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

Please use the Google chat to post any questions you may have. We will answer questions in the chat if possible.

You can find additional resources at
www.multco.us/budget.

Multnomah County
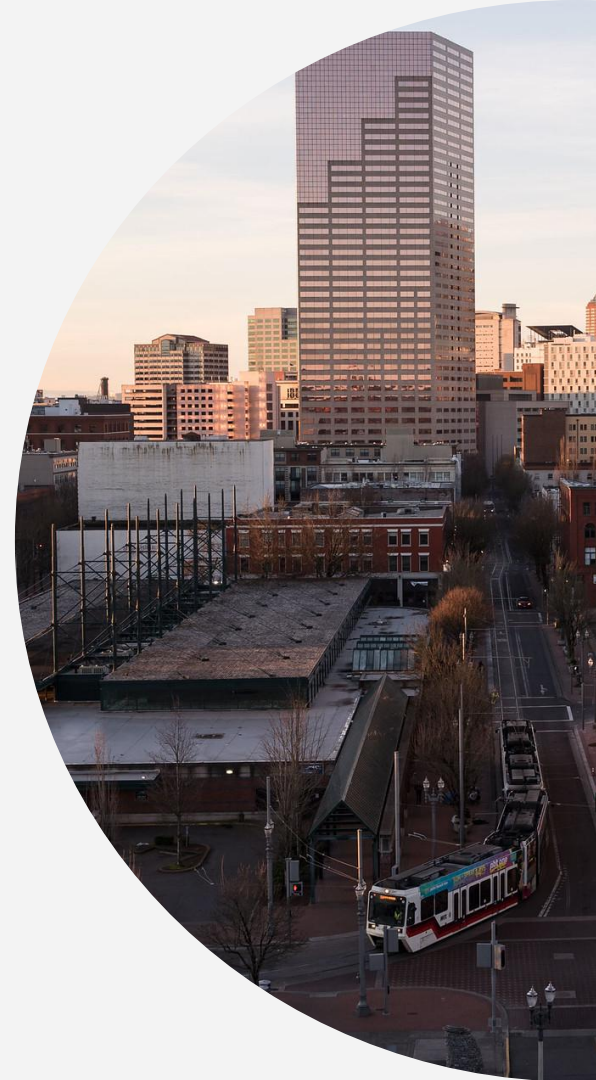
1. Welcome and Introductions

2. Policy Guidance and Direction – Chair Vega Pederson

3. Equity in the Budget Process – Joy Fowler

4. Budget Process and What's New

5. Financial Context and Forecast

6. Q&A on Policy and Financial Context

7. Updated Technical/Questica Info for FY 2026

8. Wrap Up and Final Questions

Policy Guidance and Direction

County Chair Policy and Guidance

Jessica Vega Pederson
County Chair

County Mission Statement: To improve the well-being of those in Multnomah County by providing accessible, high-quality, and innovative public services that create stability, enhance opportunities, and reduce disparities.

Chair's Policy Guidance and Direction

"One-County" Solutions

Leading with County Values

Community Engagement

Measurable & Data-Driven Decision-Making

8%, 10%, & 12% General Fund Constraint for most departments and 3% for District Attorney, Community Justice, County Auditor, Board and Chair

Multnomah County

Our Budget Equity Process

- County Budget as a Moral Document

- Budget preparation with equity impacts in mind

- How considering equity enables better informed decisions

- Program Offer Narratives

Multnomah County

Equity in the Budget Process

- [Equity and Empowerment Lens](#) Support

- Equity and Empowerment Lens Focus Areas:
  - Program Level
  - Strategic Outcomes
  - Department Level

- [FY 2026 Budget Equity Tool Worksheet](#)

- [FY 2026 Budget Equity Tool](#)

Budget Process Timeline

WE ARE HERE

DEC. 6
PREPARE

General Fund Forecast; Budget Manual; Chair's Policy Guidance; Internal Service Rates

ALL DEPARTMENTS

FEB. 14
REQUEST

Departments prioritize reductions, reallocations, and new requests.

ALL DEPARTMENTS

APRIL 24
PROPOSE

Balanced budget released for Board to begin public deliberation.

COUNTY CHAIR

MAY 8
APPROVE

Board review: first opportunity for amendments; 10% rule applies after approval.

COMMISSIONERS

JUNE 12
ADOPT

Department and Board amendments; budget notes; resolutions; TSCC hearing.

COMMISSIONERS

10 weeks — 10 weeks — 2 weeks — 5 weeks —

- Preliminary Work Sessions
- Public Hearing

- Department Work Sessions
- Public Hearings

Major Milestones

January 13-30
Dept. Chair Meeting #1

February 14
Dept. Submit Budget to CBO

February 21
Dept. Submitted Budgets Posted Online

April 24
Chair's Proposed Budget Released

May to June
Board Approval Deliberations & Public Hearings

June 12
Budget Adoption

New for FY 2026

Addition and Reduction Packages

Departments will submit a current service level budget, along with General Fund reduction packages based on the Chair's Guidance. Addition packages will be considered in limited cases.

