

# Multnomah County Hearing Tax Supervising and Conservation Commission for FY 2023-24 Approved Budget

Date: May 31st

Time Certain: 9:00am - 10:30am

Location: Multnomah County Boardroom

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## Introductory remarks

During the pandemic, it has become cliché to describe each new development as “unprecedented,” but COVID-19 created a variety of challenges in our budgeting and decision making process that has required research on arcane aspects of Oregon Budget Law and creative problem solving. Throughout this process, staff in the Central Budget Office have praised the TSCC staff for answering questions, providing feedback, and being a partner in figuring out how to do new, challenging stuff while meeting all of our statutory requirements. I want to thank Allegra and Tunie for being partners as we work through all of these unprecedented situations.

- 1. Chair Vega Pederson, congratulations on your first budget as Chair. Tell us, what was the biggest challenge you faced in putting together this budget? And what are you the most proud of in this budget?**

## **Response: Chair Jessica Vega Pederson**

The 2024 Multnomah County Executive Budget is the first budget created by my administration in a year of transition for the County and for our communities. We’re emerging from years of hardship, organizational restructuring, investment and constraint brought on by the pandemic to turn an important corner and take forward the lessons we’ve learned and things we’ve accomplished despite historic challenges.

As a community we’re pulling together following the worst devastations of the pandemic. We’re reckoning with racial and social injustice, and wrestling with the impacts of homelessness and a lack of affordable housing, community violence, climate change and economic inequality.

Yet I know a just recovery is possible — especially as we lean into our ability to grow together, work more closely and effectively and build unlikely but fruitful partnerships.

Creating this year's budget did include significant challenges. The first of which was coming into the budget process midstream. My team and I have used our first months to deepen our understanding of the County departments; engage with community and Community Budget Advisory Committees; and thoughtfully consider the investments needed to sustain our communities with dwindling federal ARP dollars.

The era of additional funding through ARP, which in most cases funded programs that were important to our community, is sunseting. We looked closely at the program offers funded by ARP dollars, bringing some into the General Fund, funding some with more limited ARP dollars and decreasing funding for some.

I want to emphasize that this budget is not built in a silo but in concert with the many other jurisdictional and community partners who share in these investments.

This year's budget required us to account for uncertain funding at both the state and local levels. With regard to state funding, declining rental assistance funds and uncertainty around assistance with community corrections required us to make sure our funding for these needs – both important to continuing to prioritize the safety net Multnomah County deserves – required that we make strategic choices.

With regard to local jurisdictional partnerships, continuing uncertainty in our relationship with the City of Portland around the Joint Office of Homeless Services, in which the future of our partnership in that office and the funding that goes along with that is consistently in question, is an ongoing challenge that is time-consuming. I am hopeful in the renewed partnership with the city and the steps that they are taking this morning to continue our work together. That being said, our investments today and in the future consider how to support the County's work in the area of housing and homelessness without these funds.

When I look at the issues and crises that have already been brought before us in the first days of my administration, I am confident this budget positions us well to respond effectively and equitably – and that's what I'm most proud of.

It represents a desire to take challenges head on across many critical areas, especially through careful stewardship of SHS dollars, increased investments in and accountability for Multnomah County Animal Services, support for operating the BHRC, developing the Behavioral Health Emergency Coordination Network and the stabilization and modernization of County workforce and services.

We're supporting a community working to remember how to be together again, meeting each other out for a meal or gathering in a park or community center, sometimes for the first time in years.

And this budget was built to reflect our foundational values at Multnomah County and the ways we bring those values into relationship with the community as the safety net that helps people not just meet their basic needs, but live, rise, and thrive.

**2. We were pleased to see that Preschool for All slots are exceeding the initial goal for this year. Nevertheless, the Preschool for All fund is carrying over a considerable amount of money to FY 2024 -- are there obstacles to getting the dollars out the door? What's your estimate on how long it will take to significantly spend down these tax funds?**

***Follow up:* With unspent money on the table, can you see getting this program up to full implementation earlier than 2030?**

**Response: Chair Jessica Vega Pederson**

To center racial equity and build a robust mixed-delivery system, Preschool for All's implementation timeline invests in system supports as the program grows.

