



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



**PRESCHOOL
FOR ALL**

MULTNOMAH COUNTY

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"> Cost difference between 6 hour vs. 10 hours days 	Offsets	TAG/Board
	4. Increase tax above 0.8% in 2027	Adjustment to tax rate	TAG
	5. Credits <ul style="list-style-type: none"> Reimburse PFA taxpayers who pay for childcare outside of Multnomah County Reimburse PFA taxpayers who are denied services because slots are full 	Offsets	Board
	6. Index tax thresholds	Changes to tax base	TAG/Board

Economic scenarios - 2/4/26

	TAG Baseline Trended migration pattern and decreased federal funding	1 Low Cost TAG baseline plus 100% 6 hour school year slots	2 High Rev TAG baseline + higher revenue growth	3 High Cost TAG Baseline + higher cost increases for program and seats	4 High Cost + Rev 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

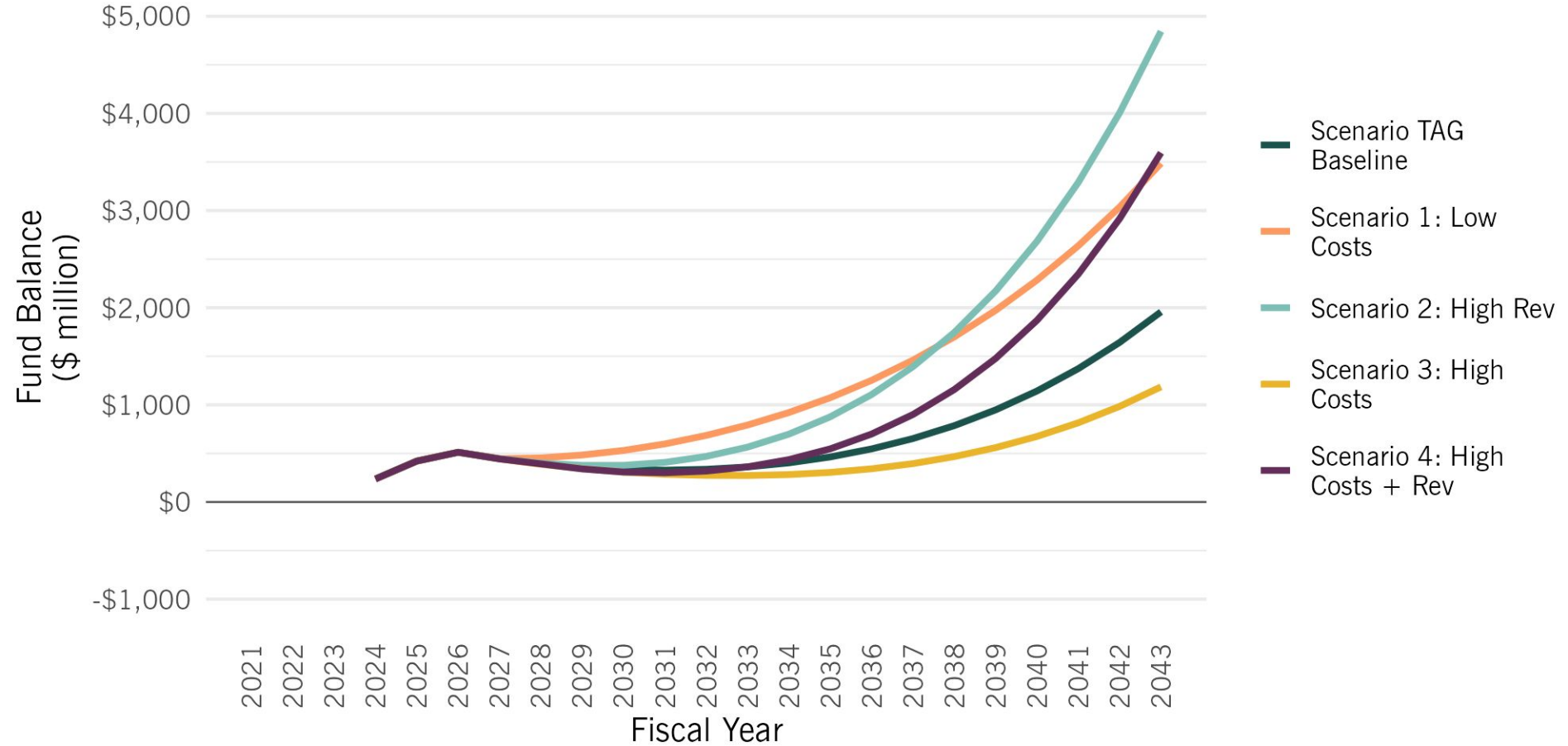
Reviewed definition of sustainability

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

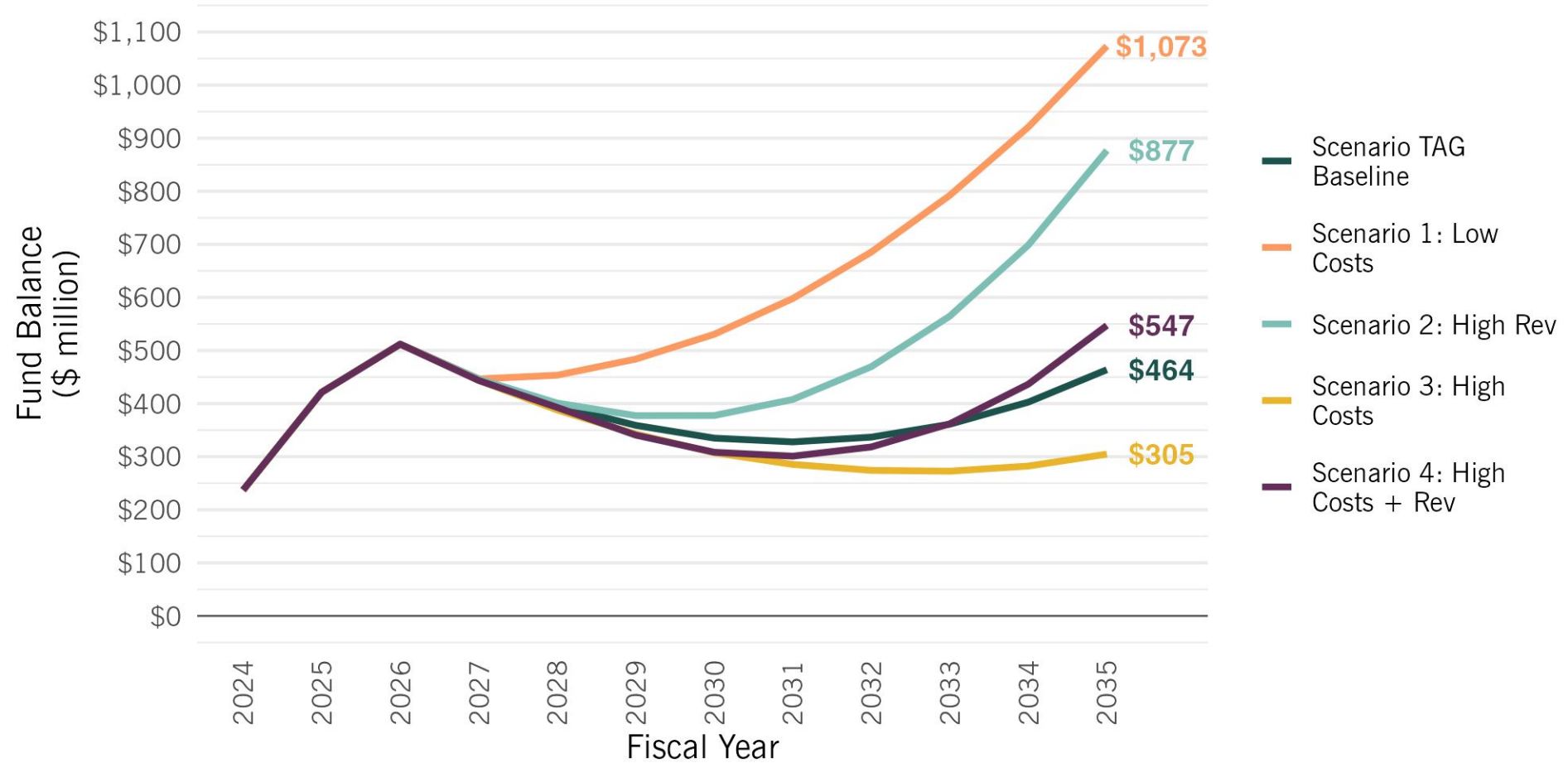
- A. Cumulative revenues must exceed expenses for years 11 through 20
- B. Fund balance in year 10 needs to be above zero, and

*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.*

<https://www.portland.gov/revenue/personal-tax#toc-personal-income-tax-rates-and-exemption-thresholds>

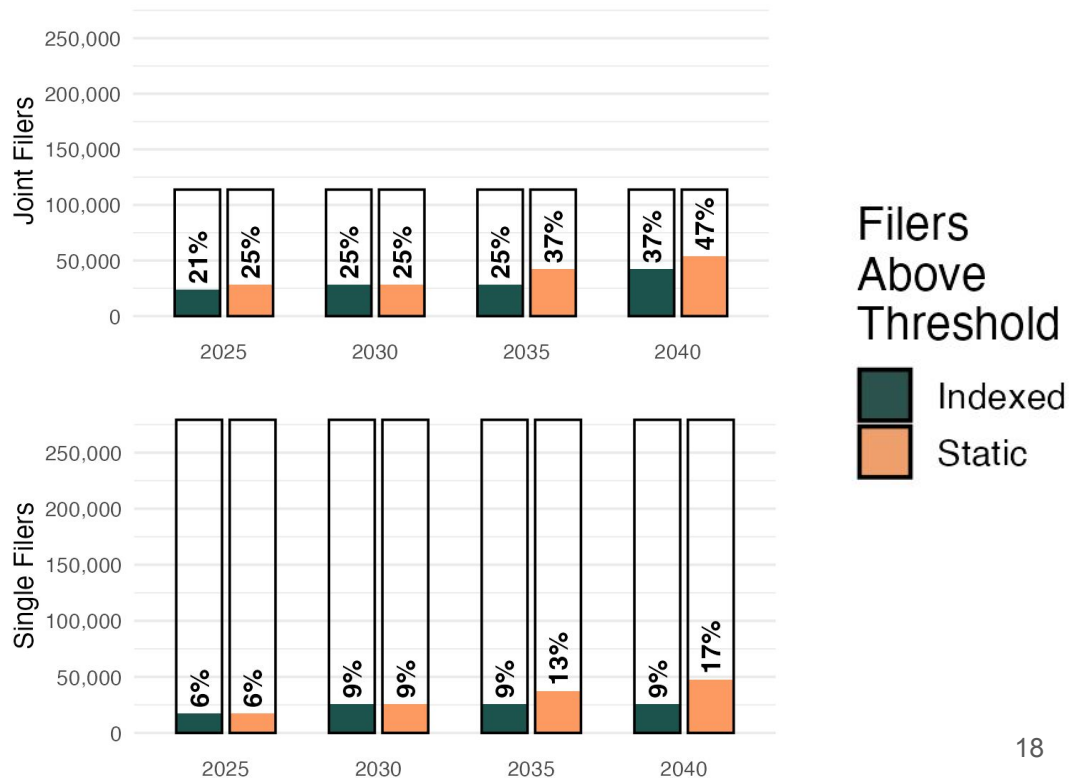
Implemented indexing in the household model

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)