Department and Division Narratives

Due now as part of the Proposed budget submission later in the process. Must include strategic outcomes at the division level.

Fee Schedule

Highlighted in Chair Meeting #1 and during Budget Worksessions

COLA for Human Services Contract

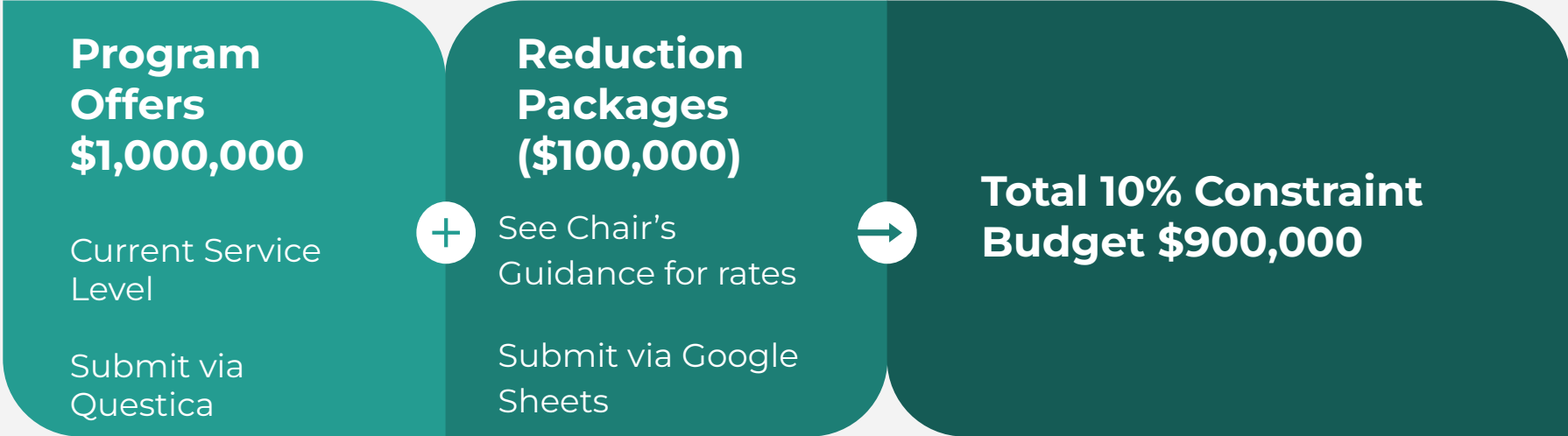2.70% for all General Funded services

Budget Dashboards

Don't forget to check out our interactive Budget Dashboards, which track spending by program offer and department.

New for FY 2026: Example

Program Offers $1,000,000

Current Service Level

Submit via Questica

+

Reduction Packages ($100,000)

See Chair's Guidance for rates

Submit via Google Sheets

→

Total 10% Constraint Budget $900,000

Requests for New Funding

New ongoing requests should be **prioritized within** a department's base **current service level budget** by reallocating funding. If it's a **high enough priority** to be requested in this financial environment, we're **assuming that it's a higher priority than other services** you are currently providing.

Multnomah County

New for FY 2026: Add Packages - OTO & Ongoing

- One Time Only Requests
  - Capital requests

- Ongoing Requests

- Packages will be published on February 21st along with Questica current service level program offers.

- All requests must be prioritized

New for FY 2026: Budgeting for Results

Division Outcomes Statements*

NEW, PER CHAIR'S GUIDANCE: Division narratives will now include outcomes (i.e., the intended results of a division's great work!).

