

Multnomah County 2022-23 Hearing Minutes

Wednesday, June 1, 2022

9:30 p.m.

Multnomah Building 501
SE Hawthorne Blvd.
Portland, Oregon

Present:

TSCC:

Chair Harmony Quiroz, Vice-Chair James Ofsink, Commissioner Margo Norton, Commissioner Mark Wubbold, Commissioner Matt Donahue, Executive Director Allegra Willhite, and Budget Analyst Tunie Betschart.

Absent: None

Multnomah County:

Multnomah County Board of Commissioners: Chair Deborah Kafoury, Commissioner Susheela Jayapal, Commissioner Sharon Meieran, Commissioner Jessica Vega Pederson and Commissioner Lori Stegmann

Staff: Multnomah County District Attorney Mike Schmidt, Budget Director Christian Elkin.

Chair Quiroz welcomed everyone to the hearing and briefly described the duties and responsibilities of the TSCC. She reviewed the hearing process and stated the reason for the hearing was to engage the district leadership and provide an opportunity for the public to comment before Multnomah County adopts its budget. She asked the TSCC Commissioners and staff to introduce themselves and state if they have business relationships with Multnomah County that could be perceived as a conflict of interest. Each commissioner and staff member introduced themselves and stated they had no conflict of interest with the county. She asked Multnomah County Commissioners and staff present to introduce themselves.

Following the county's introductions, Chair Harmony Quiroz acknowledged Chair Kafoury for her eighth and final budget. She thanked her for her service to Multnomah County and the community.

She also acknowledged the county's receipt of the Distinguished Budget Presentation Award from the Government Financial Officers Association for the 2021-22 Adopted Budget Book, the 22nd such award received by the county.

Then she asked Chair Kafoury to make brief introductory remarks about the budget. She stated that following the introductory remarks, testimony from the public would be taken, and those wishing to speak would be limited to three minutes.

Chair Kafoury thanked TSCC for conducting the hearing, saying it was great to meet virtually in person after two years of meeting. She said in the interest of time, following public comment, she would like to go directly to the questions.

Chair Quiroz asked if anyone had signed up to give public comment. Executive Director Willhite reported that no

citizens signed up to speak at this hearing, and no written comments were received.

With that, the commissioners started their questions.

Chair Quiroz asked the following questions:

The county budget has increased by nearly \$1 billion over the last two years. How much of that increase is in discretionary funds, and how did you decide where to allocate those discretionary dollars? What did this process look like, who was involved, and do you think it was a successful decision-making framework?

Multnomah County Chair Kafoury said the majority of the increases, \$714 million from the fiscal year 2021 to fiscal 2023, are from three voter initiatives passed in 2020. That includes:

- \$417 million from the Library Capital Construction bond
- \$191 million from the Preschool for All measure
- \$106 million for the Metro Supportive Housing Services measure.

The county recorded over \$150 million in the fiscal years 2022 and 2023 from American Rescue Plan Act (ARPA) federal funding. During fiscal year 2022, the county added over \$53.4 million in state and federal funding for health and human services and public safety, which is now part of the FY 2023 budget.

Finally, the FY 2023 budget increases the Burnside Bridge in Full Faith and Credit debt issuances by \$25 million, which is financed with vehicle registration fee revenue. The funding will complete the project's National Environmental Policy Act phase and begin the design phase.

The county's discretionary funds, including the General Fund and the Video Lottery fund, increased by \$71.5 million from FY 2022. Taking into account the transfer of the resources associated with establishing the new Health Department Federally Qualified Health Center fund and the \$117 million of beginning working capital being carried over as one-time-only funding into the fiscal year 2023, there is relatively little new funding available in the county's discretionary funds. This funding increase is due to the River District URA returning assessed value to the tax roll and the first year of fully implementing the county's Business Income Tax reforms. According to the county's General Fund forecast, there was \$16 million of new, ongoing funding available that could support ongoing programming after accounting for the slight decline in the estimates in the fiscal year 2024.

