

To: Board of County Commissioners

From: Christian Elkin, Chief Budget Officer, Department of County Management

RE: Budget Note #2 (FY 2026) Report to BCC

Date: December 19, 2025

Purpose of this document

This document provides an update to the Board of County Commissioners (BCC) on the status of implementing FY 2026 Budget Note #2.

Background

In FY 2026, Budget Note #2 (sponsored by Commissioner Megan Moyer) stated:

The Multnomah County Board of Commissioners is responsible for ensuring transparent and accountable spending of public dollars. In order to faithfully execute this function, the Board requires accurate information provided at regular intervals on the success of Department programs relative to Board-approved KPIs. Establishment and evaluation of KPIs allows the Board to make decisions concerning redundancies, efficiencies, and cost savings within and across departments.

It is the policy of the Board to:

- Help departments develop KPI's for programs to create consistency across programs and fiscal years. KPI's should speak to how well the program is delivering on the goals established in the program offer through objective quantitative and qualitative measures.
- Review equity impact of program offers and determine equity impacts across race, ethnicity, income, gender, sexuality, age, ability, or any other criteria deemed relevant to the program. The Board policy is that this review is done in partnership with the Office of Diversity and Equity.
- Ensure program offers include consistency in format and relevant information. KPI's should include populations served, populations in need of services, qualitative and quantitative data, descriptions about the types and levels of services provided. KPIs should also be constructed in a way that allows the Board to estimate the impacts of changes to funding, with a focus on Multnomah County's most vulnerable and historically marginalized populations.

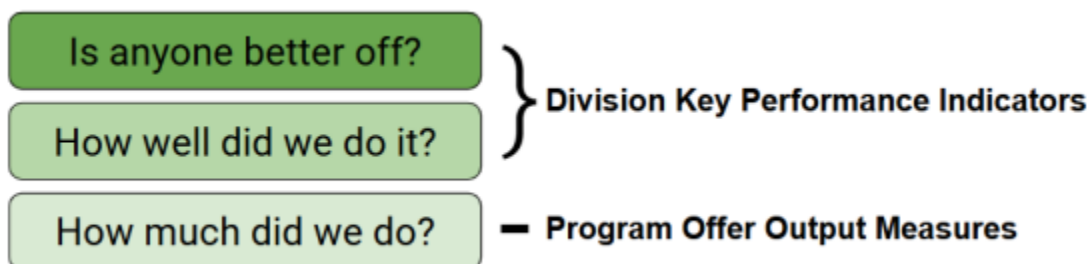
It is the policy of the Board that KPIs be provided to the Board of Commissioners at regular intervals and as a tool to inform budgetary and policy decisions, including but not limited to Department proposed program offers for the annual budget, program offers in the Chair's proposed Annual Budget, Budget Modifications, Resolutions, and Ordinances. The Board's policy is that these new KPI's and Equity Impacts are specified in time to inform the FY 2027 budget process.

Response to Budget Note

In response to this budget note, the Central Budget Office has provided enhanced Budgeting for Results guidance to departments for developing their FY 2027 budget proposals. Divisions are tasked with identifying 1-4 outcome statements that clearly state **why** the division does its work, as well as 1-4 division Key Performance Indicators (KPIs) for each outcome statement. Outcome statements are the intended results of our programs and services. Subsequently, each program offer in a division must include 1-2 output measures that connect directly to a division outcome statement. [The guidance provided to departments can be found here.](#)

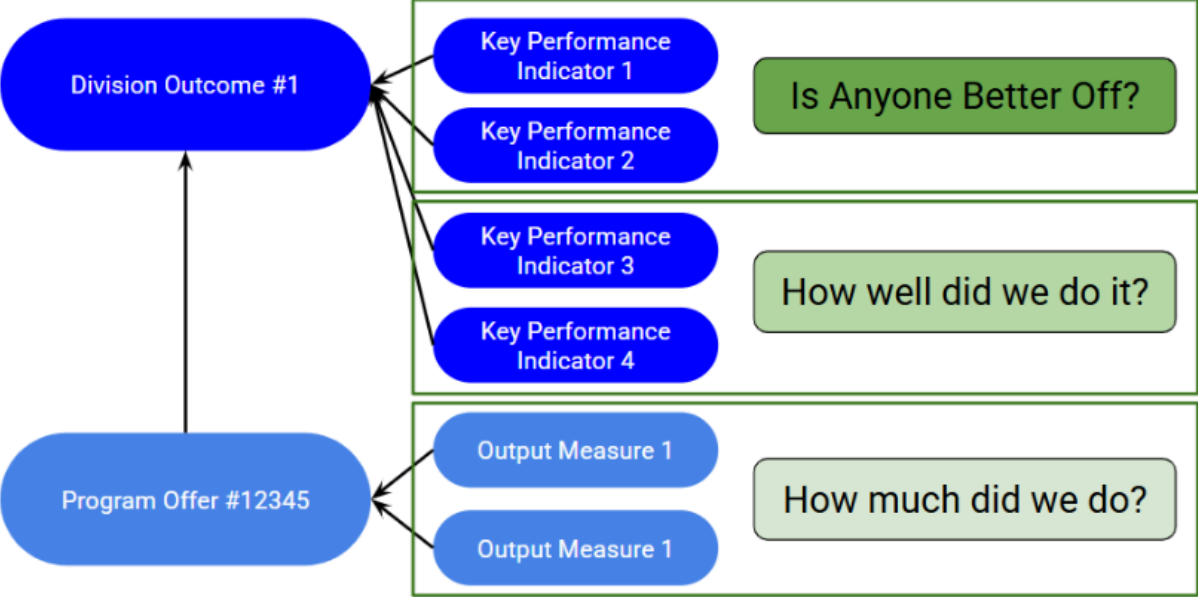
Elevating Performance Analysis from Program Offers to Divisions

Historically, Multnomah County's budget related performance data has been included at the program offer level. The FY 2026 Adopted Budget contained over 1,500 performance measures in more than 500 program offers. This amount of data at a relatively fine granularity can make understanding the big picture difficult. In response, as noted above, we are redesigning our focus on outcomes. This will be accomplished by focusing on three simple questions:



These questions will be answered by division outcome key performance indicators (KPIs) and program offer output measures. KPIs should answer the questions, "How well did we do it?" and "Is anyone better off?" Output measures should answer the question, "How much did we do?"

The diagram below illustrates the new model and the data will align and how the questions that departments should ask themselves inform the development of division outcomes and KPIs.



In addition, the [program offer template](#) for FY 2027 has been edited to include an equity statement, and [division narratives](#) include a section focused on division-level equity considerations. Department staff are directed to the new [FY 2027 Budget Equity Tool](#) to guide their development of program offer and division-level equity statements.

Connection to the Countywide Strategic Plan

The Countywide Strategic Plan focuses on identifying cross-department level outcomes. While it uplifts some division-level outcomes not every division is represented at this time, however the work of every department shows up in the Strategic Plan. For FY 2027, the department transmittal letters will include an appendix that identifies which strategic plan focus areas and outcomes they collect data relevant to.

As we further develop our data collection, analysis and reporting systems we will start the work of connecting division outcomes directly to the strategic plan. In some areas of work, Division-level KPIs will be directly correlated to strategic plan metrics, while in other areas of focus for departments that are not uplifted in the strategic plan, departments will set and track their specific KPIs.