The intentional ramp-up of Preschool for All has been part of the plan from the very beginning. Implementing publicly funded preschool too quickly can have unintended consequences, including reducing the availability of infant and toddler slots and funneling investments only into large organizations. A quick expansion can leave behind small, diverse providers who've never had the opportunity for public investment or even put these small preschool programs out of business. The approach we're taking is one that builds capacity and allows time for culturally and linguistically diverse providers to strengthen and expand their businesses as the system matures.

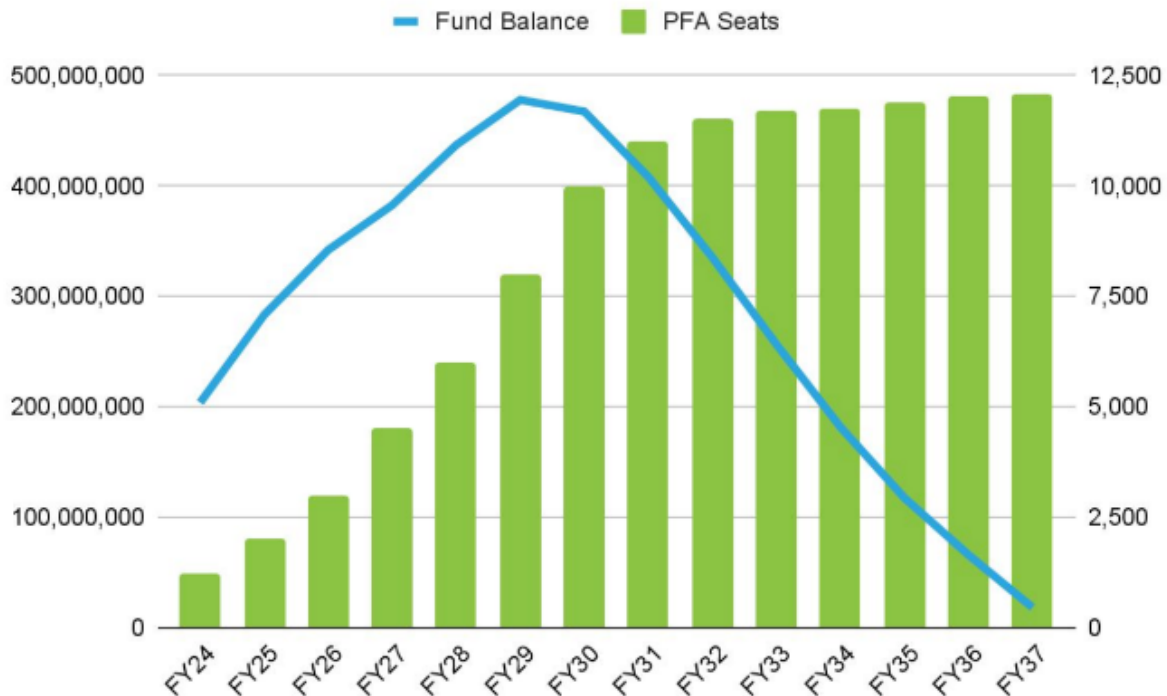
Money saved in the early years of implementation has a specific and designated purpose that we call "revenue smoothing." As implementation progresses, we anticipate expenditures to outpace revenue.

Based on current estimates, there will be a 10-year period during FY 2029-2038 when costs are higher than revenues, which is right as the program nears universal access. Over time, the gap between revenues and expenses narrows as the pace of slot growth slows. By FY 2039, we expect projected revenue to catch up.

In recent briefings to the Board, PFA staff have shared a graph that illustrates how the revenue smoothing fund will work. We'll embed this graph when we publish our TSCC hearing responses. In early years, when we have a surplus, the revenue smoothing fund balance is growing. As the number of preschool seats grows and gets closer to full universal access, the fund balance starts to decrease. The program switches into deficit, and the surplus saved in the first few years will be spent down. Over time, as slot growth slows and the program is well-established, revenue and expenses will even out. This means that the program is fully funded, and aside from contingency and reserve

funds, the fund balance lands near zero at the end of every year.

## Preschool for All Fund Balance & Seats



### Follow-Up

We do not estimate reaching universal preschool access prior to 2030. It will take that full amount of time to build a strong system in which providers can thrive and families have a full range of preschool options that meet their needs. We need the revenue smoothing funding saved in these early years to ensure that there are enough preschool slots available for future families who will be counting on us as the program reaches universal access.

