



**Technical Advisory Group  
Meeting #14  
February 4, 2026**



# Agenda

- **Welcome and Housekeeping**
- **1/28 PAG Meeting Recap**
- **Modeling Recap**
- **Updated results**
- **Recommendations Part 2**
- **Next Steps**



# TAG Meeting Protocols



## Meeting Protocols as of July 23, 2025

- TAG meetings are open to the public, though public comment and questions will not be permitted. In accordance with public meeting laws, each meeting will be recorded.
- Meeting notices and materials will be posted online in advance of each session. Meeting recordings will be posted after each meeting.
- Meetings will be held in a hybrid format and will include appointed TAG members, Multnomah County staff, and the hired consultant team.

# TAG Shared Agreements



## Shared Agreements

- Full Participation (meetings and discussion)
- Curiosity
- Openness to learning
- Share the Mic
- Lean In / Lean Back
- Question the challenge vs. the individual
- Start on time, end on time
- Base statements on verifiable facts and data rather than assumptions or secondhand information



# Decision-making Framework

## Modified Consensus (with Reservation)

- **Consensus-Seeking:** Group works toward agreement that most (ideally all) members can actively support.
- **“With Reservation” Option:** Members who are not fully in favor may choose to “stand aside” rather than block the decision.
- **Stand Aside = Consent with Reservations:** Indicates concerns or disagreements are noted but not strong enough to prevent the group from moving forward.
- **Blocking Reserved for Critical Issues:** A “no” or block is used sparingly, typically only if a proposal violates core values or would cause serious harm.
- **Transparency:** Reservations are documented so the decision reflects both the group’s direction and the nuances of dissent.
- **Efficiency + Inclusion:** Balances the need for timely decisions with honoring different perspectives and concerns.

# Jan 28 PAG Meeting Recap

# Next Steps for PAG

## **Survey of forecast cost drivers:**

- True cost of seats
- Participation rate in the program at universality
- Impact of loss of other seats
- The cost of right-sizing inclusion
- Facilities costs
- Cost of insurance
- Cost of retention to prevent staff turnover
- Start-up costs

# Modeling Recap

# Introduced outputs for all the tax mechanisms

	Submitted Idea	Mechanism Type	Source
Phase 2 Analysis	1. Property Tax	New tax	TAG
	2. Delay 0.8% scheduled increase in 2027	Adjustment to tax timeline	TAG
	3. Means tested co-pays for a 10-hour program <ul style="list-style-type: none"><li>Cost difference between 6 hour vs. 10 hours days</li></ul>	Offsets	TAG/Board
	4. Increase tax above 0.8% in 2027	Adjustment to tax rate	TAG
	5. Credits <ul style="list-style-type: none"><li>Reimburse PFA taxpayers who pay for childcare outside of Multnomah County</li><li>Reimburse PFA taxpayers who are denied services because slots are full</li></ul>	Offsets	Board
	6. Index tax thresholds	Changes to tax base	TAG/Board

## Economic scenarios - 2/4/26

	<b>TAG Baseline</b> Trended migration pattern and decreased federal funding	<b>1 Low Cost</b> TAG baseline plus 100% 6 hour school year slots	<b>2 High Rev</b> TAG baseline + higher revenue growth	<b>3 High Cost</b> TAG Baseline + higher cost increases for program and seats	<b>4 High Cost + Rev</b> Scenario 3 + higher revenue growth + more PFA seats
PFA Participants	8,265	8,265	8,265	8,265	9,000
Alt seats	1,500	1,500	1,500	1,500	750
Slot mix	60% 10 hr FY 40% 6 hr SY	0% 10 hr FY 100% 6 hr SY	60% 10 hr FY 40% 6 hr SY	60% 10 hr FY 40% 6 hr SY	60% 10 hr FY 40% 6 hr SY
Seat cost growth	4%	4%	4%	5.2%	5.2%
Program cost growth	3%	3%	3%	5.2%	5.2%
Revenue growth	8%	8%	Historical growth rate	8%	Historical growth rate

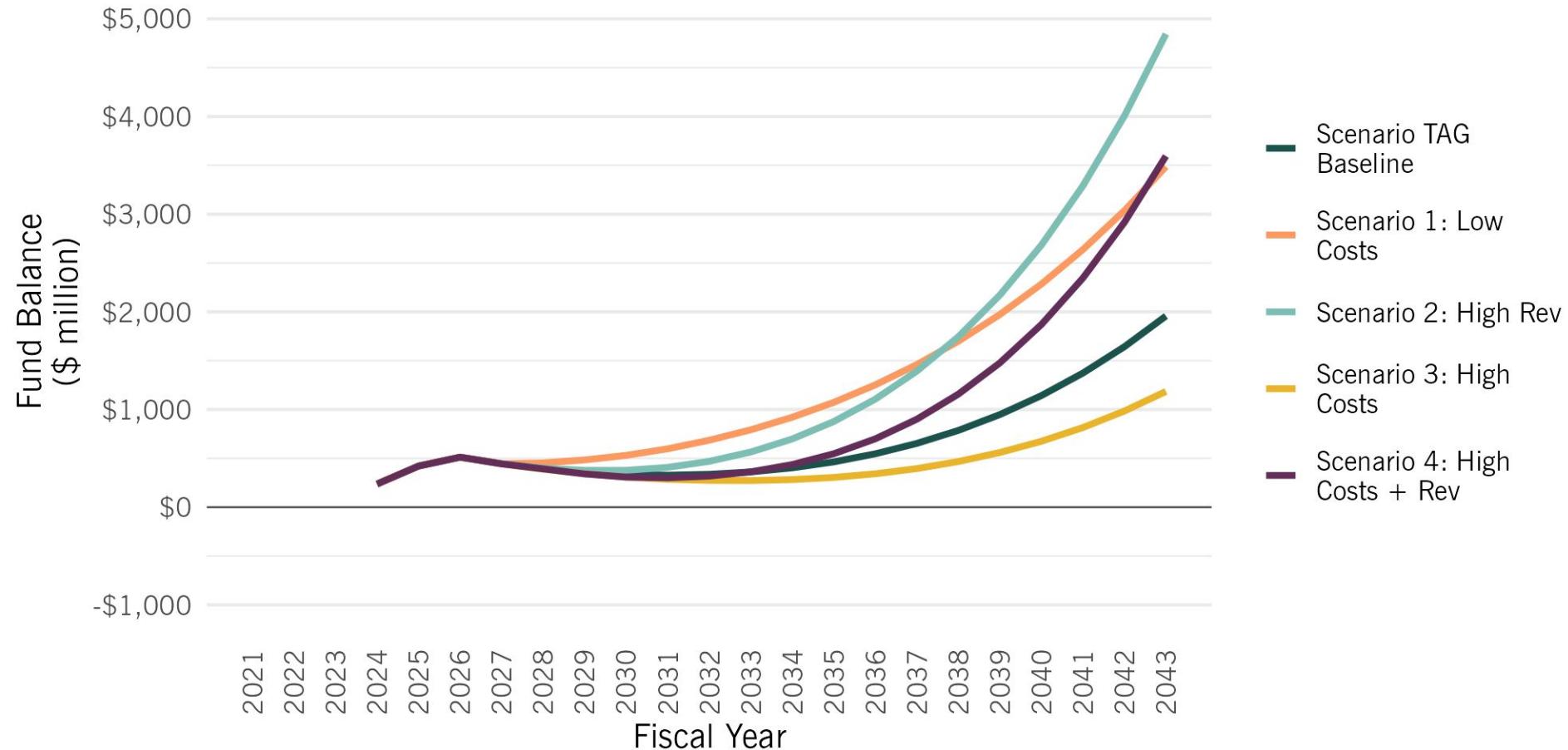
## Reviewed definition of sustainability

