



MULTNOMAH COUNTY

FY 2023 Budget Kick Off Questions & Answers

December 15, 2021

Is there any work being done on updating our financial rules that continue to create a level of bureaucracy that makes the use of funds we have received difficult and at times impossible?

Being stewards of public funds creates a different and sometimes more intensive need for oversight and accountability. The Budget Director and her team, the Chief Financial Officer and his team, and our central procurement team are constantly evaluating and working towards how we can remove those barriers while maintaining transparency, accountability, and oversight.

A significant portion of County funds come from the State or Federal government, which have their own sets of rules and requirements. We work with those funding partners - ideally prior to the release of rules/requirements - to find ways to streamline the rules/requirements, and the work necessary to meet them, while still addressing their underlying goals. It may be a matter of letting a funder know that if it requires a particular piece of information or implements a particular rule, it will make it challenging for the County to do the desired work in a timely manner. Having provided information about the challenges, we can then work with the funder to find a better approach. These kinds of conversations can be particularly important and fruitful when they involve something like the Coronavirus Aid, Relief, and Economic Security (CARES) Act, where the Federal government was providing a large infusion of funding during an emergency, requiring us to balance the need to quickly get the funding out and provide services against the need for transparency and accountability in how the funds are spent.

We continue to work on, and think about, ways to improve this process. To that end, we welcome hearing ideas from departments. Please reach out to Budget Office staff or the Chief Financial Officer and his staff.

How will labor contract negotiations impact the budget process?

Information for the FY 2023 budget process includes all known changes that have been approved by our labor partners and the County. These changes include the Local 88 market adjustment, pay equity, and our new teleworking stipend and allowance, as well all the usual increases related to step or merit increases and the cost of living adjustment (COLA). All those personnel cost increases were accounted for in the General Fund forecast, as well as in the General Fund allocation provided to each department. In Questica (the County's budgeting software), position costs for FY 2023 also include all known changes.

That being said, there are currently seven labor contracts that are open for negotiation. The timing and the outcome of those negotiations may impact budget decisions, either during the annual budget process or post-budget-adoption. For context, over 40% of our costs in FY 2022 (excluding debt) are associated with personnel, constituting over 5,200 FTE. In FY 2023, every 1% increase in personnel costs will amount to approximately a \$3.4 million increase in General Fund expenses. This means that results from labor contract negotiations could have a significant



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impact on costs. However, because the Budget Office can't predict the outcomes of negotiations, it is not possible to address them at this point in time in the budget process. The Budget Office will monitor the progress of negotiations and, at the appropriate time, work on ways to incorporate the results into the budget.

Who will be able to view/edit the new program budgets? Will it be all departments or just the ones listed?

Each program offer request form in Questica is assigned to a department; only that department (and the Budget Office) can view the program offer (i.e. expenditures, revenues, narrative, and performance measures). If there is a need for cross-departmental work, it's possible that Department A would have lines in its program offer request form that are tied to Department B's cost objects. In that case, Department B can view the department specific items through the Reporting center in Questica. Department B would not be able to see *all* other information like Department A's program offer narrative or performance measures. If there is a need to see other departments' information, departments and the Budget Office will need to work together to coordinate and share information. (Please see Appendix D in the [FY 2023 Budget Manual](#) and the Reports section of [Questica Commons ULearn](#) for information on Questica reports.)

In terms of editing, the department that has the program offer request form assigned to it is the only department that can make changes directly in that program offer. Only department users with the "editor" security rights in Questica can make changes to narratives and performance measures. If you need different access to Questica than you currently have, please contact your department's Business/Finance Manager, who will inform the Budget Office of what changes need to be made.

For Program Offer Narratives - will the content from FY 2022 be copied over into FY 2023?

Yes. This question alludes to the fact that in FY 2022, program offer narratives and performance measures were **not** copied over from the preceding fiscal year. This was done intentionally to make sure departments were focused on aligning program offer language with the County's policies and priorities and that programs were using an equity lens to evaluate their operations.

In FY 2023, the Budget Office gave every department the choice as to whether to have its program offer information copied over from FY 2022. All departments chose to have their narrative and performance measure copied into FY 2023.

For Program Offer Expenditures, Revenues, and Positions - will the content from FY 2022 be copied over into FY 2023?

With respect to expenditures/revenues and positions, we gave departments the option to either copy over their FY 2022 Adopted budget *or* the FY 2022 Revised budget, so that departments could have the information most useful to them. (Previously, the Budget Office was only able to copy over the budgeted amounts and position allocations contained in the preceding year's



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program offers, which left out changes made by budget adjustments, amendments, and budget modifications - thus giving departments a starting base of the Submitted budget from the previous year.) Regardless of the choice the department made, positions in FY 2023 included updated personnel costs (such as step and COLA increases), meaning that the budgeted amount was not a direct match to FY 2022 amounts.

One improvement from the September 2021 upgrade of Questica was the addition of the “Position Allocation Changes” grid which, in combination with the “Request Form Forecasts” grid added in the last upgrade, can be used to see all information contained in request forms (i.e. program offers, budget adjustments, amendments, and budget modifications), regardless of the stage of that request form. For example, a department could see its Revised budget, plus all the changes that are in budget modifications in the Department Submit stage.

One way these grids may be particularly useful at this point in the budget process is for departments that want to update information in their FY 2023 program offers all at once, rather than by opening each individual program offer request form. You can find a video about the grids in the Department Budget Preparer and Submitter section of [Questica Commons ULearn](#).

When will we be doing Supplemental Budgets for FY 2022?

The County has already completed three supplemental budgets in FY 2022. Supplemental budgets are very similar to formal budget modifications, but include additional public notice and public hearing requirements when required by Oregon Budget Law, such as when increasing a fund by more than 10%.

Normally, the Budget Office sponsors a supplemental budget each fiscal year to appropriate excess beginning working capital (BWC) and make other changes. If you think your department has an item that belongs on the Budget Office-sponsored supplemental, please reach out to your [Budget Office analyst](#). The process is a bit behind for that supplemental budget for two reasons: the County only recently completed the annual financial report that identifies BWC, and the County has gone through two post-Adoption mini-budget processes already in FY 2022 (one for a rebalance of State, Federal, and other funds, and a second to address significant changes in Business Income Tax revenue and emergency spending needs). It is important for the Budget Office to understand departmental needs for another supplemental budget, so contacting your Budget Office analyst and identifying any items, particularly if they are urgent, will help us determine the process and timing.