Program Offer Performance Analysis*

MINOR UPDATE: Continue to focus on Program Offer output performance measures. Think ahead for future planning to Division-level Key Performance Measures (KPIs).
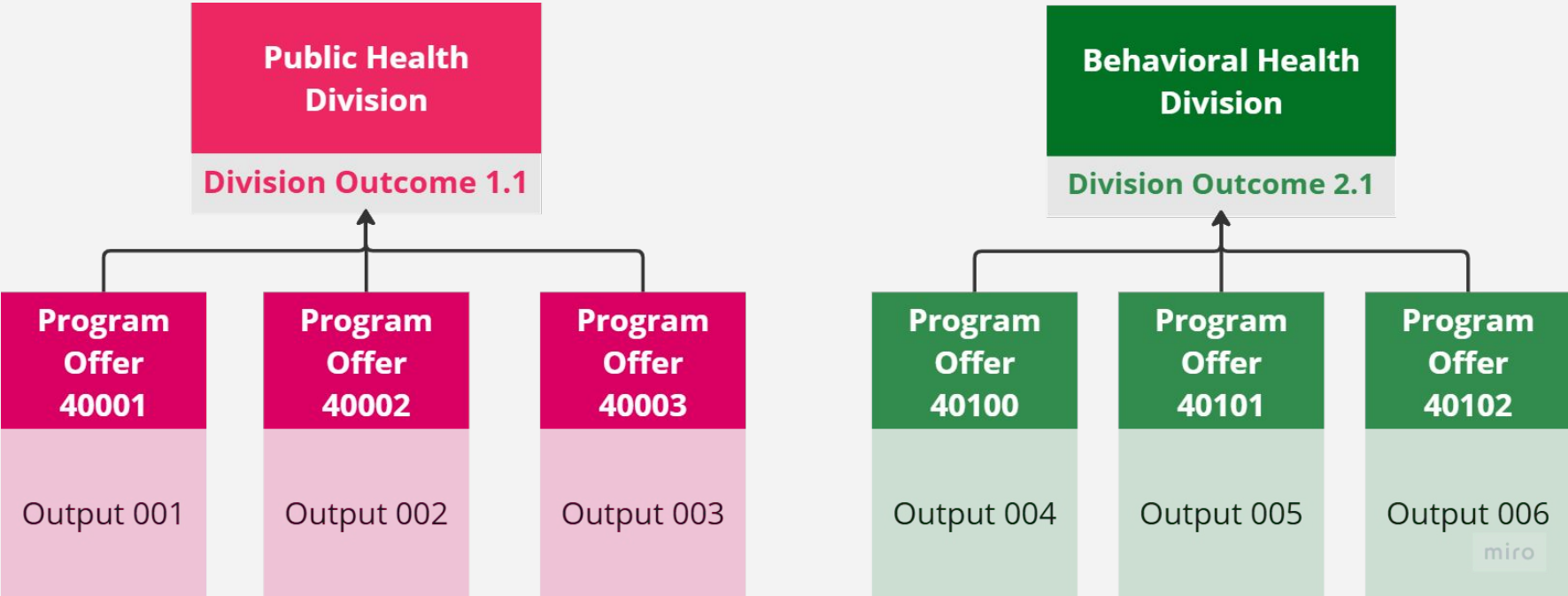
Program Offer Output Statements

MINOR UPDATE: Recommended program description format + bulleted list of outputs (e.g., the program's products and services).

## Linking Program Offers to Division Outcomes

NEW: How do we achieve Division Outcomes? By clearly linking Program Offers to each Division Outcome.

Budgeting for Results: Where we're headed

Program Offers

- [Program Offer Writer's Guide](#)

- Program Offers should reflect **on-the-ground operations**

- **Consolidate** Program Offers when appropriate.
  - Combining unrelated activities to meet this financial threshold is not recommended

- Program Offers should typically not exceed the **updated $8.0 million threshold** in General Fund or Internal Service Fund costs.

FY 2026
Multnomah County
Program Offer Writer's Guide

December 6, 2024
Version 1.0
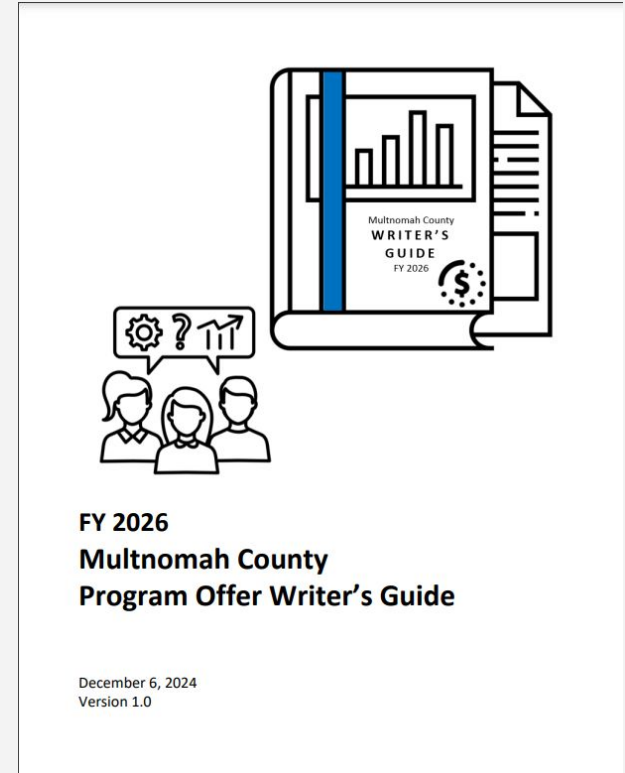
Artificial Intelligence and the Budget

- AI-based Creative Writing Tools
  - Gemini
  - Writer
- AI and Improving Written Content
  - A human should always be responsible for the final content.
  - The County **does *not* support** the use of AI when making decisions, conclusions, and recommendations that impact staff and the community.
  - The use of Gemini or Writer for improving written content is allowable in **County Administrative Policy IT-4**