In order to meet the criteria of sustainable/fully funded, the following two conditions must be met:

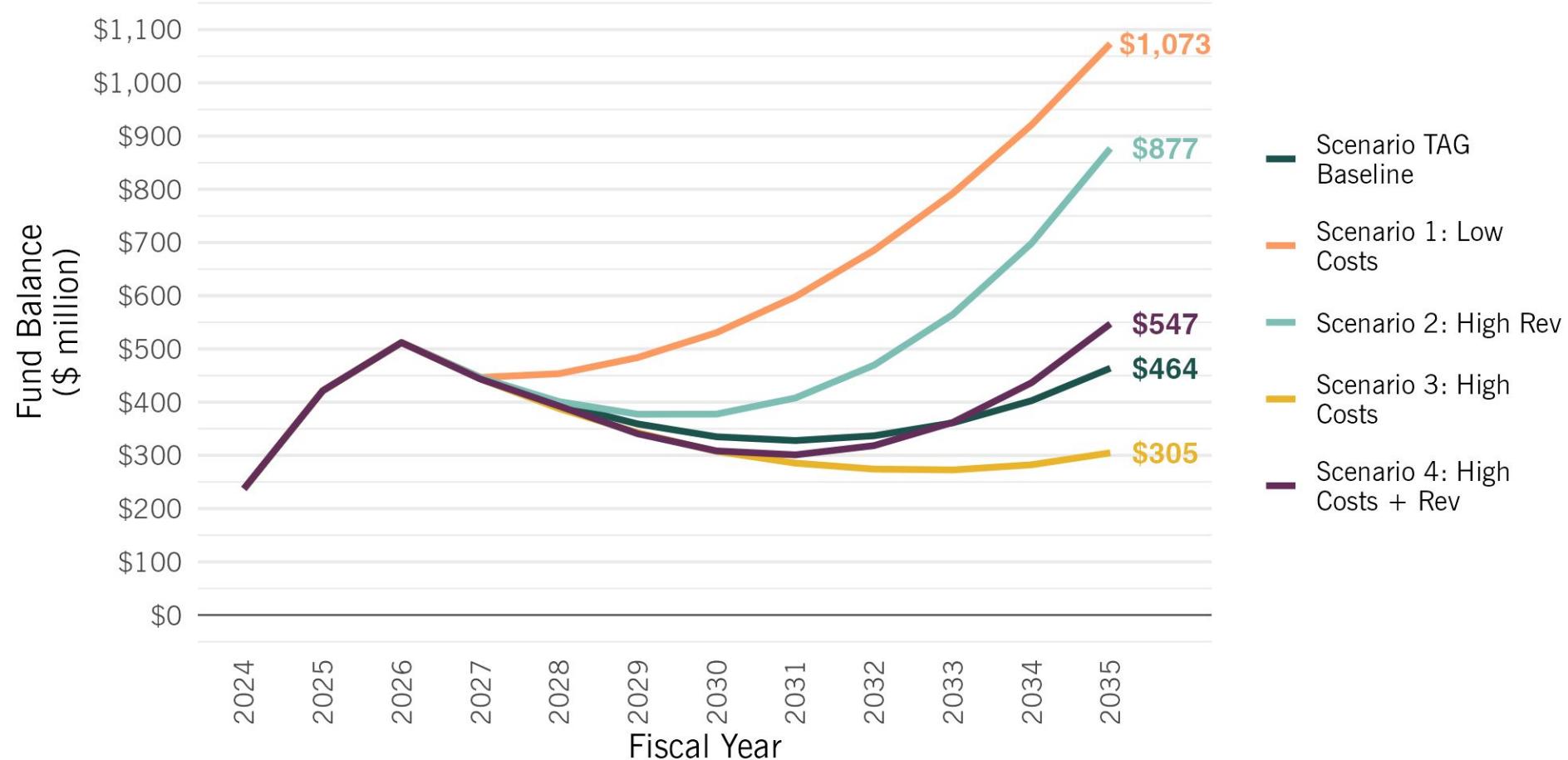
- A. Cumulative revenues must exceed expenses for years 11 through 20
- B. Fund balance in year 10 needs to be above zero, and

\*The financial model begins in 2024, so year 10 is 2033

# Comparing the Baseline + 4 economic scenarios (2024 - 2043)



# Comparing the Baseline + 4 economic scenarios (2024 - 2035)



# Evaluation matrix for individual tax mechanisms

Criteria A
Criteria B

Criteria A: Cumulative revenues must exceed expenses for years 11 through 20  
 Criteria B: Fund balance above \$0

	Baseline	Credits	Co-Pays	1% increase
Scenario TAG Baseline	Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 1: Low Costs	Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 2: High Rev	Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 3: High Costs	Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 4: High Costs + Rev	Pass Pass	Pass Pass	Pass Pass	Pass Pass

# Updated Results

## Model updates since 1/21 TAG meeting

### GOAL: Refine modeling to inform recommendations development

- Incorporated TAG / PAG feedback but not every requested permutation.
  - **Indexing** (aligned with SHS thresholds)
    - One time (2026 only)
    - Annually
  - **Tax rate delay** for five years (re-evaluate in 2030)
  - **Recession** starting in 2028
  - Aligned **slot ramp up** based on county staff feedback

# Personal Income Tax Rates and Exemption Thresholds

## Metro Supportive Housing Services (SHS) Personal Income Tax

The Metro Supportive Housing Services (SHS) personal income tax rate is 1% on Metro taxable income over the tax year's income threshold shown for your filing status in the following table.

### Income exemption thresholds by tax year for the Metro SHS personal income tax

Tax Year	Oregon/Metro Taxable Income Threshold for Single* Filing Status	Oregon/Metro Taxable Income Threshold for Joint** Filing Status
2026	\$128,000	\$205,000
2021-2025	\$125,000	\$200,000

*\*Single filing status includes the federal filing statuses of Single and Married filing separately.*

*\*\*Joint filing status includes the federal filing statuses of Married filing jointly, Head of household, and Qualifying surviving spouse.*

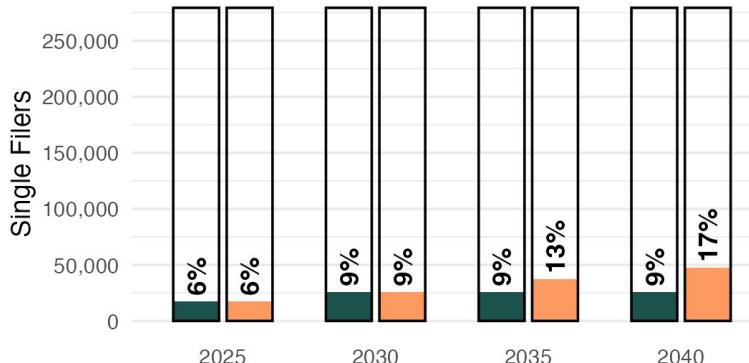
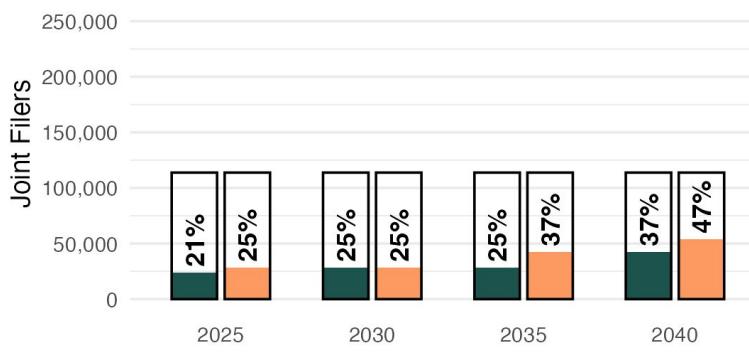
# Implemented indexing in the household model

Increasing thresholds over time,  
matching SHS methodology\*

Tax Year	Joint		Single	
	Primary	Secondary	Primary	Secondary
2026	\$205,000	\$410,000	\$128,000	\$256,000
2031	\$231,000	\$463,000	\$144,000	\$289,000
2036	\$260,000	\$521,000	\$163,000	\$326,000
2041	\$294,000	\$588,000	\$183,000	\$367,000

\*assumes 2.4% expected inflation rate after 2026, based on Oregon Office of Economic Analysis projections.

