



**FY 2026**

## **Budgeting for Results**

### **An Introduction to Outcome-Based Budgeting**

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# Budget Office Staff Directory

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# Table of Contents

<b>Budget Office Staff Directory</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>4</b>
Formalizing the Process and Elevating Existing Department Efforts .....	4
<b>Budgeting for Results</b> .....	<b>4</b>
Outputs vs. Outcomes .....	5
“Statements” vs. “Measures” .....	6
The Strategic Link: Connecting Outputs to Outcomes .....	7
<b>Phase 1: Establish Outcomes</b> .....	<b>7</b>
How to Write Division-Level Outcome Statements.....	8
<b>Phase 2: Articulate Outputs</b> .....	<b>9</b>
How to Write Program Offer Output Statements .....	9
<b>Phase 3: Analyze Performance</b> .....	<b>10</b>
Evaluate Division Outcomes - Key Performance Indicators (KPIs) .....	10
Examples of Key Performance Indicators .....	10
Evaluate Program Offers - Performance Measures.....	11
Examples of Output Measures .....	11
Entering Performance Measures in Questica.....	11
Performance Measure Description .....	13
Performance Measure Reporting .....	13

# Introduction

This FY 2026 Budgeting For Results document offers recommendations and advice to guide departments towards outcome-based budgeting. The Budget Office acknowledges that much of the content below is aspirational and may not be feasible for FY 2026. **Please note that only the division-level outcomes in Phase 1: Establish Outcomes and the Program Offer Performance Measures in Phase 3 are required for FY 2026.** See each section for more details.

## Formalizing the Process and Elevating Existing Department Efforts

Many departments and divisions already have robust strategic goals, performance measures, and reporting. This is fantastic work and it is our goal to show it off! This guide attempts to do just that by creating a centralized, formal methodology. Additionally, this guide is not intended to necessarily create new work for departments. Ideally, the content to populate much of the guidance below already exists. Departments may simply need to reformat existing work.

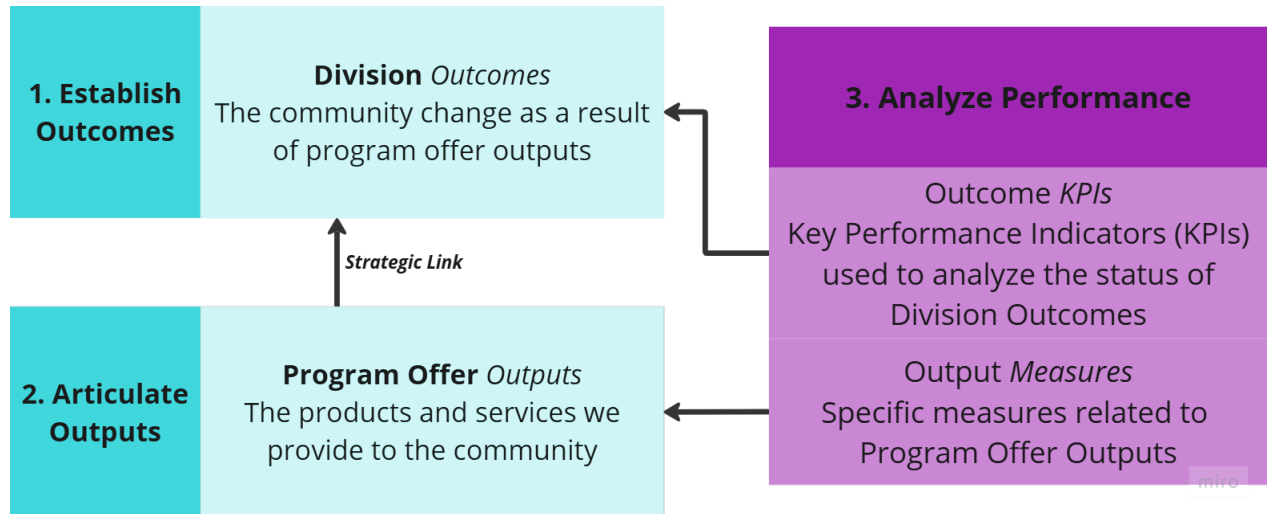
# Budgeting for Results

## An Introduction to Outcome-Based Budgeting

Multnomah County staff work incredibly hard each and every day to better the lives of everyone in the community. That is a story worth telling. But telling that story requires us to first answer the questions, “What programs and services do we provide using taxpayer dollars? What are the expected outcomes, or results, of our programs and services in the community? And, how do we know we are successful?” And, in a world of shrinking budgets, “what outcomes are most important to prioritize?”