Multnomah County

Financial Context

Budgetary Constraints

Declining Downtown Property Values are significant drag on revenue growth

Labor costs are a major driver for County expenditures and our community partners

Fewer One-Time-Only (OTO) Resources available than last several years

Increased demand for County services

Multnomah County

5-Year General Fund Forecast

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	753,001,418	781,171,978	814,986,507	843,236,951	872,625,422
Expenditures	773,464,287	805,319,921	848,615,296	881,002,260	919,034,619
Ongoing Surplus/(Deficit)	**(20,462,869)**	**(24,147,942)**	**(33,628,789)**	**(37,765,309)**	**(46,409,196)**
TIF* District Foregone Revenue	**(763,707)**	**(1,890,325)**	**(3,445,179)**	**(4,663,154)**	**(6,012,770)**
November Forecast with TIF District Impact	**(21,226,576)**	**(26,038,267)**	**(37,073,968)**	**(42,428,463)**	**(52,421,966)**
Expected Deficit After Balancing FY 2026	**0**	**(3,962,628)**	**(14,115,303)**	**(18,551,452)**	**(27,589,874)**

Note: Revenues/Expenditures include video lottery, but excludes reserves and one-time resources
*Tax Increment Financing (TIF) subsidizes capital improvements using the increased tax revenue created by those improvements, usually in commercial areas

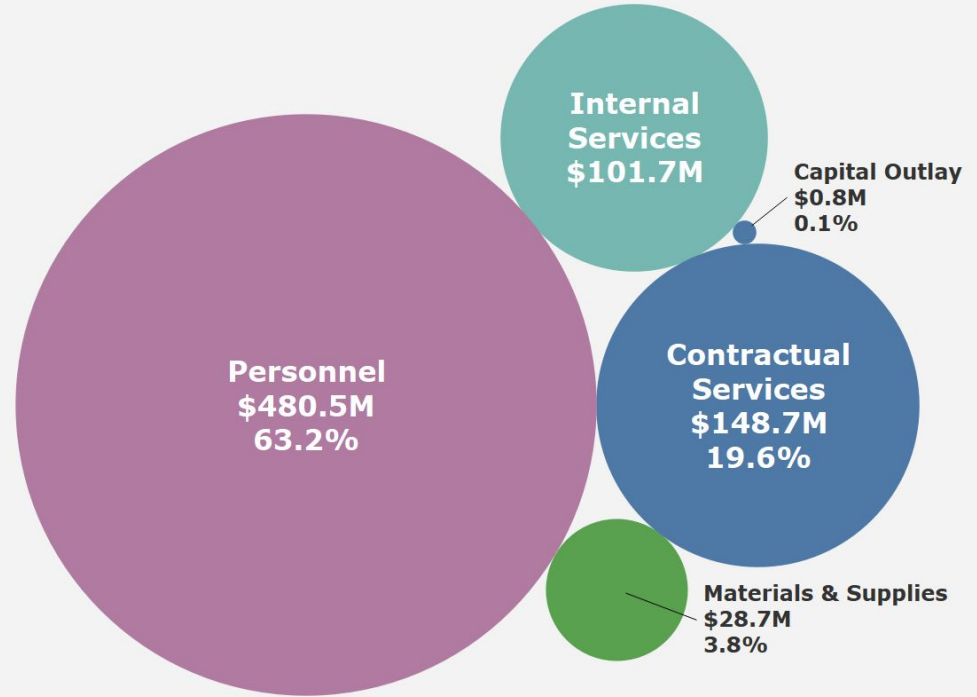# MultCo Assessed & Real Market Value with Compression
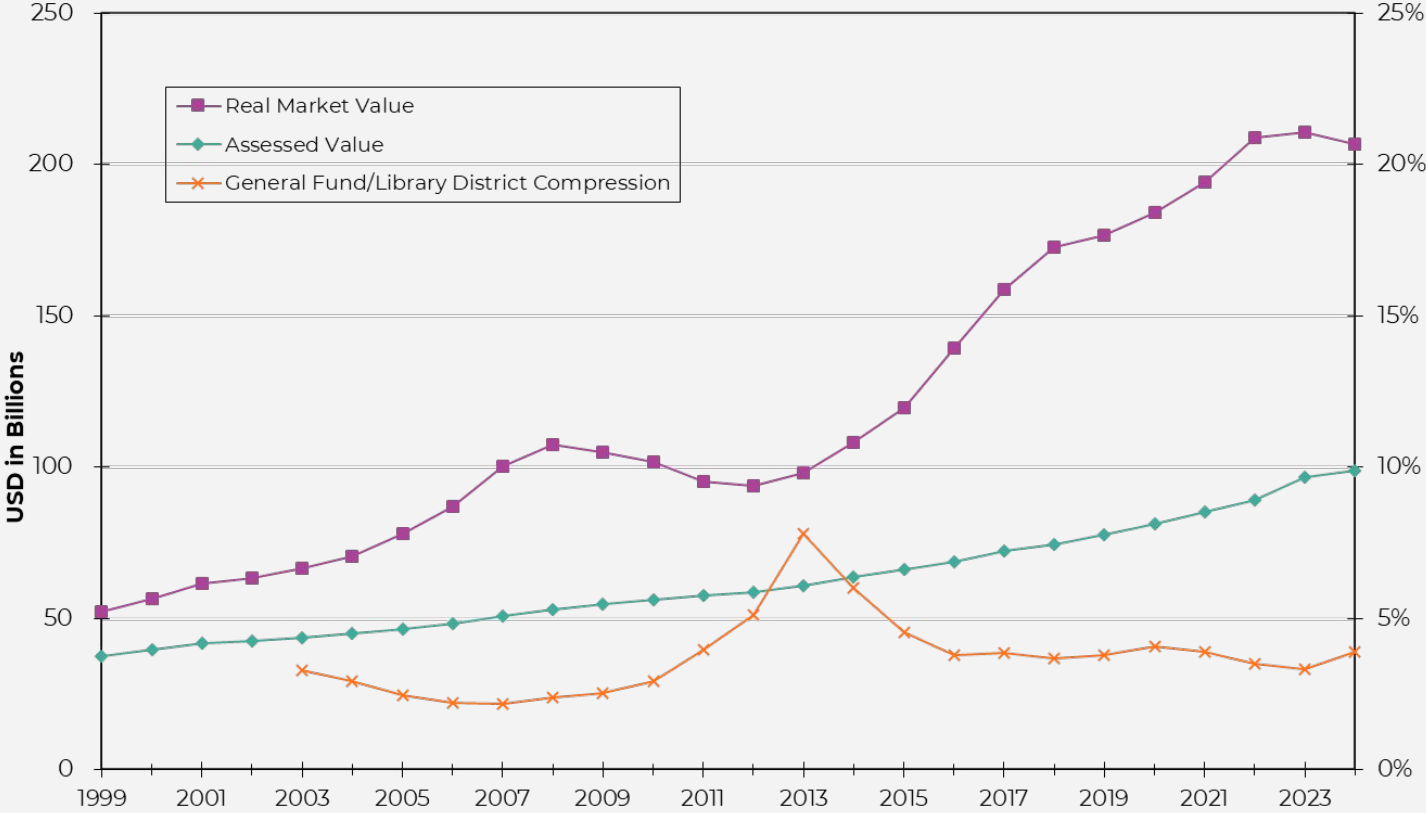
FY 2026 Cost Drivers