Simulation: Number of filers, with and without indexing (2025-2045)

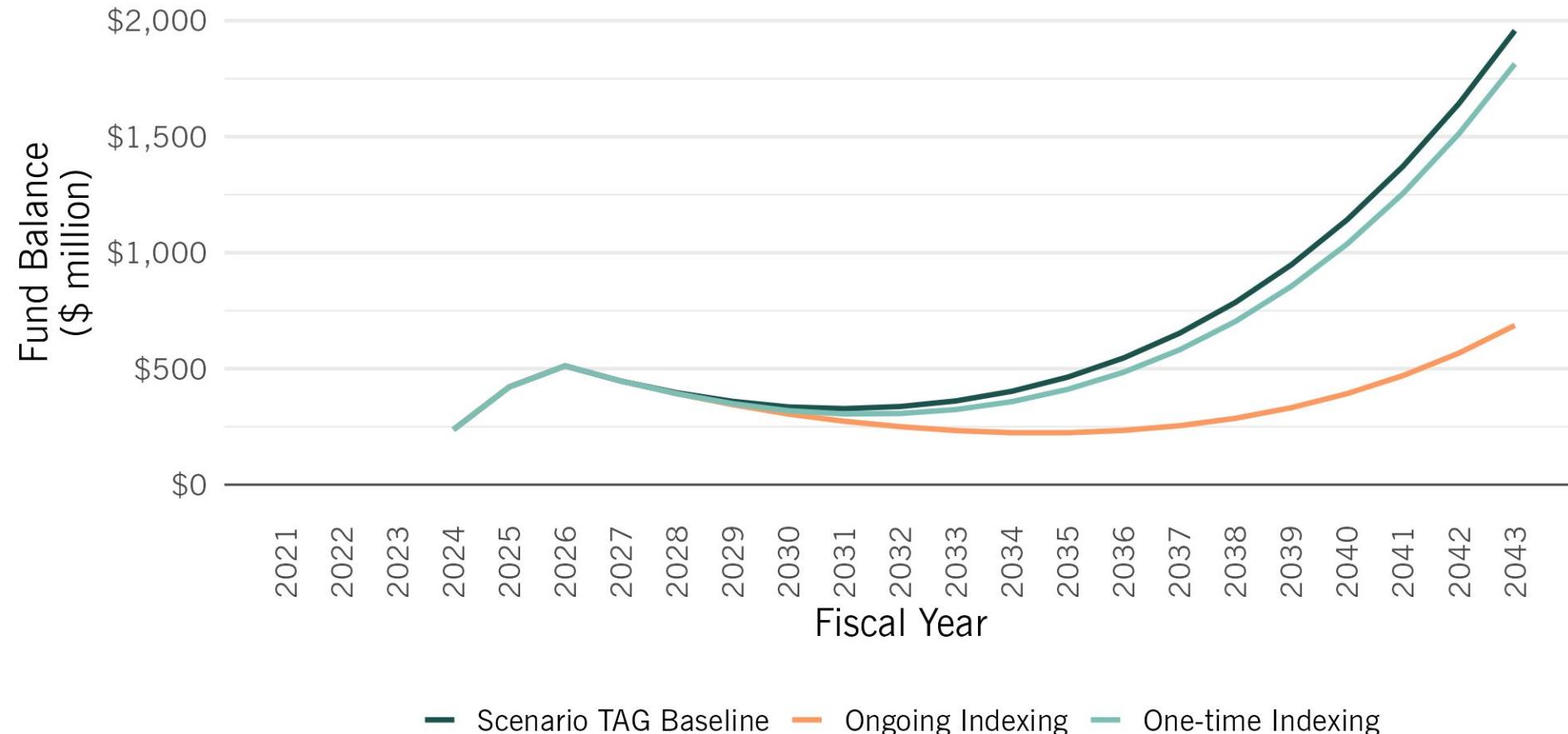


Filers  
Above  
Threshold

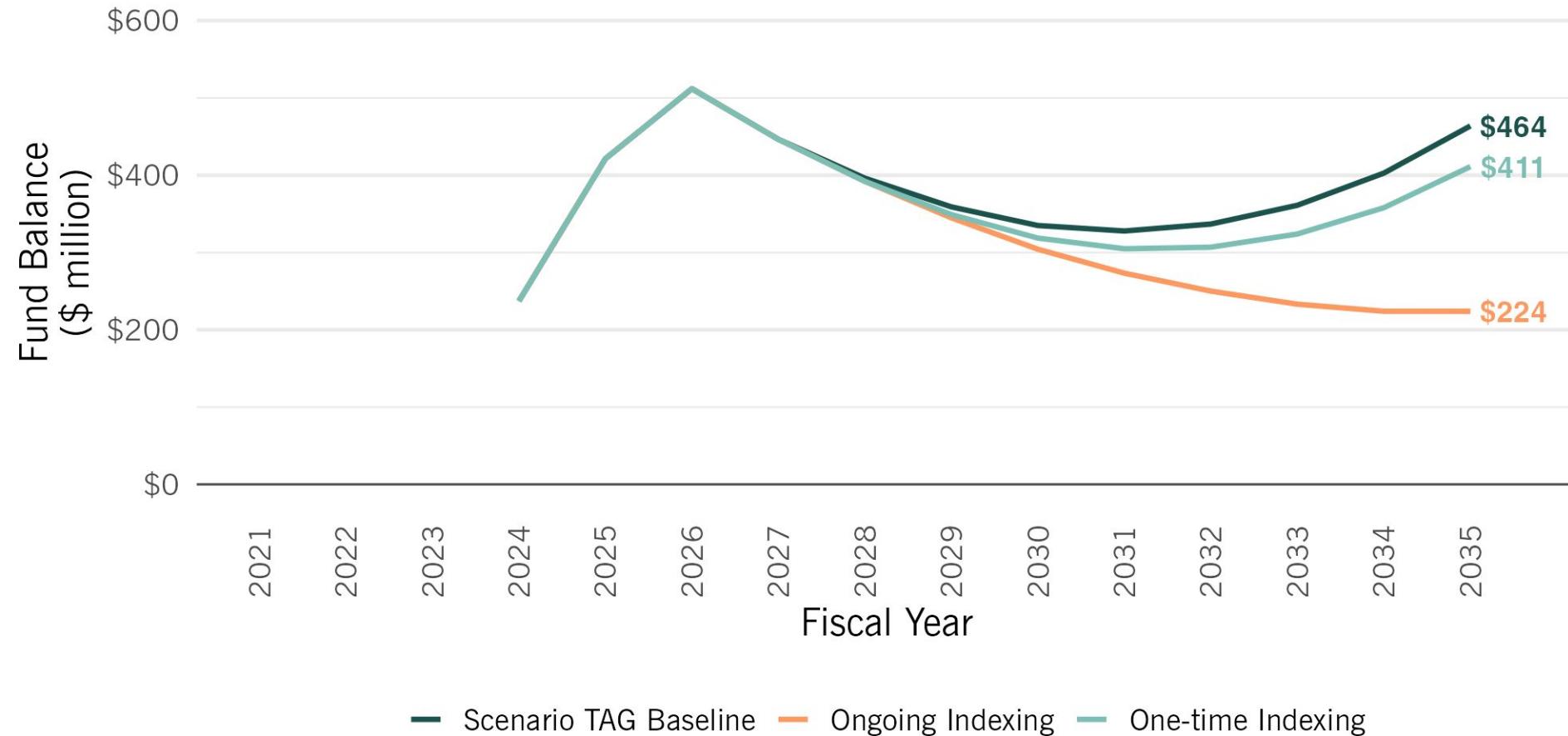


# Indexing Sensitivity

# Baseline: SHS