

BUDGET BULLETIN

November 7, 2022



FY 2024 Budget Milestones Calendar



It may still be 2022 but the FY 2024 budget season is ramping up. DCA is busy developing the internal service rates, the Budget Office is working on finalizing inflation factors, developing the General Fund targets, getting Questica set up, and updating all the templates, forms, and manuals.

Here are the upcoming Budget Milestones (*Subject to Change*):

- November 15th General Fund Forecast
 - December 9th Big Release of Budget Materials
 - February 13th Department Submitted Budget Due
 - February 24th Program Offers posted online
 - April 27th Chair's Executive/Proposed Budget Released
 - Mid May Tax Supervising & Conservation Commission Hearing
 - TBD - Tax Supervising & Conservation Commission Hearing
 - June 8th Budget Adopted
-
- With a new County Chair this fall, these budget milestones may change slightly. Any changes to these dates will be included in upcoming budget bulletins.
 - What can work on now? Get a head start on reviewing program offers, identifying changes in other funds, evaluating current spending, and evaluating performance measures. Please reach out to your budget analyst for early help!

Upcoming Training from the Office of Diversity and Equity



The Equity and Empowerment Lens and Budget Equity Training

The Equity and Empowerment Lens is a framework for policy, programming, and workforce analysis used to highlight critical assumptions and unintended impacts to our most vulnerable communities. Join this introductory course to learn about the Lens

framework, key concepts, and underlying contexts driving the need for the Lens at Multnomah County.

This lens and budget equity training will cover core competencies that promote equity, are racially just, and outcomes oriented. Terralyn Wiley (Senior Equity and Inclusion Policy Analyst), Joy Fowler (Chief Diversity and Equity Officer) along with several partners will host this virtual course on various dates: Nov 30th, Dec 12th, Jan 5th, and Jan 11th.

Please find the attached [FY 2024 Budget Equity Tool](#) to support the upcoming training. Look for more information, including sign-up details in Workday in the November 9th Wednesday Wire.

General Fund Forecast - November 15, 2022

- Have you ever wondered how we determine the amount of General Fund revenues we will have in the upcoming year? Or how the economic trends you read about in the news impact the County's financial health? Come or [tune in](#) to the General Fund Forecast on November 15th to watch Jeff Renfro, County Economist, explain the factors that influence our General Fund revenues and what that means for the FY 2024 budget process.
- The General Fund forecast is updated three times a year and the November forecast is the most in-depth and kicks off the budget process. The forecast will touch on the County's major revenue sources (Property Taxes, BIT, and Motor Vehicle Rental Tax), the economic factors that influence collections, and collections assumptions for the next five years. On the expense side, inflation, PERS, and bargaining impacts will be discussed along with strategies for mitigating risk. The forecast presentation sets the financial context for the funding and programming decisions that follow.

FY 2024 Big Release Coming Soon...

On December 9, 2022, Central Budget will join efforts with the Department of County Assets and the Office of Equity and Diversity to provide the 'Big Release' of annual budget development information.

- This includes:
 - Chair's Budget Guidance
 - General Fund Allocations
 - Internal Service Allocations
 - Budget Equity Tool
 - Questica Budget Software open for FY 2024, including
 - Program Offer forms
 - Position costing
 - Instruction Manuals, Forms, and Templates
 - Budget Calendar

- Near the 'Big Release', the Budget Office will host a virtual FY 2024 budget kick-off featuring the new County Chair, Chief Diversity and Equity Officer Joy Fowler, and Chief Budget Officer Christian Elkin. The agenda includes budget guidance, financial context for the upcoming year, and key process changes. Please bring your budget-related questions. Scheduling details to come.

Personnel Costing in the Budget - the basics



At the beginning of each budget development cycle the Budget Office provides departments with their current Board Approved positions, inflated for the new year, via Questica to use in developing the budget. Departments can then decide to include, exclude, or update these positions in their Department Submitted budgets as needed for programming and resource availability.

Base factors that comprise the cost of a position in Questica:

- Job Classification
- FTE of the position (Employee FTE may underfill a position currently, but full FTE costs are used in the budget)
- Department's 'Other Insurance' rate
- Bargained or statutory benefits, e.g. VEBA, Uniformed PERS
- Medical Insurance - Blended rate for all insurance options, prorated by full-time/part-time position FTE

When setting up positions in the new year, the Budget Office updates position costs based on current employees. Employee attributes that influence position costs in Questica are:

- Employee step/step date or current salary
- PERS Tier of employee as well as Uniformed/Non-Uniformed status if different from the Bargaining Unit, e.g. a former Deputy Sheriff in a management position will likely have Uniformed PERS
- Certain employee premiums including Education, Incentive, Longevity, and Briefing pay

Other factors that update position costs in the new year:

- Forecasted cost of living adjustment (COLA). This amount is typically bound by labor agreements, e.g. 1%-4%, 2%-5%, etc, and provided by the County Economist. Actual COLA is determined after budget development begins. Unless there is a significant deviation from forecasted and actual COLA, assumptions are not changed in the budget.
- Non-Represented Merit eligibility
- Job Classification studies
- Pay Equity updates
- Increases/decreases to PERS, Medical, and Other Insurance rates

- Changes from labor negotiations, e.g. new or updated premiums or benefits. When labor contracts are outstanding the Budget Office typically factors in an assumed COLA and other updates tentatively agreed to.