Outcome-based budgeting, also known as performance-based budgeting, helps to answer these questions by allocating available funding to the programs and services best positioned to accomplish expected outcomes in the community. By prioritizing desired outcomes, the County can be more responsive to changing economic conditions. When revenues are up, we can expand services and invest in innovative programs. When revenues are down, a prioritized list of services allows us to focus limited resources on the areas that matter most to the community. Although this seems daunting, outcome-based budgeting may actually simplify budget discussions by allowing County and department leadership to clearly define outcomes and prioritize the programs that support them.

Outcome-based budgeting is a three-phase approach: (1) establish outcomes, (2) articulate outputs, and (3) analyze performance.



## Outputs vs. Outcomes

Before creating outcomes and outputs, it is important to know the difference. Outputs describe what we do. They are the products and services produced by our program offer activities. Outcomes describe why we do what we do. Outcomes are the community change as a result of our program offer outputs. People often mistakenly describe the output of their organization as the outcome. For example, a program focusing on community youth may state that the outcome of their organization is that they “serve 50 youth per year by providing them with a safe place to go after school.” However, that statement is describing something that they did, not the change in the community as a result. That statement is actually an output. An example outcome could be “participating youth in the program are 50% less likely to use drugs than their peers.”

Here are additional examples of the difference between outputs and outcomes.

Program	Output (what it does)	Outcome (the <u>change</u> as a result)
Free medical clinic	Fifty low-income individuals are provided free doctor visits	50% decrease in emergency room visits by population served in the year following initial contact
Math tutoring program	Seventy youth receive math tutoring twice a week during the school year	100% of youth served improve their ISTEP scores in math from the start of the school year compared to the spring test
Youth mentoring	Thirty youth are matched with an adult mentor for the year	80% of youth served report increased self esteem following one year of mentoring
Dropout prevention	Forty youth at risk of dropping out receive weekly case management services	85% of youth in program for one year or longer graduate high school in four years

## “Statements” vs. “Measures”

This guide references outcome and output “statements” as well as “measures”. Please note, *statements* are different from *measures*. Output and outcome *statements* describe what the program offer does and the intended division-level results. These are developed in phases 1 and 2. *Measures* (e.g., KPIs and output performance measures) are used to collect data for analysis. Measures are developed in Phase 3.

While admittedly confusing, this distinction is significant since it is important to articulate all outputs and outcomes regardless of their capacity to be measured. Data quality, technological limitations, and/or staff capacity may make measuring every output and outcome unfeasible. However, it is better to articulate all of the program offer’s services and division-level outcomes rather than only the few that can be measured. The example program offer below shows output statements with accompanying performance measures and why it’s important to develop all statements first.

### Example: Program Offer 90008 - Animal Services: Animal Health

*(The information below is purely an example and is not intended to reflect what was included in last year’s annual budget).*

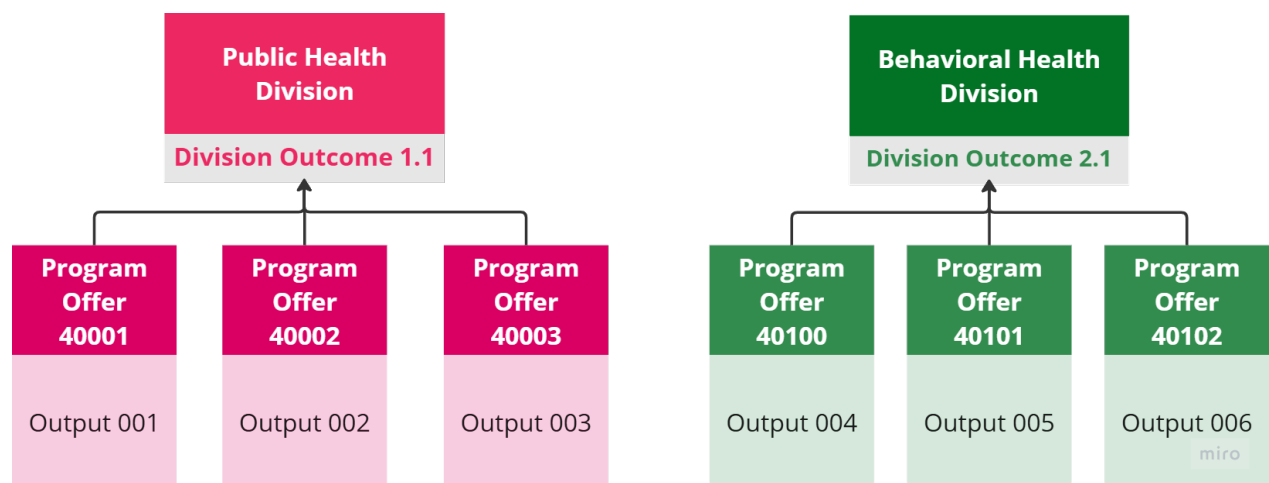
Output Statement	Output Performance Measure	Currently Measurable?
A: Provides immunizations to all animals under our care	Number of animals fully immunized annually	Yes
B: Provides microchipping	Number of microchips implanted annually	Yes