Indexing (2024 - 2043)



# Baseline: SHS Indexing (2024 - 2035)

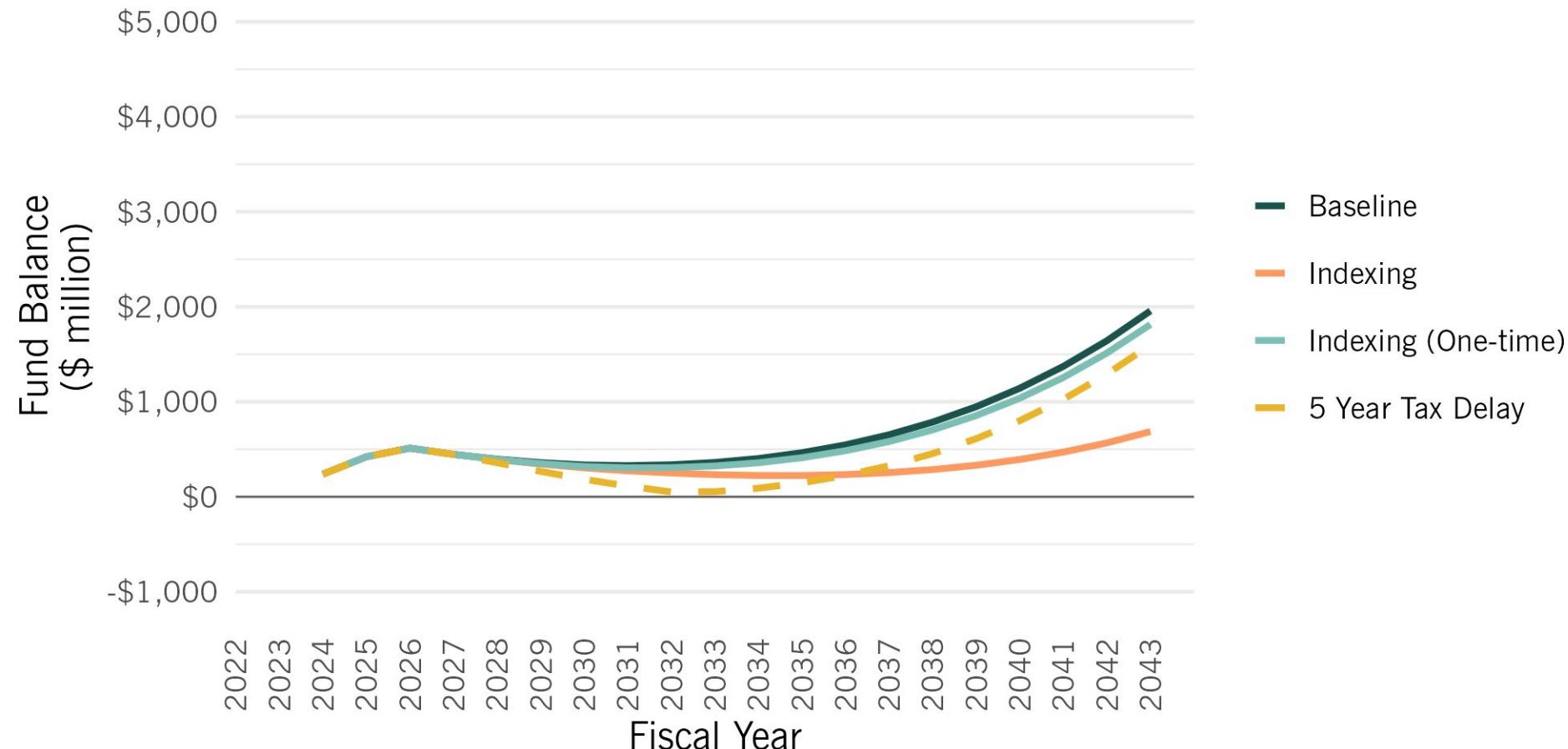


# Scenarios + Mechanisms

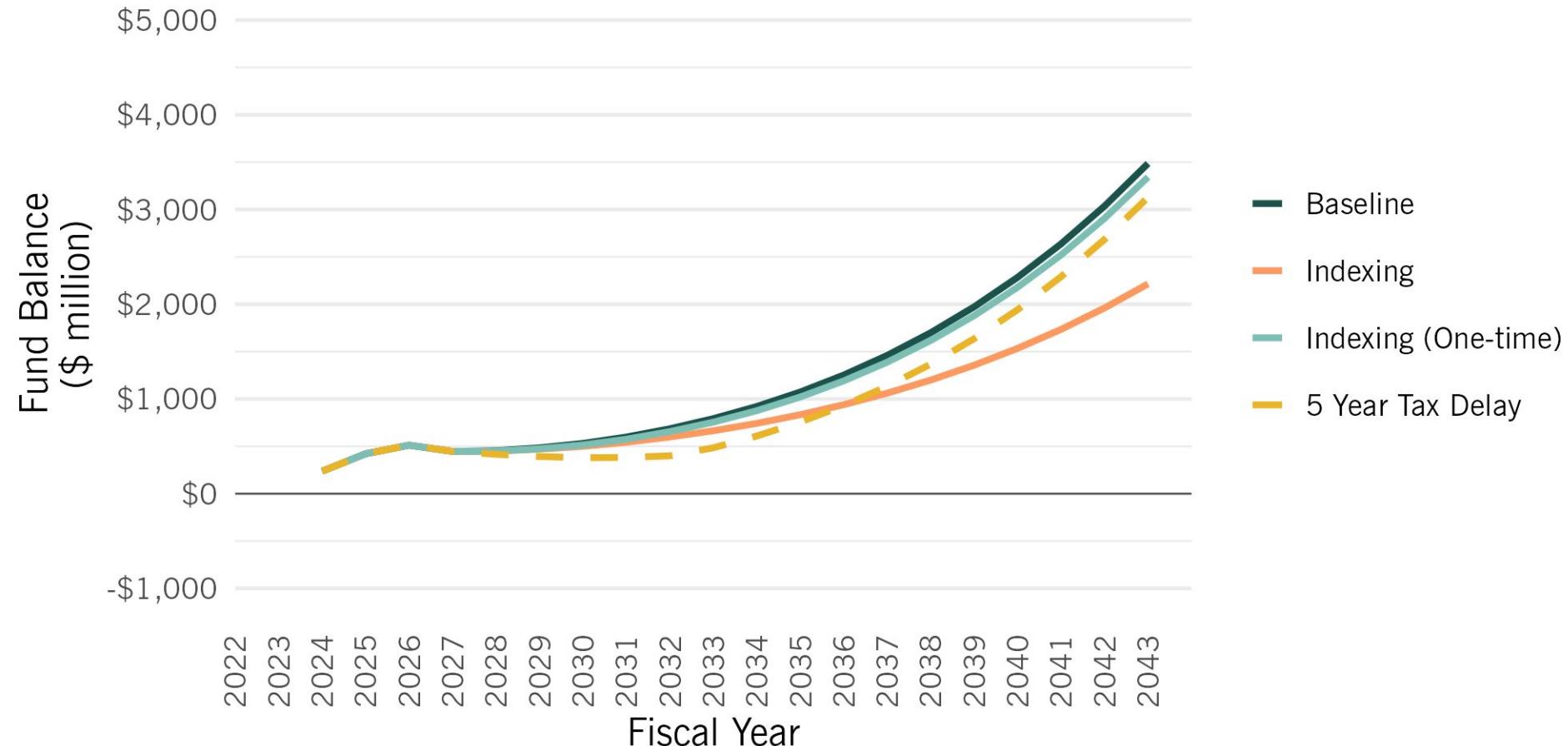
# Evaluation matrix combining indexing and rate delays

