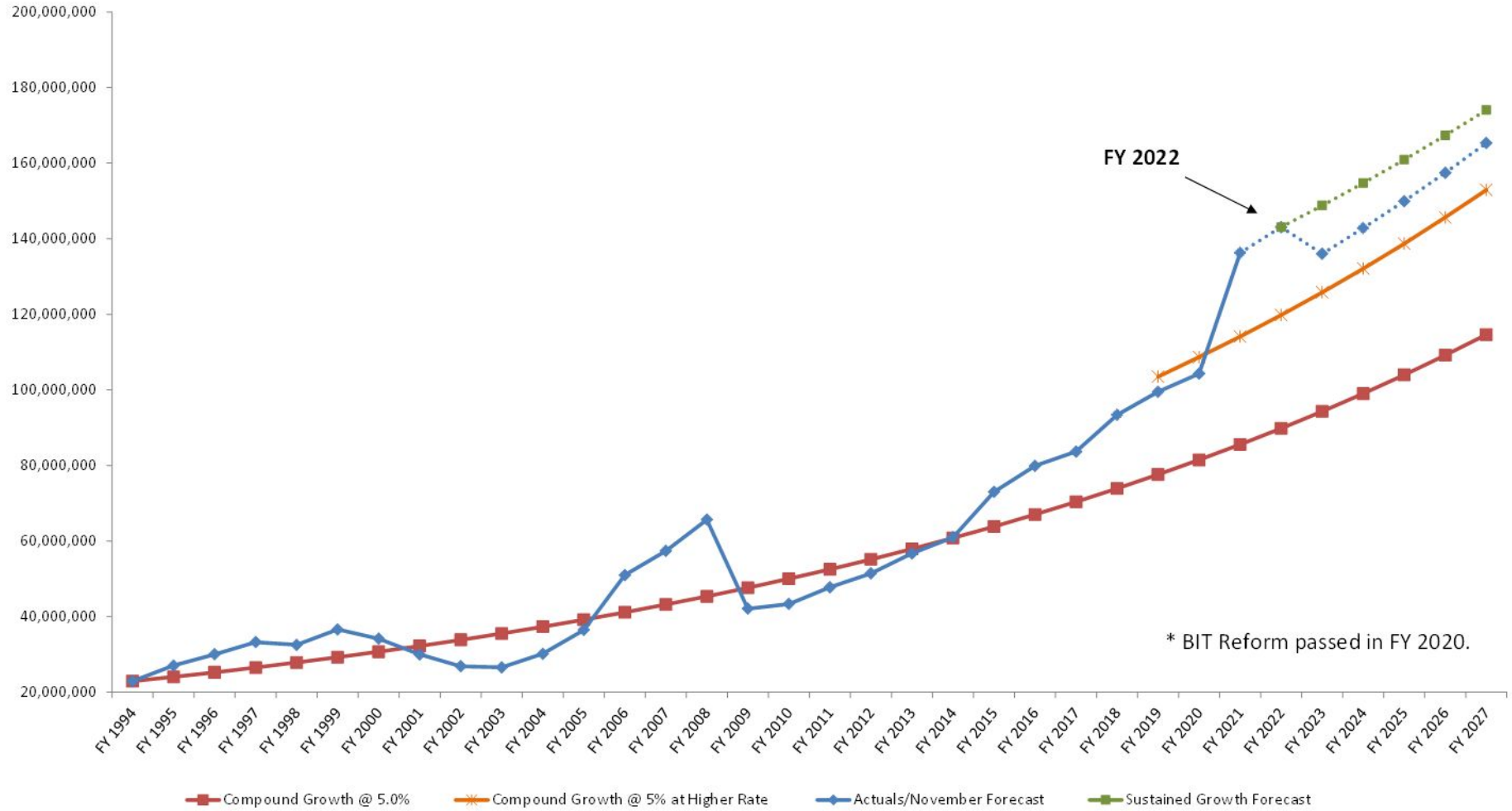
1. Excludes BWC, FQHC wraparound revenues, prospective health payments, and Tax Title: Affordable Housing but includes Video Lottery.

2. Not adjusted for revenue adjustments directly offset by expenditure changes.



FY 2023 Budget Kick-Off // Financial Context

Annual BIT Collections



Cost Drivers for FY 2023:

Inflation	4.00%	Second Half West Size-A CPI-W
Labor Costs (Change in rates)	4.32%	Prior assumption was 4.21%
COLA	4.00%	Dependent on Unit & Contract Status
Step/Merit/Contract Adjustment	1.40%	Dependent on Unit Demographics.
Medical/Dental	2.00%	Was assumed to increase by 6.00%
PERS	-0.86%	Was assumed to increase by 0.00%
Retiree Medical	0.00%	
Liability/Workers Comp/TriMet	0.01%	Includes Workers Comp and TriMet
Materials and Services	4.00%	
Contractual Services	4.00%	Every 1% increase is approximately \$700,000
Internal Services	5.33%	Includes Adjustment for Add'l Inflation/Expansion

General Fund Cost Driver Notes

A 1% increase in base pay = approximately \$3.4 million

A 4% increase in medical/dental rates = approximately \$1.8 million

A 1% (of base pay) increase in PERS = roughly \$2.3 million

Reserve & Contingency Assumptions

General Fund Contingency - \$1.5 million

BIT Reserve - 10% of BIT revenues (\$11.3 million)

General Fund Reserve - 10% of corporate revenues (\$48.9 million)