services for cats and dogs		
C: Performs emergency medical procedures to animals in crisis	N/A	No
D: Provides low-cost spay/neuter procedures for the public	N/A	No

This program offer lists four output statements. However, in this example, they can currently only measure A and B. If the program offer focused only on what was measurable, they may not include C and D in their program offer description. The public may miss out on understanding this great work! Therefore, it is important to take a moment to describe ALL of the program offer's outputs first, then think through how to measure it second.

## The Strategic Link: Connecting Outputs to Outcomes

Outcome-based budgeting is intended to strategically link program offer outputs (i.e., program products and services) to division outcomes (i.e., changes in the community). Each program offer output should contribute to at least one division outcome. Program offers likely contribute to more than one outcome. In fact, division outcomes are complex and often require tremendous effort from a variety of partners, not just County related efforts, to see real progress. Just because a program offer is linked to an outcome does not mean it is solely responsible for achieving success. The example below displays visually a link between Health Department program offer outputs and division outcomes.



This model helps the Board, County staff, and the public to easily understand which programs achieve what outcomes. The model further enables the Board to make funding decisions by, for

example, increasing funding to outcomes that have not yet been achieved. Additionally, this model is intended to integrate into future Countywide strategic planning efforts.

# Phase 1: Establish Outcomes

**For FY 2026, departments are required to develop 2-4 outcome statements for each division. Departments should be prepared to discuss these outcomes at their Chair check-in meetings before the Requested budget is submitted. Final outcome statements will be included in the division narrative section of Proposed and Adopted budgets (format TBD). Note:** administrative divisions are excluded (e.g., DCJ's Director's Office division). Ideally, these outcome statements should be developed with the division's program offers in mind. Each of the division's program offers should support at least one of these outcomes.

## How to Write Division-Level Outcome Statements

Outcome statements are concise statements that describe what the community will experience, receive, or understand as a result of the activity, service, or process of the department. Use the SMART framework to create effective outcome statements:

- **Specific:** concrete, who or what is expected to change
- **Measurable<sup>1</sup>:** tangible effects can be analyzed by collecting data (if possible)
- **Attainable:** likely to be achieved and is within the stakeholder's control
- **Results-oriented:** meaningful, community-valued results
- **Timed:** within a target date

Outcome statements may be written in the following format. Examples are included below. *(Please note that these are examples only and do not reflect any existing or proposed outcomes.)*

<b>Who/What</b> (The Audience)	<b>Change/Desired Effect</b> (Action Verb)	<b>In What</b> (Expected Results)	<b>By When</b> (optional)
Justice-involved adults experience	decreased	recidivism rates under the state average	by 20XX
All individuals experiencing homelessness	have access to	a temporary shelter bed	by the end of FY 20XX

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<sup>1</sup> While developing division-level outcomes, it is important not to get hung up on measurement. In Phase 1, it is better to work on identifying all outcomes regardless of measurement capacity.



Individuals experiencing substance use disorder have	increased	access to deflection services	by 20XX
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Please reach out to your Central Budget analyst for additional examples or ideas.

Consider the following additional questions when developing outcomes:

- What problem is the division trying to solve in the community? Why should community members consider funding this division?
- What is the change in the community this division intends to make? If all programs are 100% successful, what would happen?
- Is the goal within the control of the division? If not, which partners help contribute?
- Who is impacted by this? Are the results distributed equitably throughout the community? Are people with lived experiences who are most directly impacted by the program involved in establishing outcomes?

NOTE: Many departments have previously included outcomes in some program offer performance measures. When appropriate, departments may elevate existing outcomes from program offers to the division level.

## Phase 2: Articulate Outputs

Multnomah County's primary budgeting unit is the *program offer*, which is the organizational unit that helps the Board and the public understand how taxpayer dollars are being spent. Program offers help to break down department divisions into more manageable, nuanced packages that allow the Board to add or cut specific services. Each program offer should include clear *outputs*, or statements that clearly describe the program offer's products and services. There are no requirements stating how many outputs are required, but most program offers will likely have 2-4 outputs.