Personnel/Labor Costs (change in rates)	**5.72%**
COLA	2.70%
Step/Merit/Contract Changes	1.72%
Medical/Dental	5.00%
PERS	2.62%
Retiree Medical	-0.50%
Liability/Workers Comp/ TriMet	0.11%
Materials and Supplies	**2.70%**
Contractual Services	**2.70%**
Internal Services	**7.04%**

Internal Services $101.7M

Capital Outlay $0.8M 0.1%

Personnel $480.5M 63.2%

Contractual Services $148.7M 19.6%

Materials & Supplies $28.7M 3.8%

FY 2025 General Fund Expenses

FY 2026 Cost Drivers (continued)

General Fund Cost Driver Notes	A 1% increase in base pay = approx. $4.1 million
	A 4% increase in medical/dental rates = approx. $2.3 million
	A 1% (of base pay) increase in PERS = roughly $2.9 million
Reserve & Contingency Assumptions	**General Fund Contingency**: $1.45 million
	BIT Reserve: 12% of BIT revenues ($19.6 million)
	General Fund Reserve: 12% of corporate revenues ($75.1 million)

Multnomah County

FY 2026 One-Time-Only Funds

Year-End as of November 5, 2024

FY 2025 Actual Beginning Balance [3]	179,419,217
FY 2025 Budgeted Beginning Balance	144,997,438
Additional FY 2025 BWC (OTO)	**34,151,779**
Plus Additional FY 2025 Revenues	1,727,091
Plus Remaining ARP Interest	2,623,829
Less Amount to Maintain FY 2026 Reserves at Board Policy Level	(3,406,561)
OTO Funds for FY 2026 per Nov. Forecast	**35,096,138**
50% Dedicated to County Facility/IT Projects per Board Policy	17,548,069
Remaining 50% to be Allocated	17,548,069

Includes **$26.1 million** (3.5%) of departmental underspending

1. *Assumes the FY 2025 General Fund Contingency is fully spent in FY 2025.*

2. *Assumes departments fully spend their FY 2025 appropriation.*

3. *Adjusted for additional restricted County Clerk BWC and Tax Title: Affordable Housing.*

Questions on Budget Policy or Financial Context?