		Criteria A: Cumulative revenues must exceed expenses for years 11 through 20 Criteria B: Fund balance above \$0			
		Baseline	Indexing (Ongoing)	Indexing (One-time)	Delay 5-Year
		Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario TAG Baseline		Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 1: Low Costs		Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 2: High Rev		Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 3: High Costs		Pass Pass	Fail Pass	Pass Pass	Pass Fail
Scenario 4: High Costs + Rev		Pass Pass	Pass Pass	Pass Pass	Pass Pass

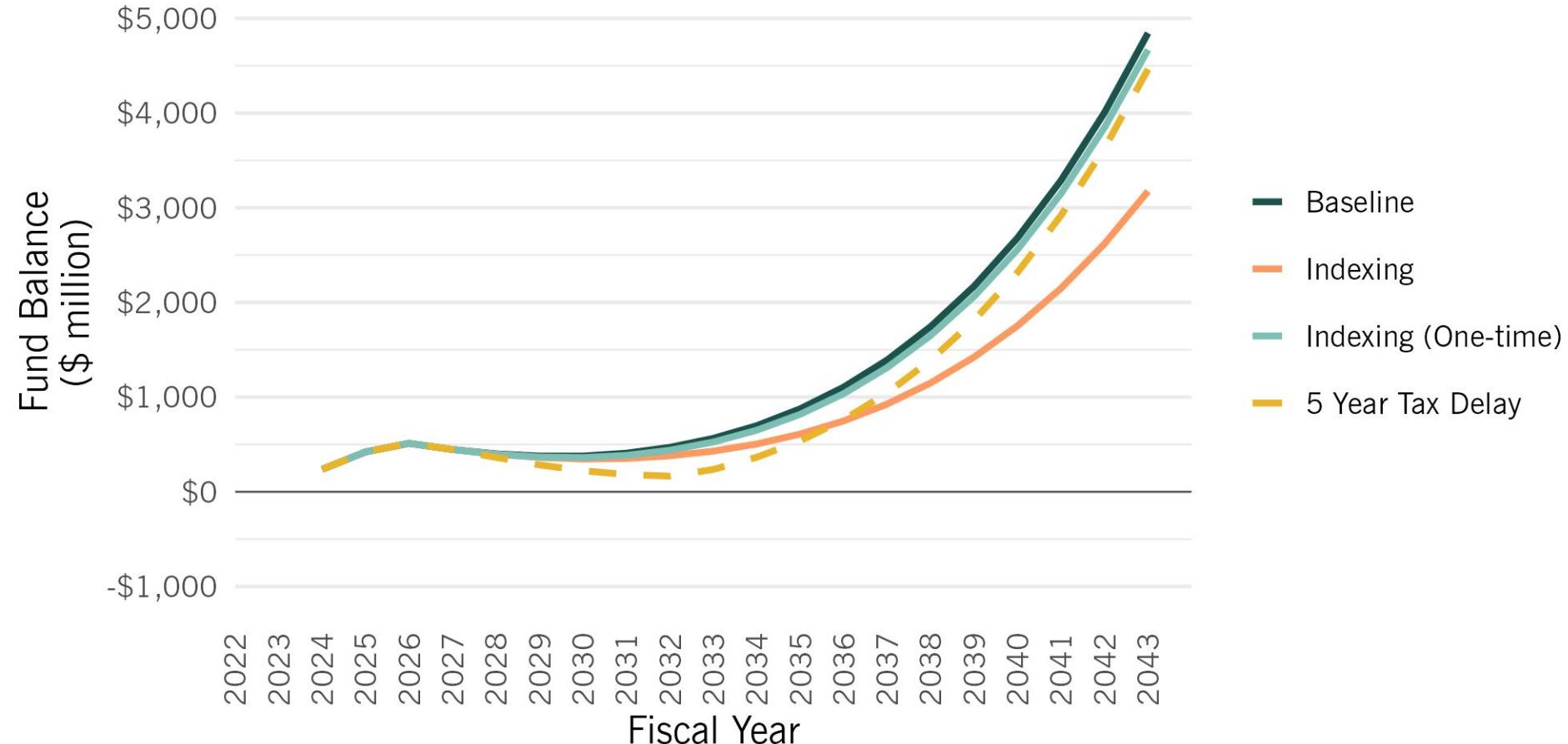
## Scenario Baseline : Indexing and rate increase delay mechanisms