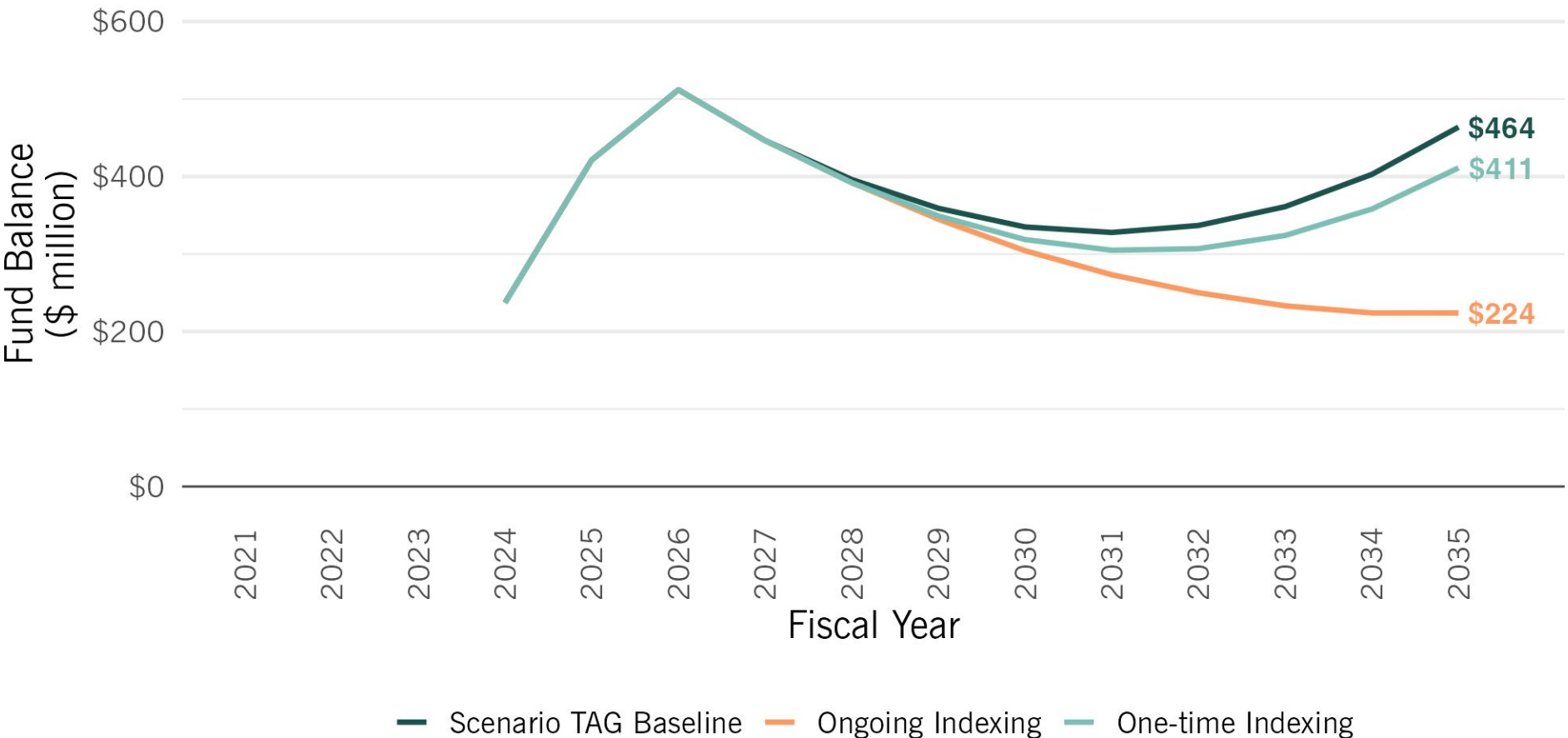


Indexing Sensitivity

Baseline: SHS Indexing (2024 - 2043)



Baseline: SHS Indexing (2024 - 2035)