Please put your questions in the Q&A box. Budget Office staff will provide your questions to the presenters.

Technical/ Questica Information

Questica Updates

- **Program offers** were available beginning 12/3 in Questica. See your department business manager for access or changes.

- **Position costs**, including vacant, based on Workday data as of 11/8 and were available beginning 12/3.

Reminders: Questica Required Fields

A **Supplier** is required for all Contracted Services ledger accounts.

- All 60150-County Match and Sharing should include who is providing the match and the ratios in the Description field.
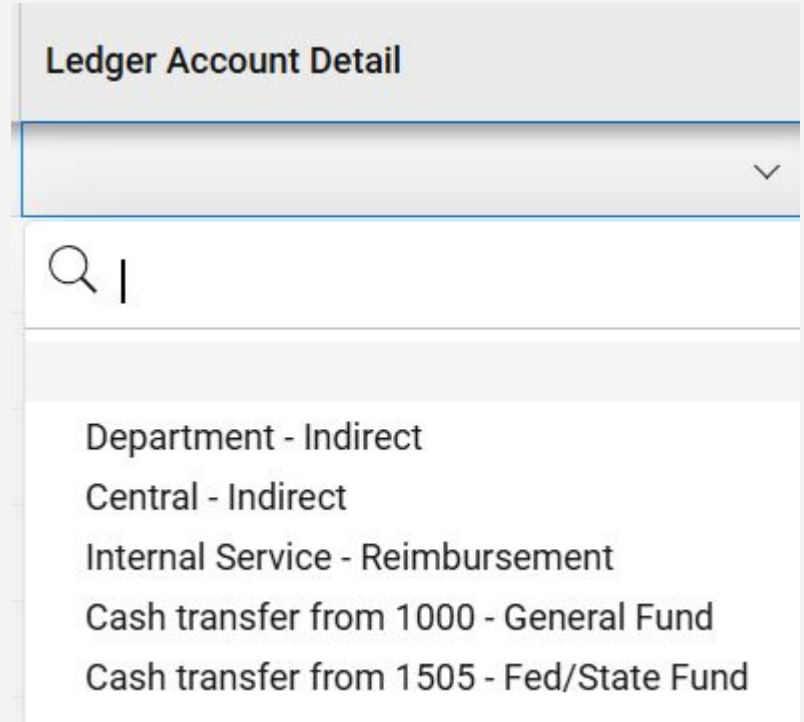
A **Description** is required for:

- Contracted services
- Other internal services (60440)
- Cash transfers
- Manual adjustments to position costs

Reminders: Questica Required Fields

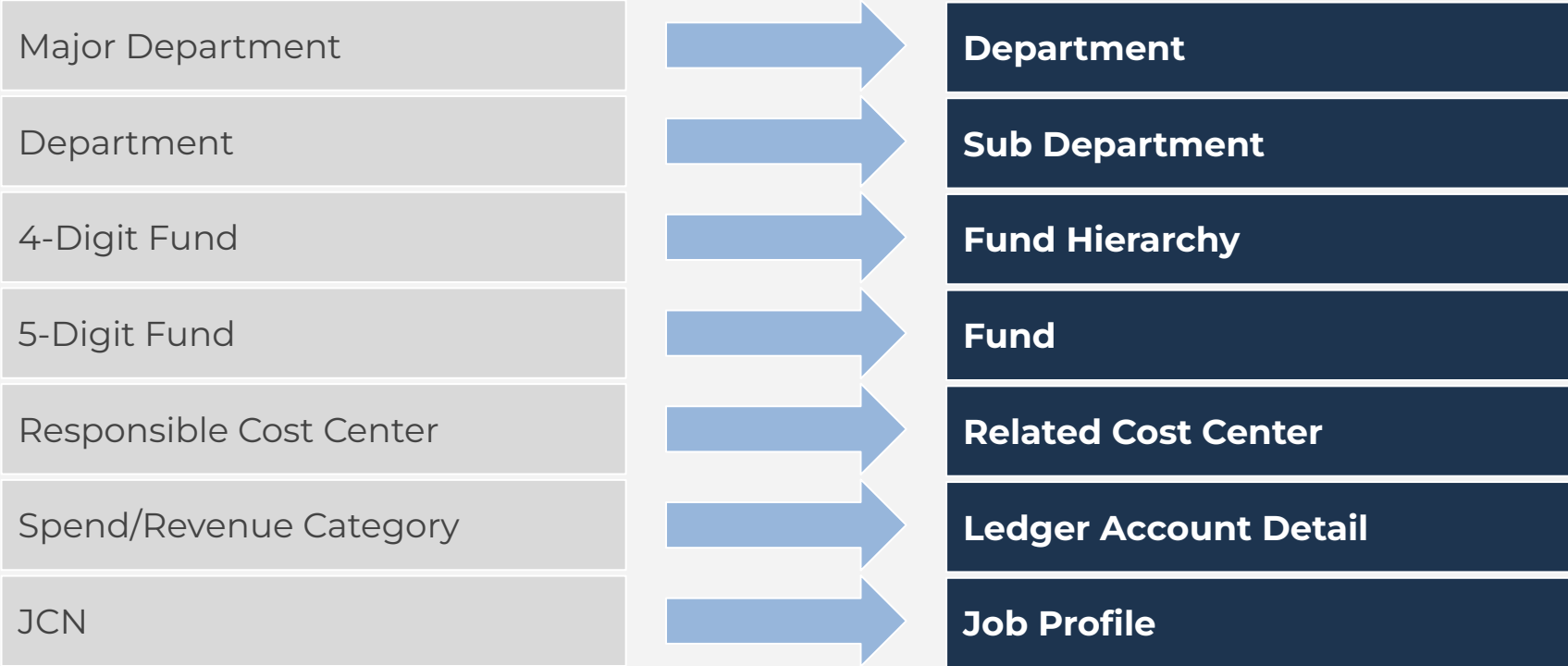The **Ledger Account Detail** (previously named spend/revenue category) field is required for:

