Multnomah County

BUDGET BULLETIN

November 22, 2021

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FY 2023 Budget Timelines

While some of the key dates are similar to last year, developing the **FY 2023 budget will be particularly complex** in light of **three new funding streams** implemented in FY 2022 (the Metro Supportive Housing Services Measure, Preschool for All, and the Multnomah County Library General Obligation Bond), a need to **consider priorities and allocations for the second half of the County's American Rescue Plan funds,** and our continuing efforts to **integrate and embed equity practice and analysis into the budget.**

This means that departments will be expected to do more work than they may have done in previous years, while also managing current-year issues in the midst of a global pandemic. In consideration of this workload, **departments will have an additional week** to prepare their budgets for submission, and the Budget Office plans to release information on personnel costing in Questica a week earlier than normal.

The **key dates** include:
- November 23rd – General Fund Forecast
- Week of November 29th – Questica trainings on New Grids and Base Pay Premiums on Positions (see below for more details)
- December 3rd (approx.) – Early release of Personnel Costs **(NEW for FY 2023!)**

- December 10th – "Big Release" of Budget Preparation Materials
- December 15th – Budget Kick-Off Presentation (online)
- February 18th – Department Budgets Due
- March 4th – Program Offers posted online
- April 28th – Chair's Budget Released
- June 9th – Board Adopts FY 2023 Budget

We are still working on detailing out the Board Worksession calendar. In the next few weeks, we will be updating the calendar on the Budget Office website.

Calendar invitations have been sent for the Budget Kick-Off, which will occur on Wednesday, December 15th, from 10:30-12:00. If you did not receive an invitation, but would like to attend, please contact Dianna Kaady (dianna.kaady@ multco.us).

Midyear Business Income Tax (BIT) Emergency Investments

As the COVID-19 pandemic continues, the significant impacts on poverty, homelessness, health, justice and public safety continue to grow despite unprecedented investments and massive expansion and deepening of strategies. On November 2, 2021, the Board received a briefing on $30.4 million of one-time-only excess Business Income Tax (BIT) revenue that was collected in FY 2021. That briefing included a discussion of immediate investments of that $30.4 million, paired with additional funding from the City of Portland and the State of Oregon, to meet urgent needs in our community, largely exacerbated by the COVID-19 pandemic. On November 9, 2021, the Board held a special meeting at which it approved budget modifications regarding the investments discussed on November 2nd, along with additional investments discussed on November 9th. Those investments included homelessness, behavioral health, public safety, and hazard pay for frontline workers (more below). In accordance with the County charter, the Board then ratified the approval of those budget modifications at its next regular board meeting, on November 18th.

FY 2021 BIT Overage		$30,401,964

Multco BIT Emergency Investments	Dept.	FY 2022 BIT Funding
Increased Shelter Investments	JOHS	13,000,000
Increased Homeless Services	JOHS	3,362,500
Public Health - Vector Control	HD	405,000
Behavioral Health Investments	HD	2,500,000
Transforming Justice	LPSCC	400,000
Gun Violence Interventions	MCSO	321,000
Set Aside Estimate Frontline Workers	Countywide	9,300,000
Community Capital Expansion	NOND	600,000
Alternative Shelter RFPQ Expansion	JOHS	500,000
Total		**30,388,500**
Unallocated BIT Balance Remaining in Contingency		$13,464

Local 88 Market Adjustment

Every few years, Local 88 undergoes a market adjustment in accordance with their contract. This year's market adjustment impacted 21 job classifications. Employees in the impacted classifications will see their pay adjusted as of July 1, 2021. For FY 2022, departments are expected to absorb the increase within their existing budgets. In FY 2023, the cost increase will be built into departments' general fund allocations, but departments will need to adjust their other funds as necessary (which is the customary budget practice). More details regarding this adjustment have been communicated to department directors and their budget and finance managers. If you need further information, please contact your budget or finance manager.

Frontline Worker Pay

As of early November 2021, all unions have tentatively agreed to a frontline worker pay agreement. In appreciation for the service of the County's frontline workers, eligible employees will receive a $1,500 (before tax) incentive. Non-represented employees that meet the qualifications will also be eligible for this incentive. The frontline worker pay will have $0 impact on departments' budgets, as the incentive costs will be charged to a Nondepartmental cost center. This is a one-time FY 2022 payment, so there will not be any FY 2023 impact. Human Resources is still working through who is eligible for these incentives, so we're not certain when the incentives will actually be paid to employees. If you have questions about who is eligible, please contact Human Resources.

New APR Form for Budget Modifications

Virtual vs. In-Person Agenda Items:

On Tuesday, November 9th, the Board of County Commissioners returned to in-person Board meetings. This step is consistent with the County's commitment to providing community access to our Board meetings to the greatest extent possible. The County's goal is to conduct inclusive and safe Board meetings, with seamless virtual and in-person testimony.