Chair Kafoury said for the second year in a row, she partnered with the Office of Diversity and Equity (ODE), the Central Budget Office, and departmental equity managers to provide countywide guidance on applying an equity analysis to budgeting. ODE provided a well-attended training in January 2022 on using the county's Equity and Empowerment Lens for budget development.

The result is a proposed budget that advances the county's work of closing the pervasive and persistent disparities across the community and strengthening all services' long-term impacts and efficacy.

She said throughout this year's budgeting process, she and her staff met with people from communities and populations at the center of the county's work. The conversations were crucial to identifying the county services working well, improvement opportunities, and the systems' gaps.

Commissioner Norton asked the following questions:

The budget message lists an unusually high number of new programs added to the budget due to the influx of new dollars. We applaud the efforts at trying out new approaches and finding solutions for the community. Starting and managing this many new programs seems like it could be a big lift - how will you ensure success for the roll-out of these new programs? How will you know what's working well and what needs tweaking?

Chair Kafoury said it might appear that the county is significantly expanding the breadth of its programs. However, most of the groundwork was laid in FY 2022 through the investments made with the first year of funding from the three voter-approved initiatives and the first year of planning for and allocating the first tranche of American Rescue Plan resources.

Many additions in the FY 2023 budget are expansions of existing services. That includes investments that expand school-based Mental Health services from a program that serves kindergarten through 3rd grade into a program that serves kindergarten through 12th grade, as well as the addition of four new county auditors to enhance accountability.

Newer investments in the county focus on emerging issues like gun violence, climate resilience, community justice, and support for the recruitment and retention of county staff.

It is important to note that many programs' expansions involve additional staff. The additional personnel is needed to do new programmatic work and strengthen the county's ability to support that work. Multnomah County also needs expanded Human Resources capacity to ensure it can fill the positions in the new programs and attend to the needs of new employees once they join the county.

Other funds to support the new services have been carefully planned. County staff learned many lessons from two years of working on planning for and programming COVID-19-related funds. The Supportive Housing Services and Preschool for All efforts have involved years of community engagement and a significant amount of time preparing for their initial implementation. With the first full year of revenues, the county can leverage increased funding into strategic expansions.

Commissioner Ofsink asked these follow-up questions:

Can you add additional detail about the metrics the county will be using? Will they be public, so the community will know what those metrics are and be able to respond specifically if they feel the county is meeting the published goals?

Chair Kafoury said the Joint Office of Homeless Services would be public. Some new programs will not be public, but if anyone wanted the information, the county would share the information.

Commissioner Wubbold asked the following question:

We have all heard the community's expectations for reducing the number of people experiencing homelessness in a caring, compassionate way. We asked about this last year and discussed several programs you planned to implement. The budget message refers to this budget as a "critical point" in the works to end people's homelessness, and unprecedented funds are being invested. Implementing new or expanded programs takes time, but the community is looking for reassurance

now. What can you say about when we will reasonably see the number of folks living outside decrease?

Chair Kafoury responded that while the county plays an essential role in addressing homelessness, it does not play the only role - especially when it comes to the upstream forces that cause people to lose their homes in the first place. When discussing the work of ending homelessness, you must consider the larger social context of poverty and affordability. Consider just the following data points:

- Oregon ranked 47th in housing affordability in 2017 and still ranked 47th in 2022.
- Fair Market Rent in Multnomah County has risen 44% for a one-bedroom apartment since 2017, SSI/SSDI has risen only 14%, and the minimum wage has only increased by 31%. This increasing gap between income and rent is causing more and more people to fall into homelessness.

The county continues to see the impacts of structural racism evidenced by the ongoing disparities for BIPOC community members in their rates of poverty and homelessness.

The county's role is to ensure that it has a range of services to meet people's needs so that they can return home as soon as possible. This budget seeks to rapidly expand those services while ensuring that the county continues to tighten the coordination among all programs. For example, \$25 million of the budget will fund a range of behavioral health services specifically for people experiencing homelessness, including behavioral health shelters, dedicated housing for people who are frequent users of emergency rooms and the justice system, and two housing projects for people with severe and persistent mental illness.