The Pathways Program helps providers get ready for Preschool for All slots through individualized coaching and support. Over 60 providers are currently participating in Pathways. At these 64 sites, over 130 administrators and educators are receiving coaching.

The Pathways providers are very diverse. 73% (47 out of the 64) of the providers identify as Black, Indigenous, and People of Color or speak a language other than English.

Preschool for All has 17 new providers for FY 2024 and 9 out of the 17 have participated in the Pathways Program.

- 3. The most recent quarterly report on the supportive housing program tells us that the Joint Office is struggling to spend supportive housing dollars. What are the obstacles, and what is the county doing to address them?**

***Follow up, if not addressed in response to the above: Recent reports of supportive housing dollars not being spent does not help community perceptions that there's little to no progress on addressing homelessness. We'd like to hear more about the county's approach to the issues at hand. What are you going to do differently to make things work better?***

***Follow up: What is Metro requiring for the corrective action plan?***

**Response: Chair Jessica Vega Pederson**

I'm committed to setting priorities and focus for the Joint Office under new leadership. That is work that will include the input of every person on this board. It includes increasing the urgency and impact of efforts to address the humanitarian crisis on our streets, utilizing tools and methods that improve the data on the work happening throughout the system, improving the efficacy of our continuum of care, and putting more specific accountability measures in place that ensure money, time, and effort invested in reducing homelessness and increasing housing stability is effective and strategic.

We have recently reported that our Supportive Housing Services (SHS) reflected a significant amount of underspent dollars. As I said in my letter to the County and City boards, this is unacceptable. We're working with the County Board of Commissioners, the Mayor's Office and Metro to identify short-term opportunities to spend SHS dollars consistent with program objectives. We will convene key JOHS contracted services providers in June to help us identify obstacles and impediments to service delivery, address underspending, and outline new accountability measures. Lastly, we're in the process of hiring a consultant with national expertise in system performance to increase best practices and efficiency in distributing funds, and propose process improvement for organizational and structural changes.

We have committed funds allocated across fiscal years due to our intergovernmental agreement and medium-term housing commitments. These obligations will be reported in our quarter 4 report, with any remaining unspent dollars carrying over into FY 2024.

[Chair Vega Pederson announces JOHS Task Force evaluate the Joint Office's data utilization strategies](#)

**4. What is the plan in the coming years for the County's shelter system? How many new shelters are needed, and how many are in the works?**

***Follow up:*** The County plans to open alternative shelters in east Portland in the coming year. What is the timeline for these projects? What lessons learned from existing alternative shelters run by the County are you planning to apply to these new sites?

**Response: Chair Vega Pederson**

As we move into later years with the SHS Measure funds, JOHS will shift its response from an emergency to a stabilization strategy. As we make this transition, it allows for JOHS to consider long-term planning and alignment with SHS goals around permanent supportive housing rather than primarily focusing on immediate interventions. We are planning the following:

- Increase the current service level capacity of 2,400 funded shelter beds to 2,580 funded shelter beds, including returning to pre-pandemic capacity levels across JOHS-funded shelter sites.
- Capital investment in acquisition and development of emergency shelter sites.
- Incorporating housing navigation services such as housing access, placement and retention strategies within the emergency shelter system.
- Implementing geographic and racial equity in the distribution of shelters and housing services.

This strategy will further propel the Housing First approach – whereby JOHS is moving individuals experiencing homelessness into housing as quickly as possible, and increasing access to the emergency shelter system by reducing the length of stay and expanding shelter options.

## Shelters needed

JOHS works to consider the necessary balance between different shelter models - emergency, motel, and alternative- and the needs of individuals experiencing homelessness, to provide shelter programs that are appropriately situated to the needs of our community. In FY 2024, JOHS will continue to work with elected leadership, service providers, and community stakeholders to provide a range of shelter options that meet these needs. Additionally, we will use the 2023 Point-in-Time county and Built for Zero to identify the appropriate amount of shelter that is needed here in Multnomah County. We will also use the shelter inflow and outflow data to understand the need for shelter in balance with our permanent supportive housing placements, rapid rehousing placements, and prevention investments.