For presenters, this means that each Board agenda item will be either "all virtual" or "all in person" to avoid disruptions. The Budget Office has updated the contact section of the budget modification Agenda Placement Request (APR) form in Questica to match the Board Clerk's new APR format. Departments will need to select whether the agenda item will be in-person or virtual, and for virtual items will need to provide the email addresses of all presenters.

- Only two presenters should be at the dais at a time to allow for social distancing. Everyone in the boardroom will be masked at all times, including while speaking into the mic, and seated at least 3 feet apart.
- Virtual presenters should sign in at least 15 minutes prior to the start of the Board meeting to test their mic and video.

New Division Field:
The Budget Office has also created a new dropdown field for Division in the APR form (previously, departments had to type the name of the division). These are the divisions submitted by Departments in the Adopted budget and will be updated each budget year. The division field will be assigned to Program Offers for budget reporting purposes (not linked to Workday) as well as assigned on the Budmod APR. If the APR has multiple divisions, a department should select 'Multiple' and add the individual division detail to the presenter information.
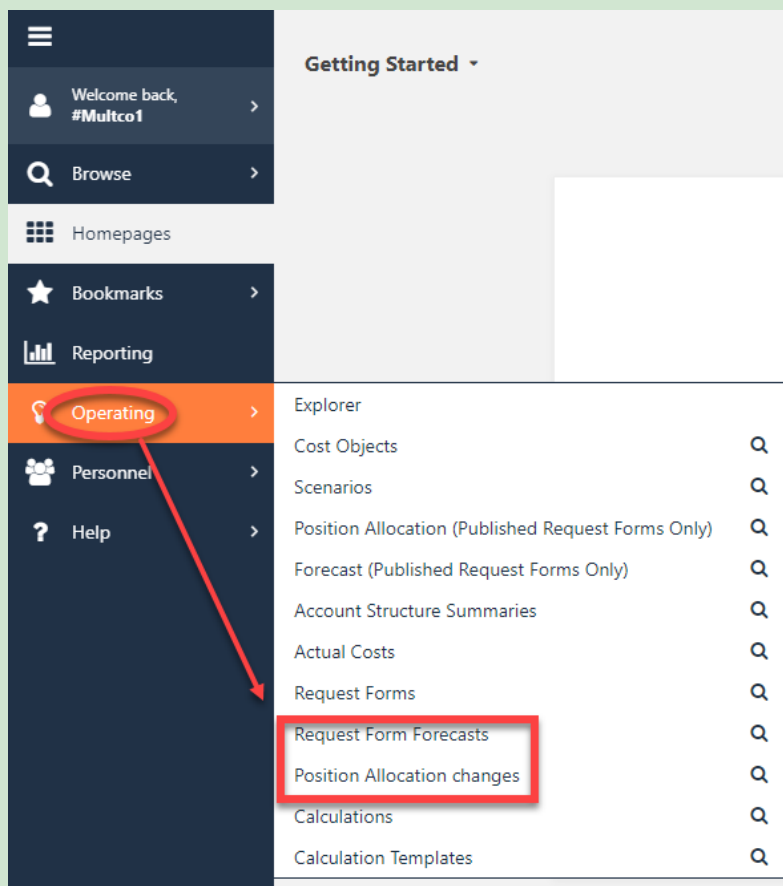
New Grids in Questica - *Upcoming Training*

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 example of how these grids may be particularly useful is for departments that want to build their FY 2023 program offers using their FY 2022 Revised budget as a starting point. (Historically, departments have only been able to use the budgeted amounts and position allocations contained in the current fiscal year's program offers, which left out changes made via budget adjustments, amendments, and budget modifications.) For FY 2023, departments can use the Request Form Forecasts grid to view and copy their FY 2022 Revised budget amounts for all manually-budgeted items, and the Position Allocation changes grid for all position allocations (for which Questica automatically calculates the budgeted personnel amount).

The Budget Office will be providing online training on the new grids the week of November 29th. Webex invitations will be sent to department Business/Finance Managers and Budget Analysts soon. The training will be recorded and posted online at the Questica Learning Resources page on Commons.