Scenarios + Mechanisms

Evaluation matrix combining indexing and rate delays

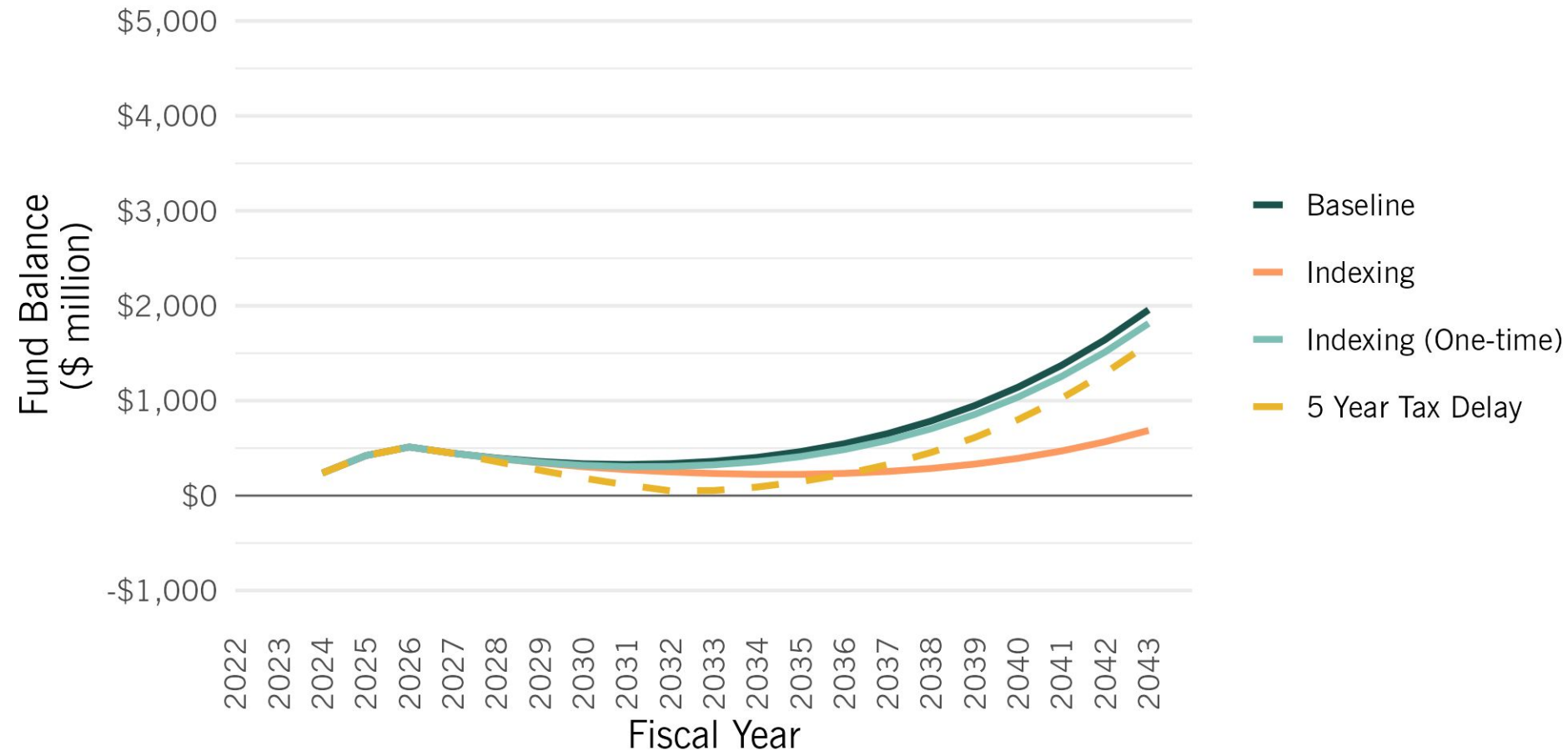
Criteria A

Criteria B

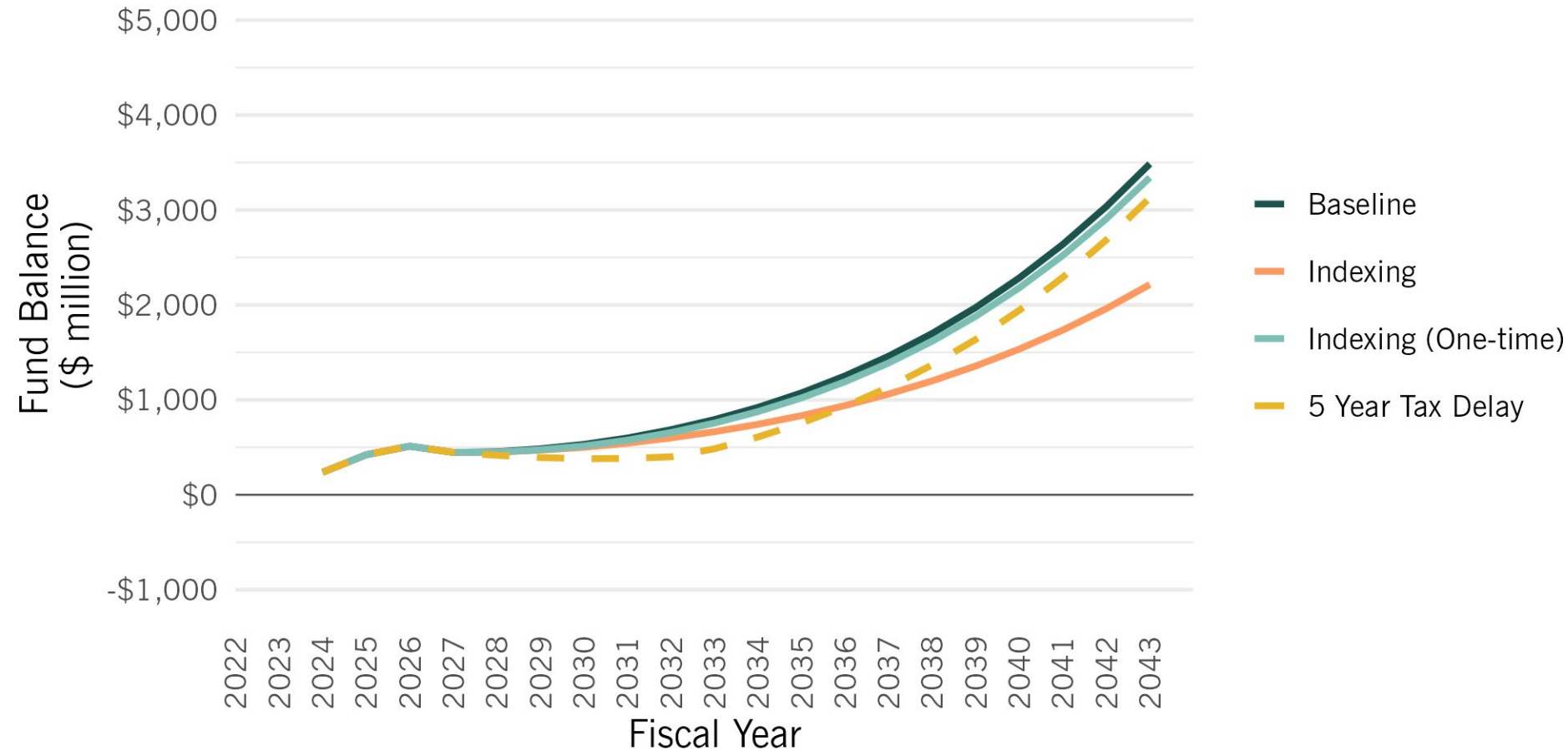
Criteria A: Cumulative revenues must exceed expenses for years 11 through 20
Criteria B: Fund balance above \$0

	Baseline	Indexing (Ongoing)	Indexing (One-time)	Delay 5-Year
Scenario TAG Baseline	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>
Scenario 1: Low Costs	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>
Scenario 2: High Rev	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>
Scenario 3: High Costs	<div>Pass</div> <div>Pass</div>	<div>Fail</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Fail</div>
Scenario 4: High Costs + Rev	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>

