

# Multco Budget Bulletin

## September 2021

### FY 2022 State Rebalance

As noted during the FY 2022 budget process, the County's budget was built on the best information we had at that time regarding State and Federal funding, including the American Rescue Plan allocations. The County is in the process of rebalancing or 'trueing-up' our budget with efforts focused on the following areas:

- State and Federal Funding
- State and City of Portland American Rescue Plan (ARP) funding
- Federal American Rescue Plan (ARP) funding

Department meetings with the Chair's office to discuss funding and priorities concluded in early September and now we work to put together briefings and budget proposals via budget modifications for the Board.

- 9/28/2021 First Board Briefing
- 9/24/2021 Departments Submit their technical detail to the Budget Office
- 10/01/2021 Departments Submit their APR narrative and program details to the Budget Office
- 10/5/2021 Second Board Briefing
- 10/14/2021 Budget Modifications presented to the Board

### Key Dates

9/24/2021 – State/Fed Rebalance technical data due to Budget Office

9/28/2021 – State/Fed Rebalance Board Briefing

10/1/2021 – State/Fed Rebalance Narrative Due to Budget Office

10/5/2021 – State/Fed Rebalance Board Briefing

10/14/2021 – State/Fed Rebalance Board Vote

### FY 2023 Budget Timelines

The Budget Office is actively working with the Chair's Office to finalize key dates for the FY 2023 budget process. We are focusing on creating timelines that sufficiently allow for budget development and decision making, given the increased complexity we are experiencing, for the departments, the Budget Office, and the Chair's Office. We expect to be able to release a calendar for the FY 2023 budget at the end of September.

### The Budget Office is Hiring!

The Budget Office is hiring and would love to bring on an internal candidate! See the posting here:

[https://multco.wd1.myworkdayjobs.com/en-US/Multco\\_Jobs/job/Southeast-Portland/Budget-Analyst-Senior\\_R-5873](https://multco.wd1.myworkdayjobs.com/en-US/Multco_Jobs/job/Southeast-Portland/Budget-Analyst-Senior_R-5873)



## FY 2022 Paid Parental Leave Budget

In the most recent Legislative session, the Oregon Legislature passed HB 3398 that delays the implementation of Oregon's new Paid Family Leave Law. The program is funded by a payroll tax that was originally scheduled to begin collections on January 1, 2022. In the FY 2022 budget, to provide departments resources to cover the new tax, the Chair decided to allow departments to keep the difference between the FY 2022 forecasted COLA of 1.9% and the actual COLA of 1.6%. This 0.3% difference is no longer needed to cover the new costs in FY 2022, but will become part of each department's ongoing General Fund allocation and will be used to cover the new payroll tax when the program begins January 1, 2023 (FY 2023).

The following table estimates the amount of CGF that should be treated as OTO in FY 2022 by departments. The table also shows Other Fund impacts as a reference.

	General Fund	Other Funds		General Fund	Other Funds		General Fund	Other Funds
NOND	24,749	11,956	HD	198,826	148,825	DCA	12,649	102,463
DA	48,467	10,473	DCJ	79,648	24,795	LIB	-	97,087
DCHS	35,776	121,362	MCSO	176,566	24,528	DCA	20,059	25,220
JOHS	5,594	11,866	DCM	66,940	7,461			

## 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. Our first topic is around the Board's policy of using 50% of one-time-only funds for capital projects.

An excerpt from the Financial and Budget Policies, Use of One-Time-Only Resources:

(<https://www.multco.us/file/100231/download>)

“Unrestricted one-time-only resources present organizations with temptations that are hard to resist. In the short run it appears more beneficial to allocate such resources to the highest priority public service that would otherwise be unfunded than to restrict them to costs associated with one-time needs and those that will not recur in following years. However, the result of this practice is to expand operational levels and public expectations beyond the capacity of the organization to generate continuing funding. This inevitably produces shortfalls and crises. Sustaining an ongoing program level by deferring necessary expenditures or by incurring future obligations also inevitably produces shortfalls and crises.

It is the policy of the Board that the County will fund ongoing programs with ongoing revenues, and to restrict the allocation of one-time revenues to nonrecurring expenditures. Examples of one time revenues include:



- Proceeds on the sale of capital assets
- Business Income Taxes collected in excess of budgeted revenues
- General Fund ending fund balance in excess of budgeted balance

As the ending balance in the General Fund is typically the largest sources of one-time-only resources, it is the policy of the Board that departments may not propose to carryover appropriations from one year to the next. When the County budgets unrestricted one-time-only resources, the Board will first set these funds aside for reserves. If reserve requirements have been met, one-time-only resources can be allocated to projects or programs that will not require future financial commitments. The Board will consider the following when allocating these one-time-only resources:

1. After fully funding reserves as established by policy, 50% of any remaining one-time-only resources will be allocated to the capitalization, or recapitalization, of major County facilities projects.
2. One-time-only spending proposals for projects or pilot programs, particularly investments that may result in innovative ideas or technology, long-term efficiencies or savings that do not require ongoing support.
3. Bridge or gap financing for existing programs for a finite period of time. “

**How the FY 2022 One-Time-Only funds were allocated in the Adopted Budget:**

OTO General Funds (in millions)	34.7
Net BIT Reserve	<u>-11.3</u>
OTO Available	23.4
50% Goal for Capital	11.7

**OTO Capital Investments by the Board:**

Behavioral Health Resource Center	13.7
SE Health Center	0.5
Juvenile Detention Renovation	0.2
Detention Electronics	<u>0.06</u>
Total OTO Capital Investments	14.46
% Board Dedicated to Facilities Projects	62%

A detailed list of the remaining non-facilities capital programs can be found in the Budget Director’s Message on pages 41-42 (<https://www.multco.us/file/100224/download>)



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