Base Pay Premiums on Positions in Questica - *Upcoming Training*

Another improvement from the September 2021 upgrade of Questica was the ability for the Budget Office to incorporate

certain premiums into position costing. Previously, departments needed to separately calculate and budget virtually all types of premium pay for positions included in the budget. Beginning in FY 2023, the Budget Office will add *certain* types of premium pay to the relevant positions in Questica, meaning that the system will automatically calculate the premium amount and include it in the position cost when the position is allocated. The relevant premiums that will be included on positions are: incentive pay, longevity pay, employee education premium, and briefing pay (Multnomah County Corrections Deputy Association only). These premiums are based on employee allowances in Workday that charge to 60000 Permanent in payroll, and in Questica they will be allocated to 60000 Permanent as well so that Fringe and Insurance are also charged. For other types of premiums, departments will still need to separately calculate and budget the relevant amounts using the premium ledger account (60120). A more detailed explanation related to premium pay will be available in the FY 2023 Budget Manual.

The Budget Office will be providing online training regarding the base pay premiums on positions the week of November 29th. Webex invitations will be sent to department Business/Finance Managers and Budget Analysts soon. The training will be recorded and posted online at the Questica Learning Resources page on Commons.

Salaried Time Entry for Grants/MOCS/Non-Home Cost Centers (bonus info from Finance)

Do you work on **Grants**, use an alternate or multiple **Cost Centers**, or have time connected to **Miscellaneous Other Costing Structures (MOCS)**?
If you do, we need your help to support the work of your colleagues that are responsible for grant and budget operations.

Always choose Grant Hours, Cost Center Hours or MOCS Hours as your main **time type** when you enter exception time. If you have another type of work to track, for example telework hours, use that as the **additional time type**.

Why is this important? If you do **not** enter Grant Hours, Cost Center Hours or MOCS hours as the main time type, the grant and budgeting processes cannot work as designed. The Enter Time (Salaried) guide was updated to clarify time entry for grants, cost centers and MOCS, including a new chart to assist with entries that could include telework.

Budget Learning Topics

In each Budget Bulletin the Budget Office will include a learning topic or two based on results from the Budget Survey, relevant topics to the current budget phase, or requests from you. This bulletin's topic is a brief overview of how we set up position costs for FY 2023.

Each year the Budget Office configures the new budget year in Questica with assumptions and updates that calculate the costs of regular Board Approved positions. These are the permanent, ongoing positions that are included in the budget. The assumptions and updates are based on the best information available in November from our forecast,

1. The Budget Office sets up position cost attributes at the beginning of the budget year, including salary and wage scales inflated for the forecasted COLA, fringe, and insurance rates.
2. The Budget Office or departments create position records.
3. Departments assign position records to program offers (we call this "allocating" positions), which adds positions and their costs to the budget including Permanent (60000), Salary Related (60130), and Insurance Benefits (60140). The costs are auto-calculated by Questica.

Flow chart of the process:
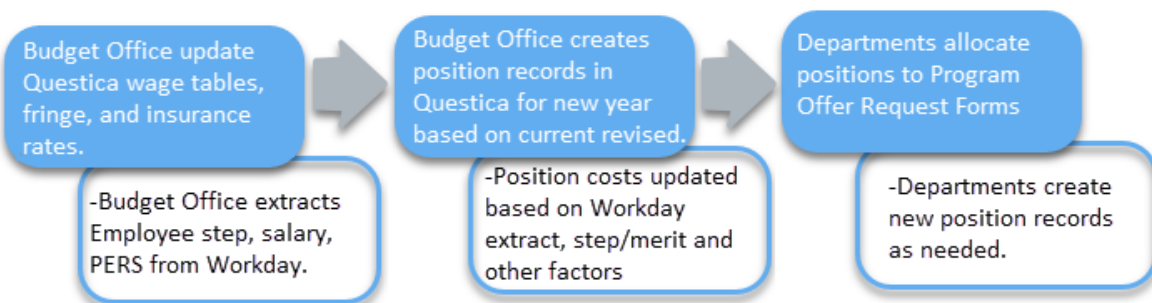
For on-call, temporary, and limited duration positions, there are not individual position records to be allocated in Questica that would auto-calculate their personnel costs. Instead, departments must manually add the dollar amounts to the budget, and no FTE will be associated with these positions. The Budget Manual provides detailed information to help departments determine how to calculate position costs.

In addition to the position records that the Budget Office creates in Questica, departments may also create new position records for the upcoming budget year. First, if the existing position record does not have the correct attributes, a department can make a new position record in order to get better costing (for example, if the position's step or salary

needs to be updated). Second, departments may want to add positions that do not exist in the current year. One important thing for departments to remember is that they can choose any step/salary and/or PERS tier when creating a position. It is helpful for departments to model their budget after real-world expectations, so if it is unlikely that a department will fill a new position at the bottom of the step/salary range, the department should create a position that has a step/salary that matches its best estimate of what the position will cost.

For more information, please look at Section 2 of the FY 2023 Budget Manual, which will be available as part of the Big Release on Friday, December 10th. You can also find learning materials at the Questica Learning Resources page on Commons.

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