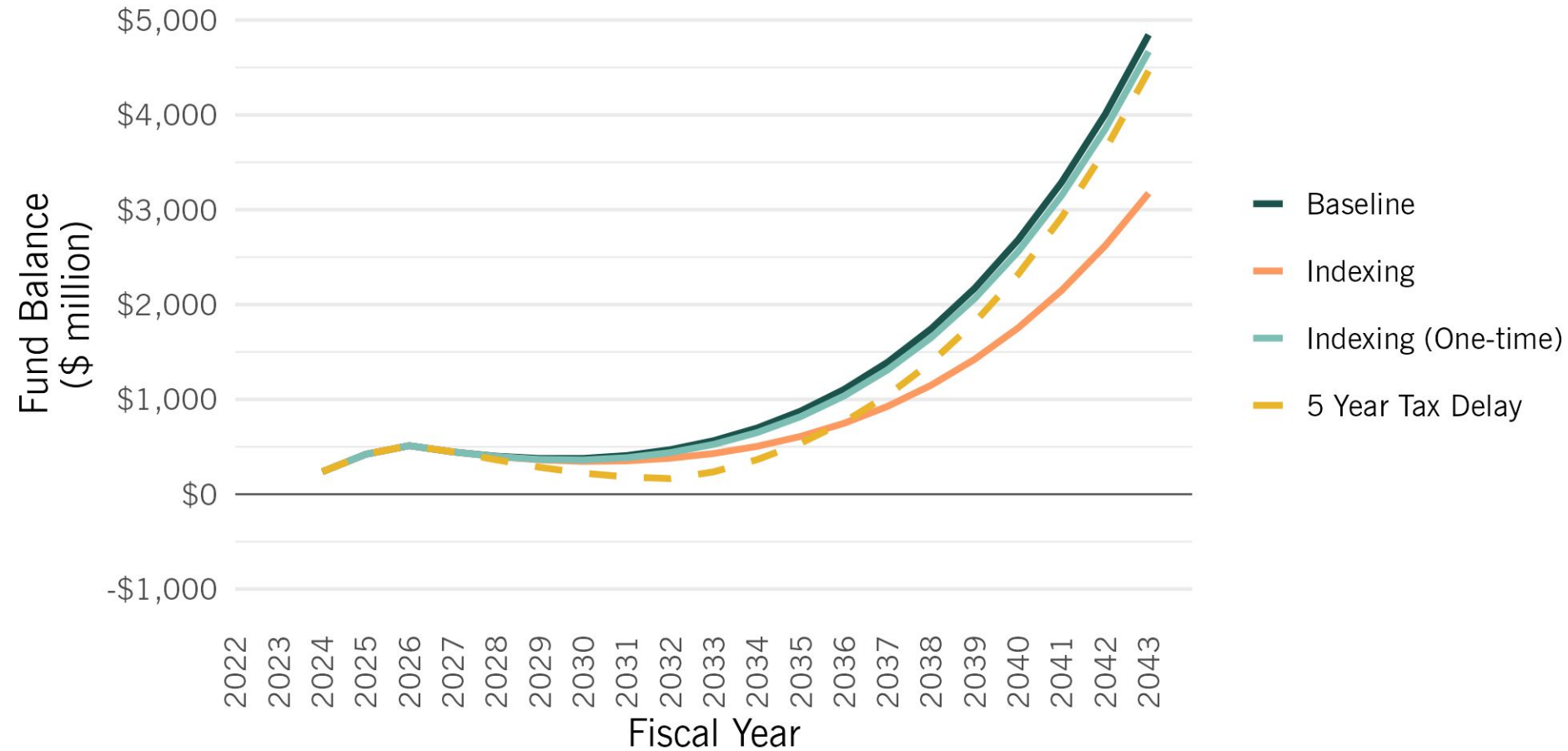
Scenario Baseline : Indexing and rate increase delay mechanisms



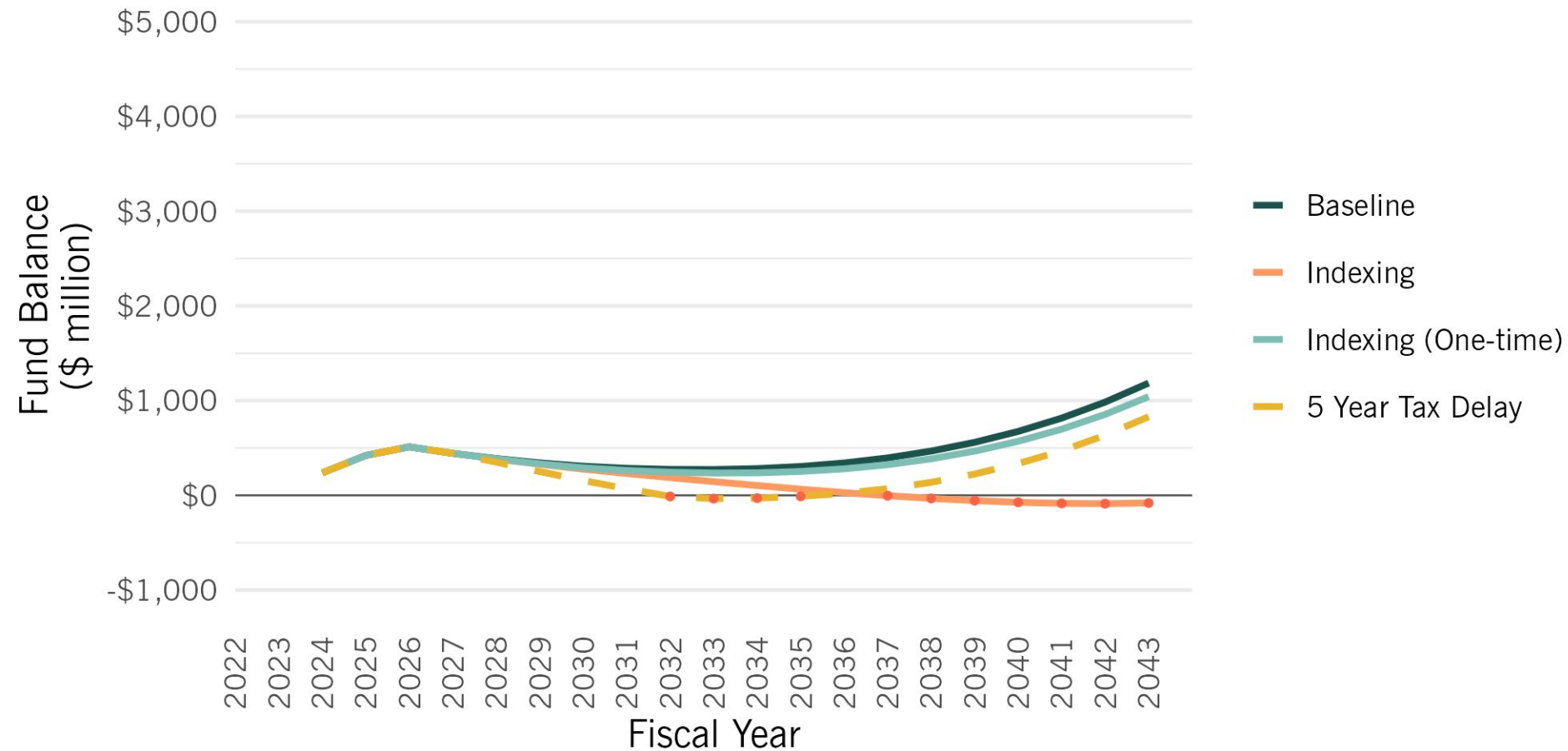
Scenario 1 (Low cost) : Indexing and rate increase delay mechanisms