- Cash transfers
- Indirect Revenue and Expense

Ledger Account Detail

🔍 |

Department - Indirect
Central - Indirect
Internal Service - Reimbursement
Cash transfer from 1000 - General Fund
Cash transfer from 1505 - Fed/State Fund

Multnomah County

Reminders: Questica Terminology Updates

Major Department	**Department**
Department	**Sub Department**
4-Digit Fund	**Fund Hierarchy**
5-Digit Fund	**Fund**
Responsible Cost Center	**Related Cost Center**
Spend/Revenue Category	**Ledger Account Detail**
JCN	**Job Profile**

Questica Updates: Explanation of Revenues

- Use an **easy-to-read list format** instead of paragraphs in the Explanation of Revenues Program Offer section.

Explanation of Revenues

- $2,500,000 - Title XIX (Medicaid). Formula funding that requires cash match rate of 38.6%. (Federal)
- $1,000,000 - Emergency Mgmt Performance Grant (EMPG). Formula funding that requires 25% in kind match. (Federal)
- $500,000 - TriMet Commnty Transp Local Match. Cash match paid to Medicaid to obtain $1.0M Medicaid funding. (Local)
- $438,750 - U.S. Dept of Agriculture (USDA), School Lunch Program. Cost reimb at $3.75/lunch served. Budget estimates 650 youth/day for 180 school year days ($3.75 x 650 x 180). (Federal)
- $425,000 - Dept of Corrections through Senate Bill 1145. Formula funding; County receives 17% of statewide allocation. This is Year 2 of the 2025-2027 biennium, which is 51% of the total award. (State)
- $400,000 - Dept of Justice, Bureau of Justice Assistance (BJA). Competitive award of $1.2M over 3 yrs (10/1/23-9/30/26). (Federal)
- $5,000 - Drug Diversion Fees from clients; collected on sliding scale, adjusted depending on client's income, ranging from $0 - $150. All fees collected are passed through to contractor that runs a Drug Diversion Program (Local)

Questica Updates

- Program Offer Types
  - **'New Request'** has moved to a **program characteristic**
  - **'Restoration Request'** is **disabled** this year since reduction packages will meet this need

Questica Updates

- Narrative starting point
  - Executive Summary **no longer required**
  - Significant Program Changes and Performance Measures cleared out for a clean start
  - Some Revenue and Expenditure detail is "Not Crosswalked"