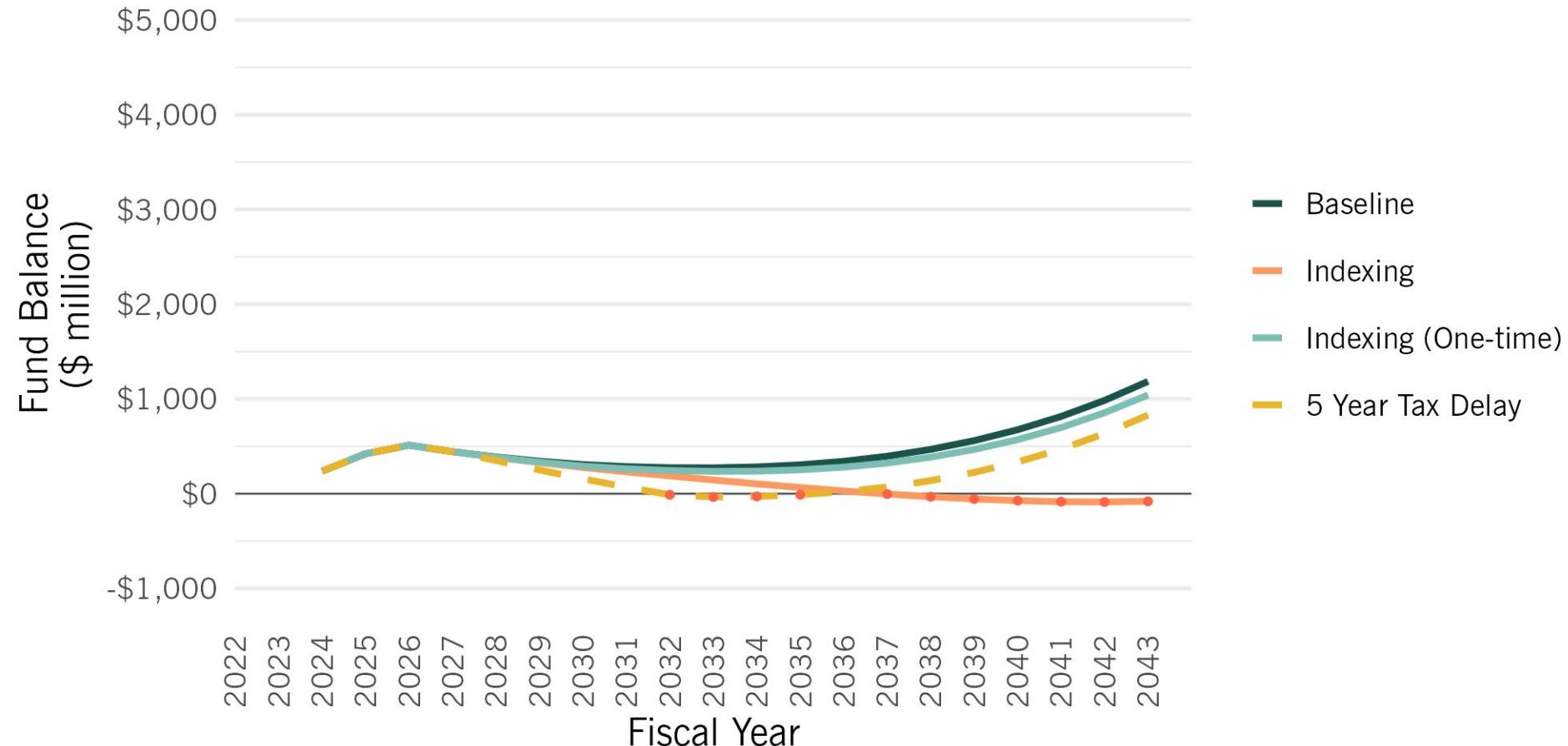
## Scenario 1 (Low cost) : Indexing and rate increase delay mechanisms



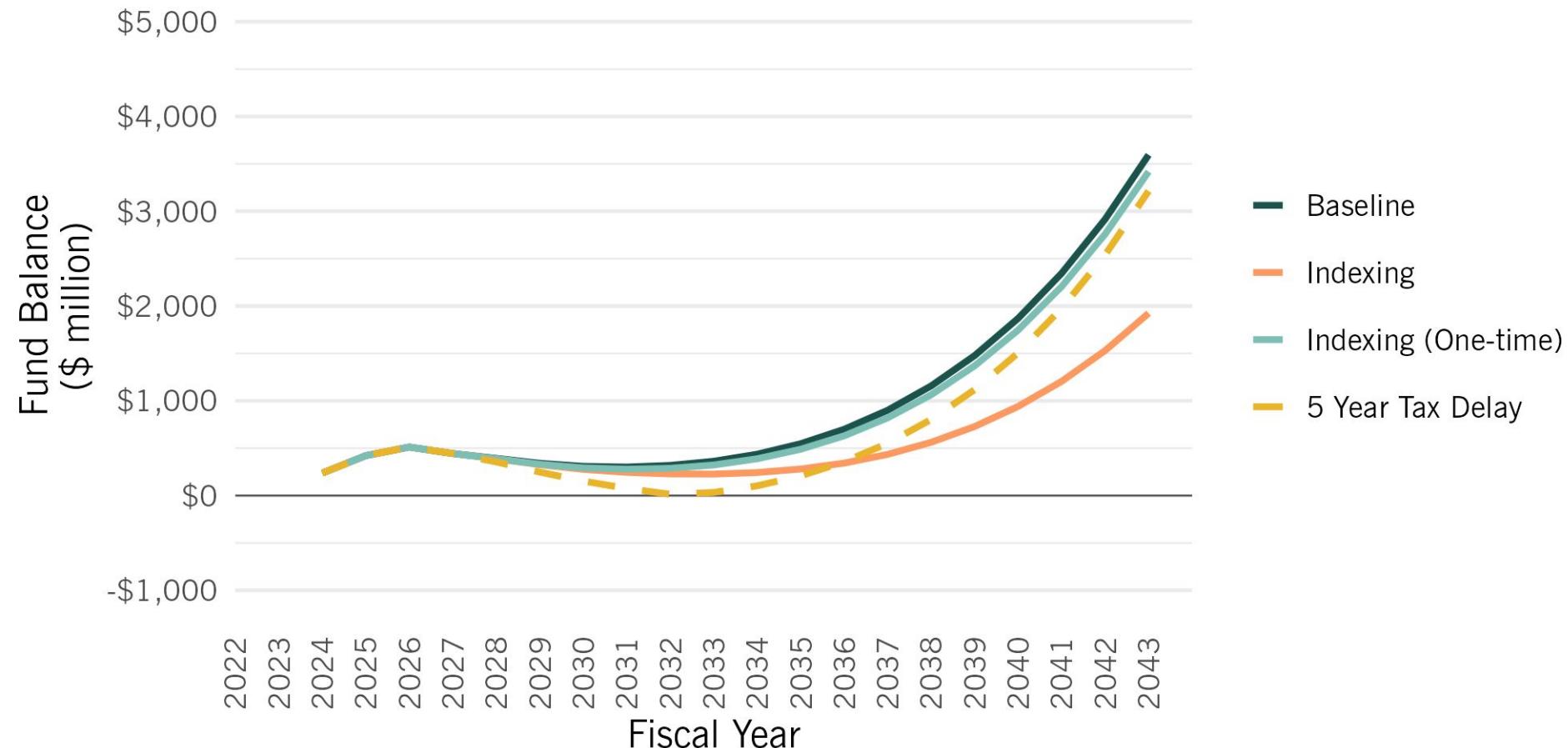
## Scenario 2 (High Rev) : Indexing and rate increase delay mechanisms