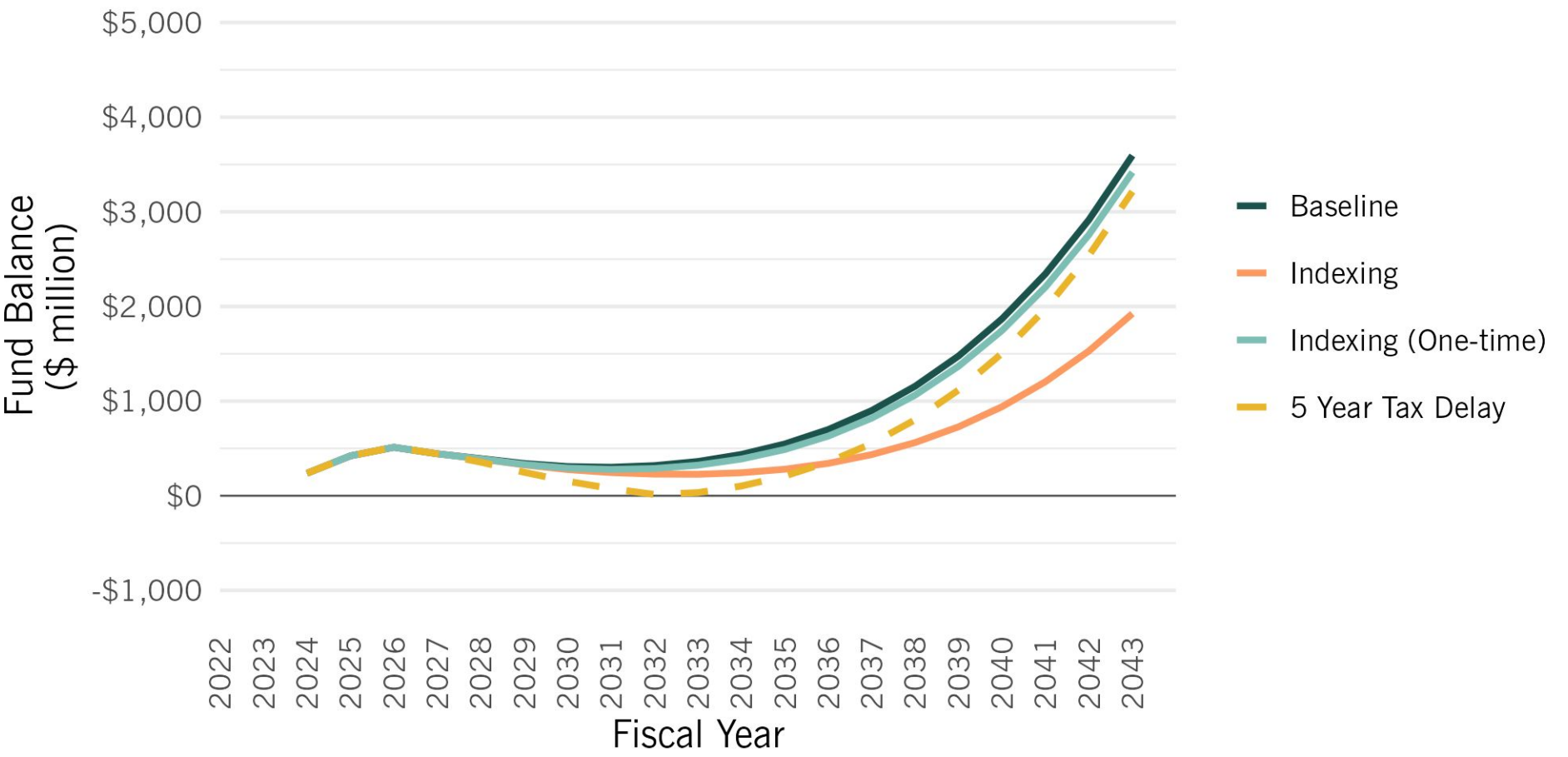
Scenario 2 (High Rev) : Indexing and rate increase delay mechanisms