What is not included in the position costs, and must be budgeted separately as expenditures?

- Other premiums such as bilingual, lead, shift, etc need to be budgeted in addition to the position costs. (MCR Allowances by Worker provides a list of non-Ad-Hoc premiums assigned to employees)
- Overtime
- Other allowances such as cell phones or telework stipends
- Temporary, Limited Duration, or On-Call position costs
- Costs of regular employees in positions not currently in the Board Approved position list, i.e. 'positions in Questica'

How can position costs be changed or not? Departments can create new position records in Questica to use in the budget and can update costs in the following ways:

- Increase/Decrease position FTE
- Update Job Classification (subject to HR Class Comp approval)
- Update step or salary if there is a known employee change, e.g. Tier 1 top of the range employee is retiring soon and the position is not expected to be filled at that rate.
- Eliminate position in the budget
- Add a new position to the budget

Departments **cannot** reduce position costs by:

- Budgeting salary savings
- Reducing FTE where regularly filled with a full-time employee
- Downclassing the position where the job duties are of a higher classification

These actions can potentially lead to insufficient funds to compensate employees and may result in mid-year budget reductions and layoffs.

Additional detail on position costing can be found in the [budget manual](#) with updates coming in the FY 2024 Budget Manual.

Supplemental Budget - The Basics

A supplemental budget allows the County to make changes to the budget that are otherwise not allowed by Oregon Budget Law (ORS Chapter 294). As defined by Oregon Budget Law, all budget modifications that go before the Board are supplemental budgets, and the majority of budgetary adjustments qualify for exemptions that allow the changes to be adopted by simple resolution. When those exemptions are not applicable a supplemental budget is required. A supplemental budget is an entire budget process in miniature, with public hearings and public notices. Some examples that require a supplemental budget are:

- Changing 4-digit fund **expenditures** by more than 10% countywide
- The following table shows what is included as expenditures when calculating the 10% threshold. Note - expenditures exclude internal service reimbursements (ISR) because the calculation is based on countywide expenditures. Including ISR's would double count them since they are also reflected in DCA's budget.

Expenditures	Non-Expenditures
Personnel Services	Transfers Out
Contractual Services	Contingency
Materials & Supplies	Ending Fund Balance
Capital Outlay	
Debt Services	

- Transferring more than 15% from contingency
- Adding non-grant revenues
- Creating a new 4-digit fund

For more information on changing the budget after adoption [refer to this resource from the Oregon Department of Revenue](#).

Beginning Working Capital (BWC)

If needed, the Budget Office will sponsor a supplemental budget during the fiscal year to appropriate excess beginning working capital (BWC) and make other changes. BWC represents the difference between revenues over expenses from prior fiscal years. If a department has BWC, and does not plan to spend it in the current fiscal year, then a supplemental budget is not required. Although appropriating BWC via a supplemental budget is no longer required by Oregon Budget Law, this is still the mechanism the County typically uses to appropriate it.

Remember – it is County policy to spend other funds first before spending County General Fund. If a department has BWC, the Budget Office will ask for a detailed explanation of why the funding was not spent in a previous fiscal year.

Budget Office Contact Information

Christian Elkin
christian.m.elkin@multco.us
Chief Budget Officer
503 988-7689

Shannon Gutierrez
shannon.gutierrez@multco.us
Principal Budget Analyst

Ashlye Manning
ashlye.manning@multco.us
Principal Budget Analyst
Sheriff's Office and Health Department
503 988-8283

Pari Magphanthong
pari.mangphanthong@multco.us

Questica Administrator
503 988-7989

Ching Hay

ching.l.hay@multco.us
Senior Budget Analyst
Department of County Management,
Countywide Projects and Data
503 988-7988

Leah Isaac

leah.isaac@multco.us
Senior Budget Analyst
Department of County Assets
503-988-9648

Dianna Kaady

dianna.kaady@multco.us
Administrative Analyst
Administrative Services, Public Notices,
Special Projects
503 988-7967

Aaron Kaufman

aaron.kaufman@multco.us
Senior Budget Analyst
Department of Community Justice and
District Attorney's Office
503-988-5836

College Intern

Jeff Renfro

jeff.renfro@multco.us
Economist
Library, Economic and Revenue
Forecasting
503 988-9788

Erin Russell

erin.russell@multco.us
Senior Budget Analyst
Department of County Human Services and
NonDepartmental
503 988-0583

Chris Yager

chris.d.yager@multco.us
Senior Budget Analyst
Joint Office of Homeless Services and
Department of Community Services
503 988-7581



Multnomah County Budget Office | multco.budget.office@multco.us | multco.us/budget

To Subscribe to the Budget Bulletin distribution list, please email dianna.kaady@multco.us.
To unsubscribe, please use the link below.