## Shelters in process

Two congregate shelters, Arbor Lodge and Willamette Center, are currently undergoing major renovation projects and will be reopening in FY 2024. Arbor Lodge will be a joint congregate and alternative shelter, while Willamette will be a congregate site.

Three properties (Cook Plaza, Montavilla, and Harrison) have been purchased and are going through the County process to determine construction plans and usage.

### **Follow up: The County plans to open alternative shelters in east Portland in the coming year. What is the timeline for these projects?**

Plans for the Montavilla, Cook and Harrison alternative shelters are currently being developed and will be included in the JOHS capital strategy plan. The timeline to bring these sites online is FY 2024 for Montavilla, FY24/FY25 for Harrison and FY 2025 for Cook Plaza.

### **What lessons learned from existing alternative shelters run by the County are you planning to apply to these new sites?**

The safe park model, which pairs a secure place to park vehicles with on-site services and housing supports, has been successfully deployed in other parts of the country and is becoming a model used for alternative shelters in Multnomah County. This model will be strongly considered in the new alternative shelter sites that will come online in FY 2024.



5. **Substance abuse issues are complex, and the County is uniquely poised to make change in this area because it's a law enforcement issue, it's a public health issue, it's a prosecution issue, and it's a housing issue. The County has a responsibility for each one of these areas. How are efforts being coordinated across these areas? Why are we not seeing more progress?**

**Response: Commissioner Jayapal (District 2)**

Like jurisdictions across the nation, Multnomah County has faced a rapid increase in substance use and overdose that corresponds to myriad factors, including isolation from services and support during the COVID-19 pandemic, changing substance use behaviors, and decades of chronic underfunding of public health, particularly to address the social determinants of health.

The Health Department takes an integrated and comprehensive public health approach to addressing and solving our community's substance use crisis. This work is divided across four core areas: prevention, harm reduction, treatment, and recovery support. This work is conducted across all clinical divisions: Behavioral Health, Corrections Health, Public Health, and Integrated Clinical Services. There are 17 different teams and/or programs that integrate substance use prevention or services as a primary element of their mission and activities.

The County is a leader in delivery of harm reduction and clinical treatment services for substance use. The Health Department operates multiple harm reduction sites where people who use drugs and their drug using networks can receive syringes and safe smoking supplies, drug test strips, naloxone, overdose prevention education, HIV/STI testing and treatment, wound care, and connection with treatment, as ready. In this fiscal year, from July 2022 to April 2023, the Harm Reduction clinic has served more than 4,000 unique clients.

Within the Behavioral Health Division, the Addictions and Prevention Unit has more than 100 contracts with partners across the community to provide residential treatment, intensive outpatient treatment, recovery mentoring and support. Clinical services for youth incorporate drug and alcohol assessment during the mental health assessment and connect youths with harm reduction supports and referrals for Substance Use Disorder services, as needed.

Every person brought into custody in a correctional facility is screened for current or a history of substance use. Individuals who indicate current substance use immediately receive Medication Supported Recovery (MSR). To ensure continuity of care and support, prior to release, Corrections Health works with the Multnomah County Sheriff's Office and community partners to connect clients with the MSR services in the community and other recovery and supportive services.

Of course, this work is not limited to the Health Department. Addressing and preventing substance use requires an interdisciplinary approach that reflects both individual and systemic circumstances.

The Health Department works closely with many other departments and jurisdictions, to identify, implement, and sustain, cross-departmental services and programs. All of our programming and services prioritize using trauma-informed and culturally specific approaches, including building teams with culturally specific staff, developing peer-led models, offering services in a wide range of languages, providing programming and services at easily accessible sites, and contracting with Community Based Organizations who have established and trusted relationships in the community.

Many of the immediate limitations to the County's response to the substance use crisis pertain to infrastructure, policy, and funding that are outside the County's jurisdiction. While we seek to work collaboratively with these jurisdictions, this limits our ability to prevent and reduce substance use and overdose.

Similarly, state policy and funding have significant impact on behavioral health trends and outcomes, including Measure 110 and the Mosman Order, which have changed how individuals access services and the institutions tasked to provide services.

Health care workforce shortages have also profoundly impacted delivery. At present, all teams report significant and disruptive workforce shortage issues as barriers, which exacerbates challenges to entering and navigating substance use programming and services.