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

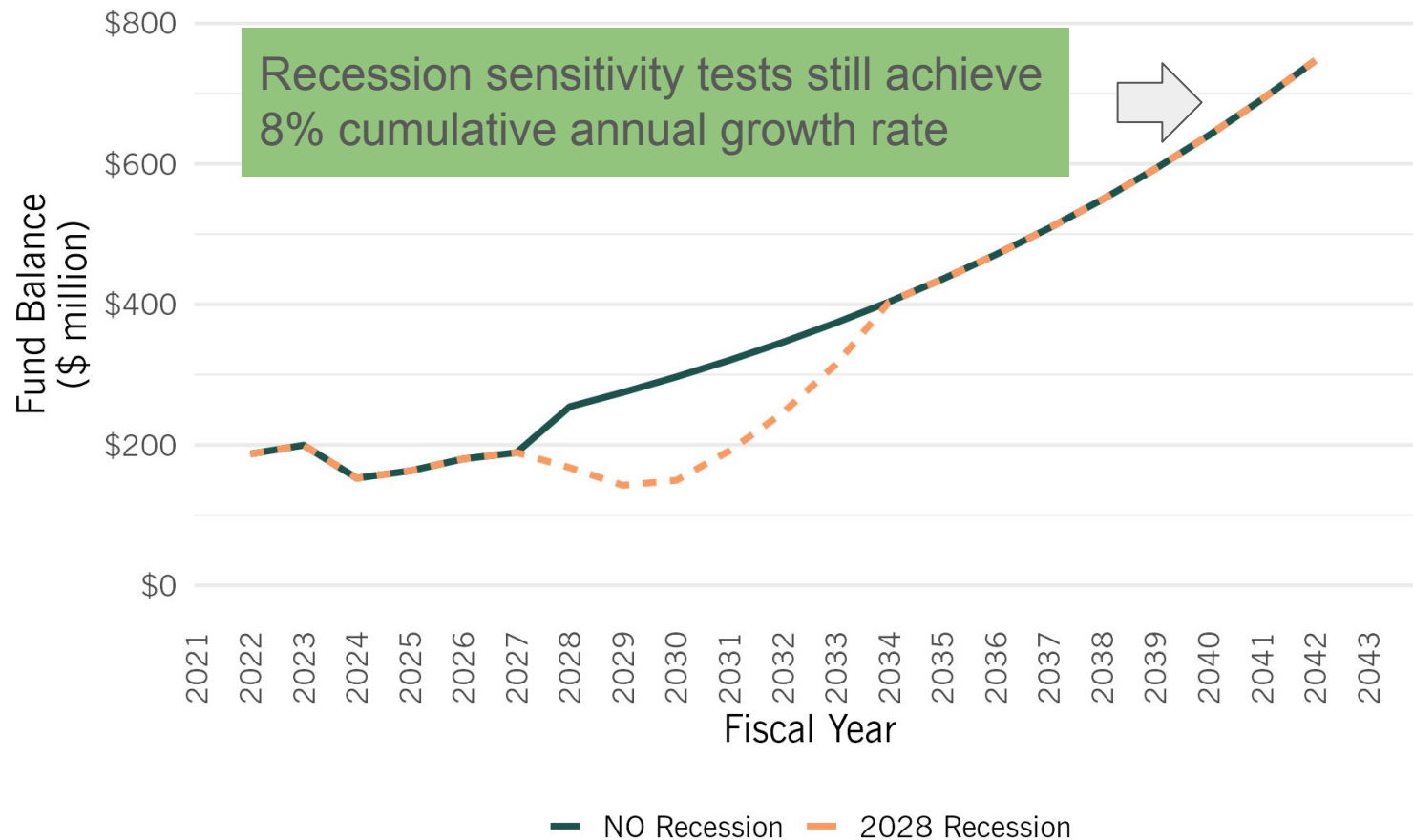
Criteria A

Criteria B

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	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>
Scenario 1: Low Costs	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>
Scenario 2: High Rev	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>
Scenario 3: High Costs	<div>Pass</div> <div>Pass</div>	<div>Fail</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Fail</div>
Scenario 4: High Costs + Rev	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>	<div>Pass</div> <div>Pass</div>