## Scenario 3 (High Cost) : Indexing and rate increase delay mechanisms



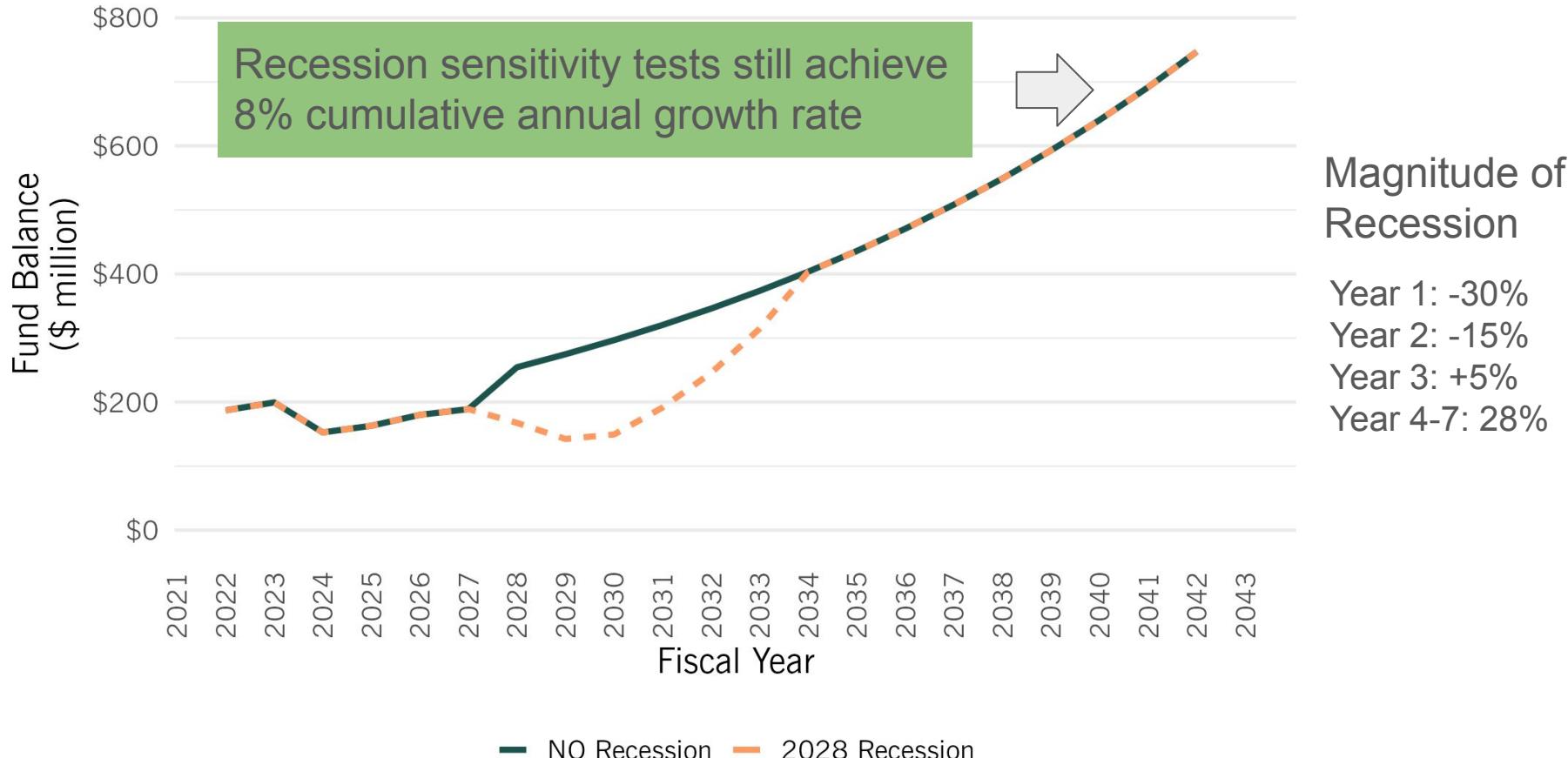
## Scenario 4 (High Cost+Rev): Indexing and rate increase delay mechanisms



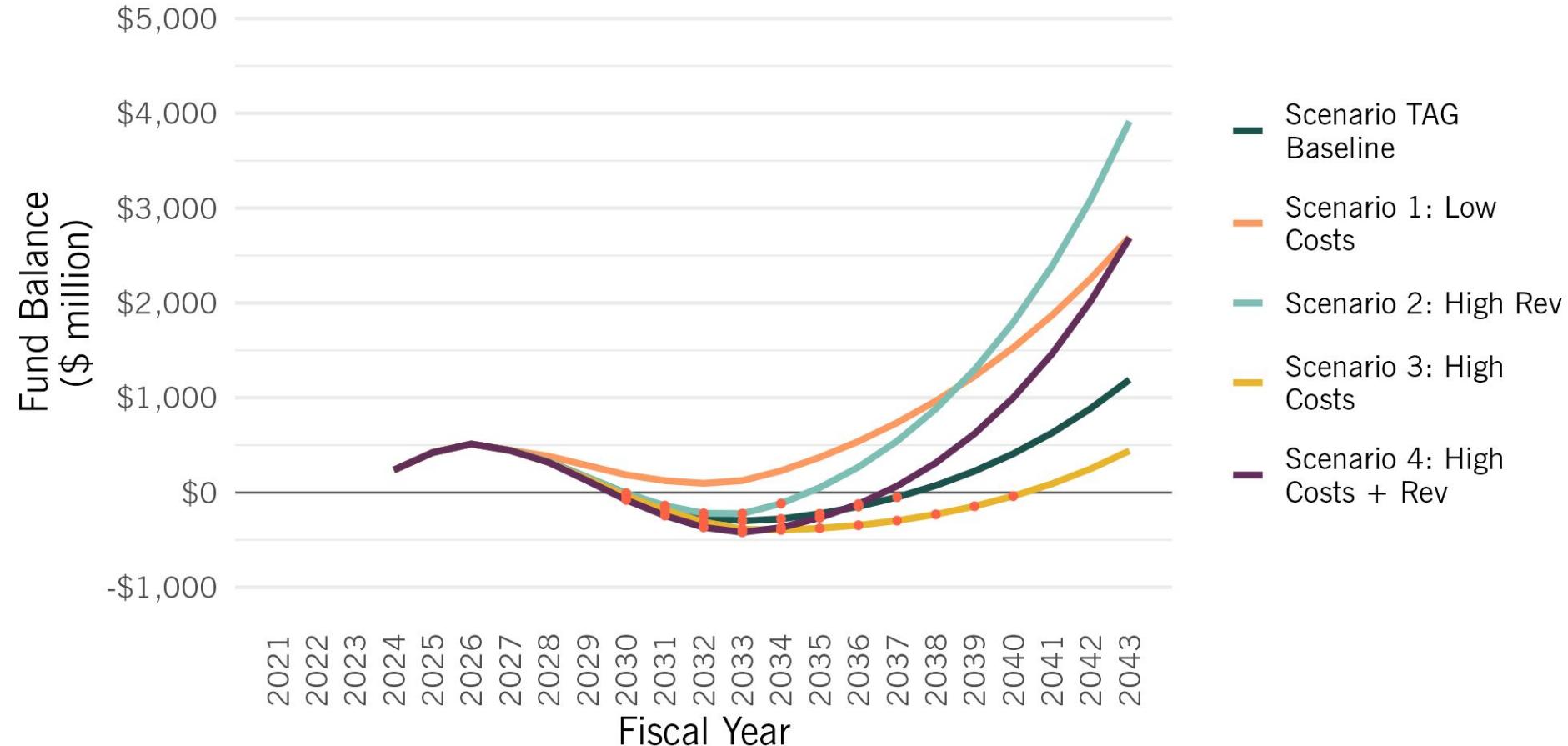
# Evaluation matrix combining indexing and rate delays

Criteria A	Criteria A: Cumulative revenues must exceed expenses for years 11 through 20 Criteria B: Fund balance above \$0			
	Baseline	Indexing (Ongoing)	Indexing (One-time)	Delay 5-Year
Scenario TAG Baseline	Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 1: Low Costs	Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 2: High Rev	Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 3: High Costs	Pass Pass	Fail Pass	Pass Pass	Pass Fail
Scenario 4: High Costs + Rev	Pass Pass	Pass Pass	Pass Pass	Pass Pass