**6. Will County Elections have capacity to implement, manage and report results for ranked-choice voting for the city election in the 2024 presidential election year? What impacts will there be on the Elections division?**

**Response: Commissioner Meieran District 1**

The Elections Division is intently focused on successful implementation of ranked choice voting beginning in the 2024 general election. This work is well underway and includes reviewing and updating policies, procedures, and technology, as well as educating voters.

- Elections Division and City of Portland staff collaborated to inform City elections code amendments for ranked choice voting that City Council adopted in April.
- County and City staff are also collaborating in development of voter education and outreach plans for ranked choice voting.
- In parallel with development of amendments to the City's elections code, County Elections staff began consultative discussions with its IT vendor as they work to add ranked choice voting capabilities to the County's voting system software. This software update will go into federal certification testing between July and September this year so it will be ready for state and local certification and testing in time for the November 2024 election.
- County Elections staff are also consulting with colleagues from Clackamas County, Washington County, and the Secretary of State's Office to ensure coordinated, timely, transparent, accessible, and accurate administration of the election for Ranked Choice Voting contests.

The Elections Division initiated its work in FY 2023 to implement ranked choice voting with existing and temporary staff. Our FY 2024 budget includes strategic investments to ensure the Elections Division can continue to deliver on this work and its other functions heading into the presidential election year. The budget includes a bilingual voter education and outreach staff person, a supervisor for the team who is the first point-of-contact for voters that need help, and a limited duration project manager for ranked choice voting. The budget also includes funding for upgrading the County's ballot design and vote tally system software, for a consultant to help plan a ranked choice voting voter education media campaign, and for development of education and outreach media and materials. We see synergies between the implementation of ranked choice voting and ongoing work to provide reliable and trusted information to voters, promote and support voting, and administer a secure and accurate election.

7. **The County started a number of new programs thanks to the influx of federal dollars from the American Rescue Plan act. Last year you spoke with us about the thoughtful approach the County took to add the federal dollars where most needed. Can you give us an example of a program where you measured the impact of the dollars? What were the results?**

**Response: Commissioner Rosenbaum District 3**

When the Pandemic first began, the community need was immense. The Federal government acted quickly to prevent a long, severe recession with direct assistance to businesses and households. But, the initial pandemic impacts hit our most vulnerable communities the hardest, and the recovery has been uneven and inequitable. The County chose to allocate ARP by fulfilling our role as the Local Public Health Authority while applying an Equity Lens and County values to the decision-making process. The County allocated ARP resources to five priority areas:

- Public Health Emergency Response
- Core Services Supporting People in our Care
- Restore Services Impacted by Budget Reductions
- Crisis Response & Community Recovery
- Critical County Infrastructure

The County's ARP funding went to a wide variety of programs within these priority areas, but we'll highlight a couple of notable programs and their impacts.

**Rent Assistance**

- The County has dedicated a significant amount of ARP resources to rent assistance during the pandemic in response to the economic upheaval.
- In FY 2023, \$69.2 million was allocated to rent assistance and program administration from a variety of state and federal sources, with \$25.5 million coming from the County's direct ARP allocation.
- Funding is distributed through a network of non-profit organizations.
- As of April, 7,751 households had received emergency rent assistance in FY 2023.
- Since the beginning of FY 2022, 5,354 households have received rent assistance to prevent imminent eviction through the Bienestar Rapid Response Eviction prevention program.

**Vaccinations:**

- As the Local Public Health Authority, the County led the local COVID-19 reponse. An equity lens was applied to all ARP funding decisions and the County was able to leverage its relationships with local, culturally-specific organizations to deliver vaccines to marginalized communities.
- Through Public Health, Corrections Health and the Community Health centers, the County provided over 5,100 vaccinations to almost 4,000 individuals and hosted over 150 vaccine events with our partners.