Recession modelling



Magnitude of Recession

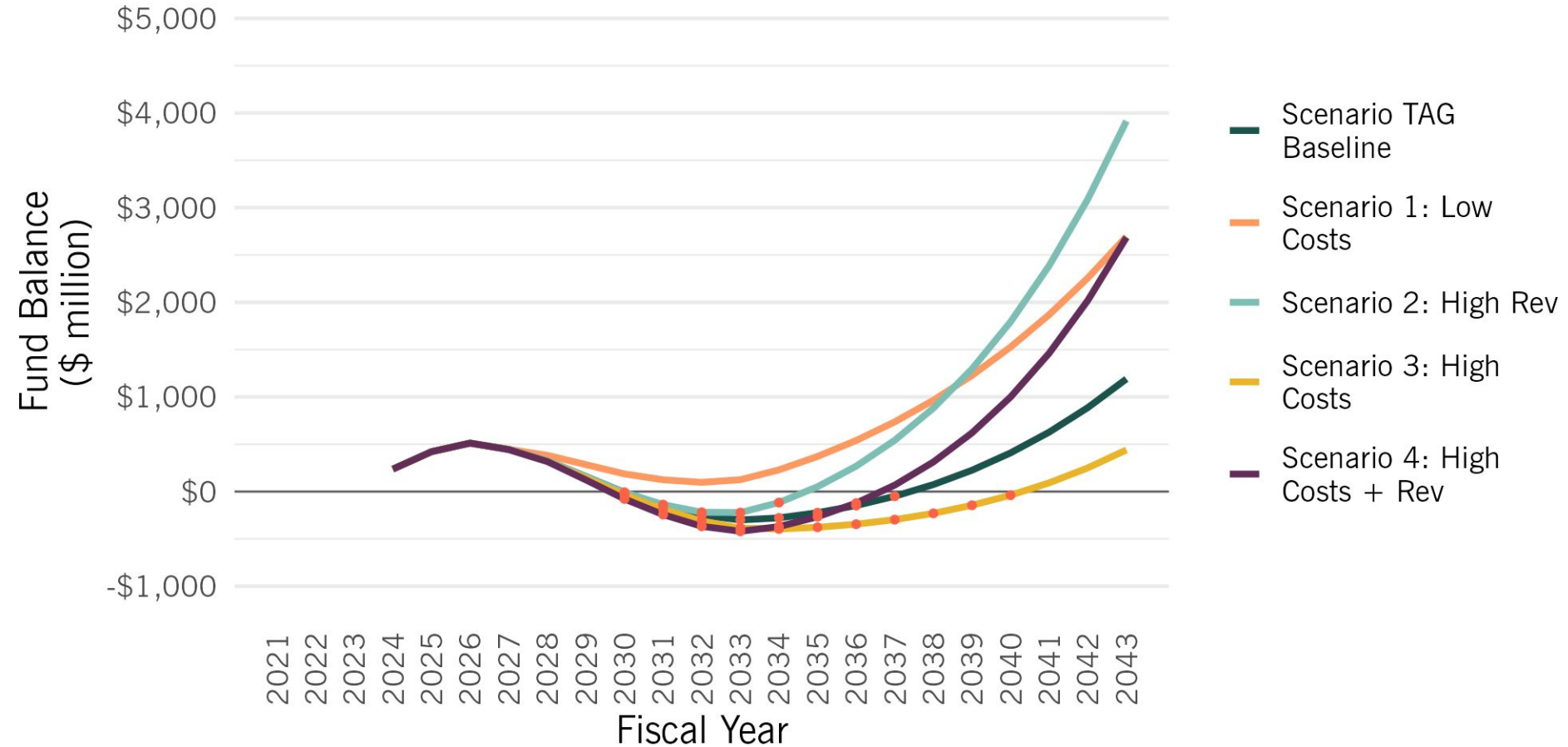
Year 1: -30%

Year 2: -15%

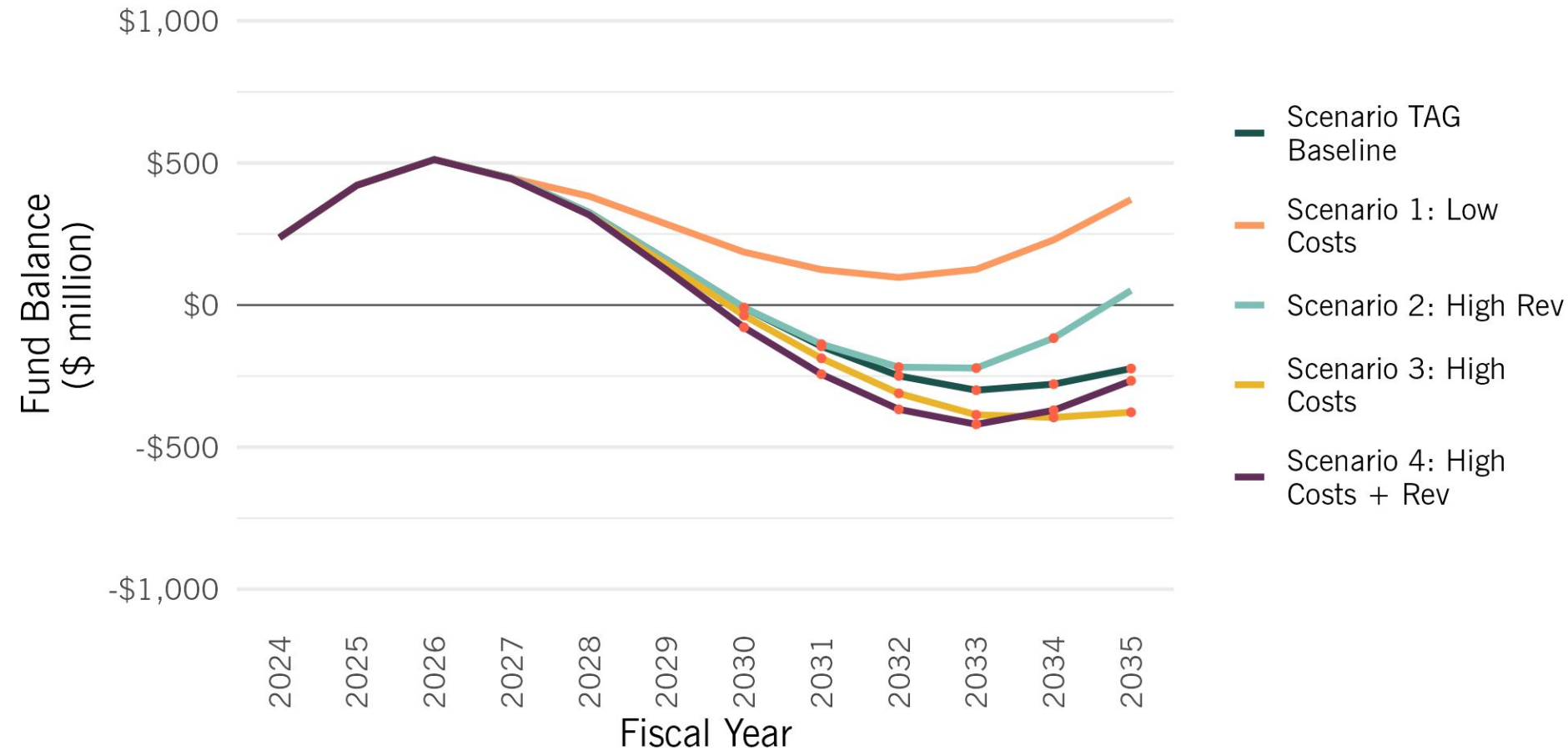
Year 3: +5%

Year 4-7: 28%

Recession in Scenario Baselines



Recession in Scenario Baselines



Evaluation matrix combining early recession with mechanisms

Criteria A
Criteria B

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.
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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