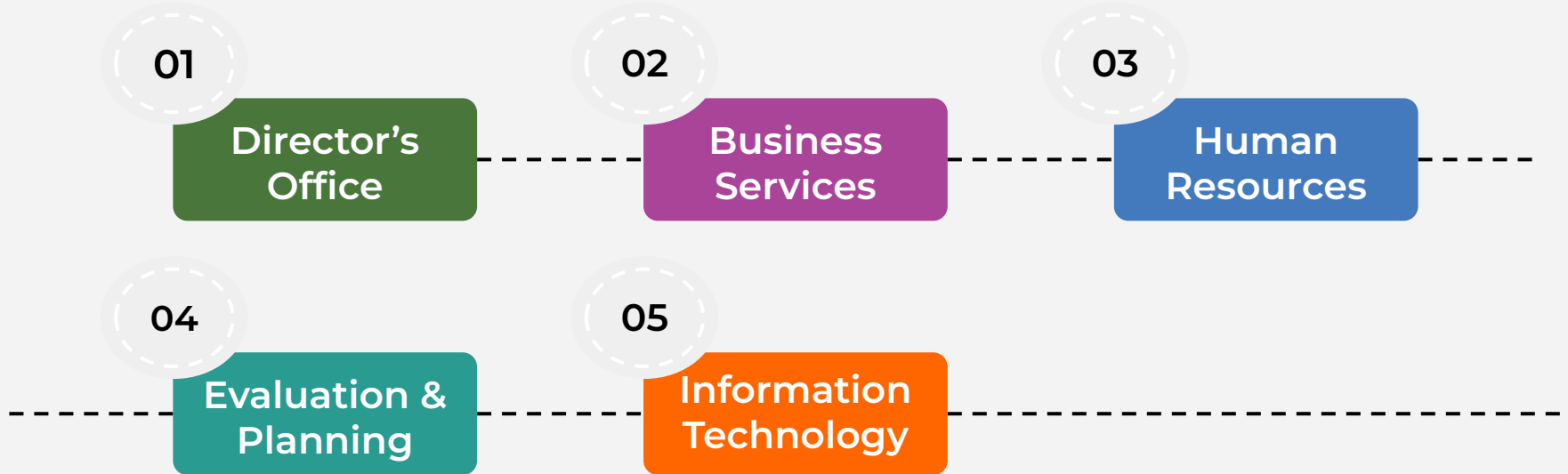| Request Form Number ↓	Request Form Name (PO Name, Amend Name, etc.)
90XXX	FY 2025 DCS Not Crosswalked to FY 2026
80XXX	FY 2025 LIB Not Crosswalked to FY 2026

Budgeting for Results

- NEW **Budgeting for Results Guide**
- Outcomes now reported at the operating division level, in Division Narratives
- Output measures still in Program Offer performance measures (minimum 2 outputs; can add other measures or more outputs as appropriate)
  - Performance Measures cleared out for a clean start

Performance Measures

Measure Type	Performance Measure	FY24 Actual	FY25 Budgeted	FY25 Estimate	FY26 Target

Multnomah County

Administration Program Offers

Each department should have at least these five program offers

01
Director's Office

02
Business Services

03
Human Resources

04
Evaluation & Planning

05
Information Technology

Each major division should have at least one administrative program offer

Multnomah County

Department and Division Narratives

Due with the Proposed budget submission (**April 2**) instead of with the Department Requested budget. (Proposed program offers & details due 3/28).

Moved later in the process to allow more time to focus on Requested budget and allow departments to work on narratives once, rather than developing for Requested and updating for Proposed.

Division Narrative space limit has been removed for non-administrative divisions to allow room for outcome information.

Internal Service Inflation Factors

- Historically we used a countywide internal service rate (ISR) inflation factor on County General Fund (CGF) allocations

- Method changes for Facilities and IT costs created budgetary shifts outside of department control

- Composite rates (weighted) based on CGF costs:

  - Department-specific Facilities increase

  - Department-specific IT increase

  - Countywide increase for all other ISR types

Multnomah County

Add/Reduction Packages

- **Prioritize** all Reduction and Add packages

- Additions will be *very limited*

Add/Reduction Packages

- Each package includes:

  - Individual Addition or Reduction

  - Addition or Reduction Details

  - Department Summary

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 (except for SHS)

Funding Stream	Program Contact	Budget
Supportive Housing Services (SHS)	Antoinette Payne	Revenue in JOHS; Expenses in relevant department
Preschool for All (PFA)	Brooke Chilton-Timmons	Revenue in DCHS; Expenses in relevant department; Stand alone program offers
Library General Obligation Bond	Kate Vance/Katie O'Dell	Revenue in DCA; Expenses in DCA with limited FTE in Library; Stand alone program offers

Multnomah County

Training

- Updated **Questica How-to Videos** and **Quick Reference Guides (QRGs)** based on the new look; you can find them on the Commons [Questica Learning Resources](#) site.

- Schedule technical budget training for your teams by contacting your Central Budget Analyst (we come to you!)

- Program Offer Writers training - contact your Central Budget Analyst; countywide training TBD

- Central Budget will be at **Financial Management Forum** on **January 9th**, so bring your questions.

Technical Budget Questions?

Please put your questions in the Q&A box. Budget Office staff will provide your questions to the presenters.

Multnomah County

Resources

- [FY 2026 Budget Manual](#)
- [NEW Program Offer Writer's Guide](#)
- [NEW Budgeting for Results](#)
- [On-Demand Training Videos and Quick Reference Guides](#)
- Schedule time with a Central Budget Analyst: multco.budget.office@multco.us
- Budget Office Website: [multco.us/budget](#)
  - [Current](#) & Historical Budgets
  - Budget [Dashboards](#)
  - [Calendars](#)
  - Budget Office [Contact](#) Information
  - Economic Forecasts ([current](#) and [historical](#))
  - Dept. of County Assets [Cost Allocations](#)
  - [Forms and Templates for Budget Submission](#)
- [Core Data Best Practices Guide](#) (and R[equest Forms/Checklists](#))