**Multnomah Mother's Trust:**

- Multnomah Mother's Trust provides an unconditional basic income to 100 Black female-headed households with children who have been negatively impacted by the pandemic. Participants receive an unconditional, basic income of \$500 per month.
- Program participants also participate in research and program development by either inputting information about their economic and social condition into an existing database, or participating in a design process for programs intended to build assets over time or decrease debt. For this they receive a \$500 Technology grant, \$50/month for data entry, and \$150 per design session.
- By June 2022, program participants were reporting lower levels of debt, and an increase in assets. 80% of participants have reported a positive increase in quality of life, economic stability, and/or child educational success

**8. The County is using the last of its federal dollars as well as “one-time” general fund dollars to continue programs in this budget that started with ARP funds. Last year we asked what would happen when the federal money ran out. Are these “one-time” programs that are continued in this budget destined to become permanent, on-going expenses?**

**Response: Commissioner Stegmann District 4**

When the County began making decisions about allocating ARP resources, we were careful to stress to both internal and external audiences that this funding was temporary, and needed to be allocated to addressing pandemic impacts.

By applying a disciplined approach, we avoided funding normal County programs and functions with these temporary resources.

Starting in the FY 2023 budget development process, we tried to be honest about which programs originally funded with ARP would serve an ongoing purpose. This was based on the success of the program, as well as an evolving understanding of what the post-pandemic world would look like.

We have converted \$29.8 million of ARP funded programs to General Fund funding. A table in the Budget Director’s Message in our budget breaks all of this out.

Dept.	Prog. #	Program Offer Name	County General Fund	FTE	Ongoing or OTO
<b>FY 2023 Adopted</b>					
MCDA	15304B	Gun Violence Backlog	\$450,000	2.00	Ongoing
DCHS	25131C	YFS - Eviction Prevention Support	400,000		Ongoing
Health	40000D	COOP Emergency Coordination	155,455	1.00	Ongoing
Health	40108	IT Business System Analysts	690,852		OTO
DCJ	50041	Mental Health Treatment Outreach	762,973		OTO
DCJ	50042	Community Violence Intervention Programs	1,261,570	5.00	Ongoing
MCSO	60400B	Adults in Custody Phone Calls	120,000		Ongoing
MCSO	60430B	Program Supervisor: Adults in Custody Program Unit	129,265	1.00	Ongoing
MCSO	60430C	SE Works Program Coordinator	100,000		Ongoing
<b>Total FY 2023 Adopted</b>			<b>\$4,070,115</b>	<b>9.00</b>	
<b>FY 2024 Proposed</b>					
NOND	10012B/C	Logistics & Warehouse	\$1,376,842		OTO
NOND	10018B	Food Access Focus	400,000		OTO
MCDA	15102B	Domestic Violence Case Management OTO	195,805	1.00	OTO
MCDA	15304B	Unit D - Gun Violence Case Management	373,134	2.00	Ongoing
MCDA	15304C	Unit D - Gun Violence Case Management OTO	373,134	2.00	OTO
JOHS	30209	COVID-19 Emergency Response - Shelter Operations	17,041,210	3.00	OTO
JOHS	30210	COVID-19 Emergency Response - Culturally Specific Outreach	446,250	0.00	OTO
Health	40069B	Old Town Inreach	1,100,000		OTO
Health	40109	Behavioral Health - Continuing COVID Response	586,793		OTO
Health	40110	Gun Violence Impacted Families Behavioral Health Team	1,214,400		OTO
MCSO	60330J	MCIJ Dorm 13	905,391	3.64	Ongoing
DCM	72060	Future of Work Planning	1,500,000		OTO
DCM	72061	Labor Relations Expanded Support	215,000		OTO
<b>Total FY 2024 Proposed</b>			<b>\$25,727,959</b>	<b>11.64</b>	
<b>Total General Fund</b>			<b>\$29,798,074</b>	<b>20.64</b>	

In FY 2023, we converted several programs to ongoing, General Fund like Eviction Prevention Support and Community Violence Intervention programs while we had the capacity.

In FY 2024, we were able to convert some Gun Violence Case Management in the DA's Office and funding for a jail dorm to ongoing General Fund funding.

The majority of the County's Direct ARP allocation remaining for FY 2024 is dedicated to rent assistance. The other programs funded by ARP and the programs moved from ARP to the General Fund as one-time-only are planned to ramp down in FY 2024.

Based on program experience, it is possible that the County would continue funding for a limited number of these programs in FY 2025 but they would go through the same decision making process as the rest of our General Fund programs and requests. Our current forecast does not anticipate significant room to add ongoing programs to the General Fund.