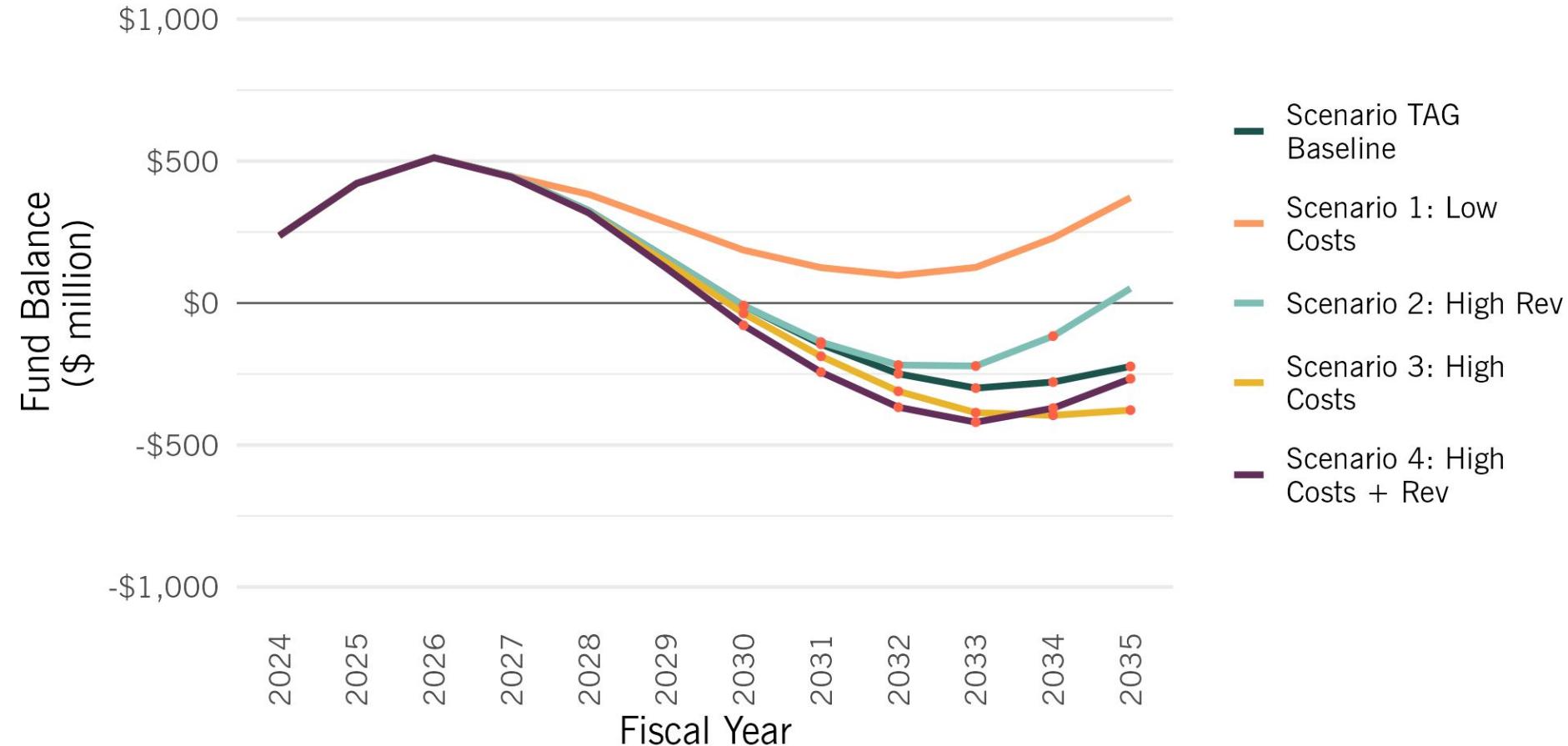
# Recession modelling



# Recession in Scenario Baselines



# Recession in Scenario Baselines



# Evaluation matrix combining early recession with mechanisms

Criteria A	Criteria A: Cumulative revenues must exceed expenses for years 11 through 20 Criteria B: Fund balance above \$0			
	Baseline	Indexing (Ongoing)	Indexing (One-time)	Delay 5-Year
Scenario TAG Baseline	Pass Fail	Pass Fail	Pass Fail	Pass Fail
Scenario 1: Low Costs	Pass Pass	Pass Pass	Pass Pass	Pass Pass
Scenario 2: High Rev	Pass Fail	Pass Fail	Pass Fail	Pass Fail
Scenario 3: High Costs	Pass Fail	Fail Fail	Pass Fail	Pass Fail
Scenario 4: High Costs + Rev	Pass Fail	Pass Fail	Pass Fail	Pass Fail

# Recommendations Recap

# Working Draft TAG Recommendation

- Commission a cost delivery model
- Delay the 0.8% tax rate increase until 2030
- Index income thresholds
- Study ongoing need for a rainy day fund versus reserves

## For discussion today:

- **Indexing** - one time or ongoing?
- **Credits** - Explore offering credits for out of county payers with 3-4yos and in-County payers who apply and don't get a slot until 2030
- **Means testing/co-pays** - Model implementation options and determine administrative costs so the county can make a more informed decision
- **Others?**

# Recommendations Process



# Decision-making Framework

## Modified Consensus (with Reservation)

- **Consensus-Seeking:** Group works toward agreement that most (ideally all) members can actively support.
- **“With Reservation” Option:** Members who are not fully in favor may choose to “stand aside” rather than block the decision.
- **Stand Aside = Consent with Reservations:** Indicates concerns or disagreements are noted but not strong enough to prevent the group from moving forward.
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- **Transparency:** Reservations are documented so the decision reflects both the group’s direction and the nuances of dissent.
- **Efficiency + Inclusion:** Balances the need for timely decisions with honoring different perspectives and concerns.

# Guiding Criteria for Recommendations

As you consider recommendations and proposals, please weigh each through the following lens:

## Alignment with PFA Values

Does it reflect the program's guiding principles of equity, accessibility, and sustainability?

## Equity

Does the proposal advance fairness for families and communities most impacted by structural inequities?

## Revenue Stability

Would this recommendation generate consistent and reliable funding for Preschool for All over time?

## Administrative Feasibility

Is the recommendation practical to implement and enforce given current systems and capacity?

## Political Viability

Could the proposal gain sufficient public and political support to move forward?



## Guiding Criteria for Recommendations

As you consider recommendations and proposals, please remember to consider the PFA engagement report recommendations.

**Excerpt:**

- **Communications and public engagement (transparency and accountability section):**
  - Maintain progressive taxation as the primary funding mechanism, ensuring that contributions remain fair and proportional to income.
  - Periodically review and refine tax brackets to maintain fairness as local economic conditions evolve. Maintain an equity-based tax model while avoiding overburdening working families already paying multiple local taxes.
- **Funding and stability (transparency and accountability section):**
  - Tie any rate adjustments directly to program impacts such as expanded access, improved quality, and workforce stability.





# Decision-making Procedures

## Modified Consensus (with Reservation) Procedure

- TAG member offers a proposal/recommendation
- Facilitator prompts Q&A
- Facilitator calls vote of proposal
- Modified consensus
  - **Affirmative:** The member agrees with the proposal.
  - **Stand aside:** Affirmative, but with stated and unresolved concerns. The member has concerns with the proposal but is willing to implement it if the proposal moves forward.
  - **No:** The member does not agree with the proposal and has serious concerns.
- Passage: A proposal passes when the votes casted as "affirmative" and "stand aside" is equal to or greater than simple majority.

# Next Steps

- **February 4** | PAG: risk and sensitivity survey distributed
- **February 6** | PAG survey due date
- **February 10** | Draft report and feedback survey distributed
- **February 11** | PAG meeting (*tentative*)
- **February 16** | TAG/PAG report feedback due
- **February 18** | TAG/PAG meeting
  - TAG presentation of recommendations to PAG
- **April 14** | Final Board Presentation