We acknowledge that the program offer's products and services are also described in the program description data field. However, by using output statements in addition to the program description, we can create a consistent format for the reader. These output statements may be included in a bullet format at the end of the existing program description. Think of the output statements as the program offer's *elevator pitch*. See below for guidance on how to write program offer output statements.

# How to Write Program Offer Output Statements

For clarity and consistency, write your output statements in the following format. Data should be entered at the end of the “Program Description” field in Questica. Examples of output statements are listed below.

Activity/Action	What? The Product or Service	For/to whom?
Processes	pet licenses	for new pet owners
Hosts	summer reading program	for children and teens
Provides	peer delivered behavioral health services	for BHRC clients
Provides	emergency shelter facilities during severe winter weather	to houseless county residents

Departments may include output statements in a bulleted format like the example below:

“This program offer

- Provides immunizations to all animals under our care
- Provides microchipping services for cats and dogs
- Performs emergency medical procedures to animals in crisis, and
- Provides low-cost spay/neuter procedures for the public.”

Additional guidance from incorporating output statements into the program offer description can be found in the FY 2026 Program Offer Writer’s Guide. Please see the guide here: [www.multco.us/info/fy-2026-budget-manuals-forms-calendars-and-other-resources](http://www.multco.us/info/fy-2026-budget-manuals-forms-calendars-and-other-resources)

## Phase 3: Analyze Performance

Once we have articulated all of our outputs and outcomes, we can measure the results! As departments work on their outcome statements for the FY 2026 budget (see Phase 1 above), they may find it useful to see the next step in the process as described below. **At this time, departments are not required to include KPIs when submitting their division narratives. However, departments are required to have Performance Measures for every program offer (details below).**

## Evaluate Division Outcomes - Key Performance Indicators (KPIs)

Division-level outcomes are often attempting to solve complex problems requiring input from various partners. This complexity makes analyzing outcomes difficult. Therefore, we can use one or more *key performance indicators* to get as close to analyzing the outcomes as possible.

Indicators may not precisely assess the status of an outcome, but a combination of indicators may satisfy our analysis goal. Additionally, KPIs may include *leading indicators*. These are indicators that may not tell the whole story but can tell us if we are on the right track. Often, KPIs rely on lagging data, or data that takes a year or more to compile (e.g., US Census data). Therefore, a combination of leading and lagging indicators may be used.

### Examples of Key Performance Indicators

Example Outcome	Key Performance Indicator
Health disparities are reduced for County residents	<ul style="list-style-type: none"><li>● Percent of women, infants, and children (WIC) program capacity utilized</li><li>● Number of school children out of compliance with vaccine requirements</li><li>● Number of participants actively engaged in the violence interruption initiative</li></ul>
Recidivism rates are reduced for justice-involved individuals	<ul style="list-style-type: none"><li>● Average daily jail population</li><li>● Recidivism rates</li><li>● Court appearance rate</li></ul>
Increase access to options for persons to secure safe and affordable housing	<ul style="list-style-type: none"><li>● Houseless rate per 1,000 people</li><li>● Shelter utilization rate</li></ul>

## Evaluate Program Offers - Performance Measures

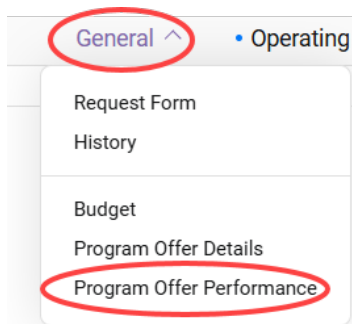
Output performance measures report the number of units produced or services provided. They help to describe completed program activities. **Program Offers are required to have at least two output measures. Small program offers with narrow scopes may list just one output measure.** Data are typically reported as numbers or dollars and not percentages. We can track these measures over time to assess a program offer's performance.

## Examples of Output Measures

- Number of pet licenses processed
- Number of purchase orders issued
- Number of vaccinations given to children

## Entering Performance Measures in Questica

When working with a program offer in Questica, enter performance data in the “General” dropdown menu under “Program Offer Performance.”

A screenshot of the 'Performance Measure 1 - Required' form in Questica. The form has a title bar at the top. Below the title bar, there are four input fields: 'Measure Type 1' (a dropdown menu), 'Measure 1' (a text area), 'Previous Year Actual 1' (a text box), 'Current Year Budgeted 1' (a text box), 'Current Year Estimate 1' (a text box), and 'Next Year Target 1' (a text box). The 'Measure Type 1' dropdown menu is currently empty.