FY 2023 Budget Kick-Off // Financial Context

General Fund FY 2022 Beginning Working Capital & FY 2023 OTO^{1, 2}		
<i>Year-End as of September 30, 2021</i>		
FY 2022 Beginning Balance ³		171,247,039
FY 2022 Budgeted Beginning Balance		<u>92,520,297</u>
Additional FY 2022 BWC (OTO)		78,726,742
Less FY 2021 BIT used in FY 2022		<u>(30,401,964)</u>
Adjusted Additional FY 2022 BWC (OTO)		48,324,778
Plus Additional BIT Revenues		29,753,799
Less Amount for BIT East County Cities Payment		<u>(2,529,073)</u>
Plus Additional FY 2022 Forecast Adjustments		6,928,744
Less Amount to Maintain Reserves at Board Policy Level		<u>(7,188,665)</u>
<i>Add'l PERS Side Account⁴</i>		<u>(25,000,000)</u>
<i>CGF Reserve Incremental Increase</i>		<u>(5,379,656)</u>
<i>BIT Reserve Incremental Increase</i>		<u>(1,360,000)</u>
OTO Funds for FY 2023 per November Forecast		43,549,927
FY 2023 Treated as OTO to Balance		3,030,250
Total OTO Funds for FY 2023		46,580,177
<i>50% Dedicated to County Facility Projects per Board Policy</i>		23,290,089
<i>Remaining 50% to be Allocated</i>		23,290,089



- FY 2022 General Fund revenue forecast increased \$36.7 million (6.41%)
- FY 2022 General Fund contingency balance of \$2.7 million (unallocated)
- Surplus of \$18.4 million forecast for FY 2023
 - Becomes surplus of \$40.4 million by FY 2027
- FY 2023 General Fund OTO resources of \$46.6 million
 - \$23.3 million for facility projects (per Board policy)
 - \$23.3 million to be allocated
- Major risks, uncertainties, and issues include:
 - COVID-19 Mitigation and Recovery
 - Inflation



Questions on Budget Policy or Financial Context?

Please put your questions in the chat.

Budget Office staff are monitoring and will provide them to the presenters.



New Technical Requirements and Updates to Questica

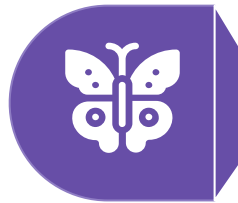


Voter Approved Initiatives

- *Stand Alone
Program Offers*
- *Lead
Department
Responsible*



Supportive Housing Services (1521)
Joint Office of Homeless Services



Preschool for All (1522)
County Human Services



Library Bond (2517)
County Assets/Library

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

Funding Stream	Program Contact	Budget
Supportive Housing Services (SHS)	Adam Brown	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

Detailed information: Section 1: FY 2023 Budget Overview and Resources
 FY 2023 Budget Manual | Pages 13-15



American Rescue Plan

Technical Requirements

ARP Funding = stand
alone program offers



No carryover from
FY 2022 for County
Direct ARP



Must align with
County's **principles
and priorities**



**Do not charge indirect
Do not charge internal
services***



*Requires pre approval from Budget Office & DCA

What's New for FY 2023

Wage Modifiers

Questica includes 60000 permanent base wage modifiers for Longevity, Education, Incentive & Briefing Pay

Updated & New Reports

Updated Position List Report
NEW! Exp/Rev/Position/Modifier
Detail Report for Excel

Telework Allowance & Stipends

60120 - equipment/home office stipends for new hires
60200 - Routine/Hybrid monthly internet allowance

Questica Additions

Division is now part of Questica
NEW! Request Form Forecast & Position Allocation Grids



Resources

- [FY 2023 Budget Manual](#)
- [U Learn Questica Site](#)
 - On Demand Training Videos & Quick Reference Guides
- Schedule an Analyst multco.budget.office@multco.us
- Budget Office Website <https://multco.us/budget>
 - [Current & Historical Budgets](#)
 - [Calendars](#)
 - [Budget Office Contact Information](#)
 - [Economic Forecasts](#) (current & historical)
 - [DCA Cost Allocations](#)
 - [Forms & Templates for Budget Submission](#)



If you have further questions, please contact a member of the Budget Office staff:

Budget Office Staff:	Department Assignments	Email
Christian Elkin , she/her Budget Director	Countywide Process	christian.m.elkin@multco.us
Althea Gregory , she/her Sr. Budget Analyst	DA, JOHS	althea.gregory7@multco.us
Ashlye Manning , they/them Principal Budget Analyst	MCSO, Health	ashlye.manning@multco.us
Ching Hay , he/him Sr. Budget Analyst	DCA, DCM	ching.l.hay@multco.us
Chris Yager , he/him Sr. Budget Analyst	DCJ, DCS	chris.d.yager@multco.us
Erin Russell , she/her Sr. Budget Analyst	DCHS, Nondepartmental	erin.russell@multco.us
Jeff Renfro , he/him County Economist	Forecasting, Library	jeff.renfro@multco.us
Shannon Gutierrez , she/her Principal Analyst	Questica, Special Assignments	shannon.gutierrez@multco.us



Questions?

Please use the Chat box to submit questions.

A copy of the recording will be posted on the Budget Office website on the FY 2023 Budget Manuals, Forms, Calendars, and Other Resources page.

<https://www.multco.us/budget/fy-2023-budget-manuals-forms-calendars-and-other-resources>