The following describes performance measure components that departments enter in Questica:

Measure Type<sup>2</sup> – Select the measure type with the dropdown. You will see options for various measure types, but only the output measure type should be selected for FY 2026.

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<sup>2</sup> Additional Measure Types: In previous budgets, departments have sometimes utilized additional performance measure types including input, efficiency, and quality indicators. Each of these describes a different aspect of the service being delivered. As stated above, the Budget Office recommends focusing your analysis on the *output* measure type. However, departments may include other measure types if the data is of high quality and helps tell your program offer’s story.

Measure – Provide a clear and simple performance measure name. Avoid technical language, acronyms, and jargon.

Performance Data – Performance measurement numbers.

- Enter performance data for the following fields: Previous Year Actual (actual data for last fiscal year), Current Year Budgeted (target data included in the current fiscal year's adopted budget), Current Year Estimate (estimate of actual data for the current fiscal year), and Next Year Target (target data for the coming fiscal year).
- All fields should have a value for existing programs. For new or substantially redesigned programs, some performance measure fields may not have data and should say "N/A." **Do not leave fields blank.**
- Use \$ symbols where applicable for each dollar amount and consistent number formatting (e.g. the same number of decimal places).
- Use commas to separate thousands (e.g. \$1,000,000 and \$5,000). Enter FTE to the second decimal place (e.g. 1.00 or 0.50).
- Scaled Offers: **Each scaled offer's performance measures should report only services that the scaled offer supports.** For example, if the base offer includes 10 residential treatment beds, the performance measure must reflect only those 10 beds. If the second scaled offer includes an additional 10 residential beds, additional performance measures must reflect only those additional 10 beds, and not the combined 20 beds. (For more details, please see the "Scaling Programs" subsection of the FY 2026 Budget Manual at [www.multco.us/info/fy-2026-budget-manuals-forms-calendars-and-other-resources](http://www.multco.us/info/fy-2026-budget-manuals-forms-calendars-and-other-resources).)

## Performance Measure Description

This section describes the performance measure. Only include information accessible and useful for the public in the Performance Measure Description. If file paths and internal links related to performance measures would be helpful, please include in the Notes and Documents tabs instead of the public description field.

Performance Measure- Description

Performance Measure Description

# Performance Measure Reporting

The Questica report titled “Performance Measures by Program Offer” provides users a quick look at all of a department’s performance measures. This report only displays performance measures where a “measure type” has been selected in the request form’s Program Offer Performance section.

The screenshot shows the 'Report Center' header with a search bar containing 'Performance Measures'. Below the header are tabs for 'Print Reports & Smart Reports', 'Comparisons', and 'Variance Analysis'. Under 'Print Reports & Smart Reports', there are filters for 'All Reports', 'All Categories', 'All Contexts', and 'Print Reports'. A red callout bubble points to the search bar with the text 'Use the Search box to filter reports'. Below the filters, a report titled 'Performance Measures by Program Offer' is listed. A red callout bubble points to this report with the text 'Click here, then click 'Run Print Report''.

Select parameters, then click “Run Print Report”.

The 'Parameters' section includes a vertical ellipsis menu. Below it are several input fields: 'Auto-Fill' with a dropdown set to 'Custom...', 'Budget Year' with a dropdown set to '2025', 'Department' with a 'Select' button and '1 / 25' items, and 'Program Offer Stage' with a 'Select' button and '1 / 14' items. A 'Standard Parameters' dropdown is also present. At the bottom is a large blue 'Run Print Report' button.

Screenshot of “Performance Measures by Program Offer” report exported to Excel.

ProgramOffer Number(Performance)	Program Offer (Performance)	Measure	PYActual	CYBudgeted	CYEstimate	NYOffer
10007A	10007A - Communications Office	Number of news stories generated by the office in all media -- TV, print, radio, County website and blogs	2,325	2,050	2,500	2,550
10007C	10007C - Public Records Communications Position	Number of public records processed in accordance with Oregon Public Records law.	N/A	N/A	N/A	70
10016	10016 - Government Relations Office	Number of trainings, planning groups, and presentations to increase countywide competitive grant capacity	33	36	40	40
10017A	10017A - Office of Diversity and Equity	Number of guidance documents, evaluation reports or compliance reports completed	5	4	5	5
10017B	10017B - Multnomah Youth Commission Support	Number of partnerships established	14	14	14	14
10017C	10017C - ADA Digital Accessibility	Number of countywide staff trained as subject matter experts	N/A	N/A	N/A	12
10017C	10017C - ADA Digital Accessibility	Number of members of the countywide content creators community of practice	N/A	N/A	N/A	12