Multnomah County's job is to be there for the community members who are forced to live without a home - and meet their needs. Thanks to the voters, the county now has the funding to address homelessness at an unprecedented scale in this community. This budget demonstrates the commitment to ending people's homelessness as soon as possible - through outreach, shelter, services, and housing.

Commissioner Ofsink asked these follow-up questions:

The opening of the new housing, do you know how many beds or rooms there are? How many live outside today with severe mental health issues?

Chair Kafoury said she did not have the numbers available but would get them and send them to TSCC staff. She had toured the motel the county purchased. This is the first living space for people with severe and persistent mental health issues. There are about 40 rooms in this facility. This is not permanent housing. It is bridge housing. This was a pilot program last year. It was extremely successful.

Commissioner Norton asked the following questions:

The budget message indicates that there is movement forward on the services front of the Supportive Housing Services plan in the new budget, including the new Behavioral Health Resources Center facility. Is there any movement toward expanding treatment beds across the Multnomah County system - both mental and behavioral crisis beds and addiction treatment beds?

Chair Kafoury reported that for the first three quarters of FY 2022, the prevention programs have supported 2,500 people and diverted them from entering homelessness and experiencing the

trauma that comes from being displaced from one's home. Over 70% of the people served identified as Black, Indigenous, Latino/a/x, Asian, Pacific Islander, and other people of color.

Acting on behalf of the Local Mental Health Authority, the Behavioral Health Division convenes and collaborates with providers across the county to map out a system that is responsive to the community's needs. The county partnered with various providers to plan for behavioral health housing needs. The actual licensure and funding for mental health and substance abuse treatment, including residential programs, is administered by Oregon Health Authority (OHA) and the Oregon Health Plan.

The Behavioral Health Division works to support non-treatment housing facilities. The two new initiatives, the Behavioral Health Resource Center (BHRC) and the Motel Wraparound program, are non-treatment facilities. The BHRC will offer 33 beds of low-barrier shelter and 19 beds of transition "bridge" housing for persons with severe mental health issues, often accompanied by substance use disorder.

Additionally, the BHRC will provide Day Center services for people experiencing homelessness with significant behavioral health challenges. The voices of peers have been integral to the BHRC planning efforts, and the program will be staffed primarily by peers with some clinical support on the shelter and bridge housing floors.

The Motel Wraparound program, the first behavioral health shelter in Portland and Multnomah County, sets aside an entire facility to serve up to 36 persons with severe mental illness and substance use disorder. These are folks who cannot use congregate care settings due to the severity of their needs. The motel program is entirely operated by a community provider with extensive work experience.

Chair Kafoury said another area of expansion that the county started mid-year is the Old Town Inreach program, as well as support for programs that meet the basic needs of individuals experiencing homelessness in the Old Town neighborhood. The Old Town Inreach program focuses on fostering relationships, assisting in connections to behavioral health and harm reduction services, and minimizing conflict. These services occur during peak service delivery hours when clients are gathered to access services. The Old Town Inreach Program was started with ARPA Funds, and is included in Multnomah County's fiscal year 2023 Budget.

What can the county do to leverage that service? Day beds may not be a sufficient bridge to permanent housing.

Chair Kafoury said the behavioral health team works closely with providers to ensure enough beds are available. The county is working closely with Oregon Housing Authority to provide funds from the measure passed by voters are getting out to the community.

Commissioner Ofsink asked the following question:

District Attorney Schmidt recently wrote that "the criminal justice system is at the breaking point." The DA cites case backlogs and increasing workloads as just some of the system's current challenges. Can you tell us more about the issues and how these challenges are being addressed in the upcoming budget? What impacts will we see from the additional funds?

District Attorney Michael Schmidt said that a recent public statement that "the criminal justice system is at the breaking point" was referring to the fact that it was becoming clear the public

defense system was failing. Some challenges the system faces are increases in homicides increased gun violence, law enforcement stretched beyond limits. The pandemic created the District Attorney's office caseloads and jury trials not happening due to Covid. This is causing every link in the chain to hit failure points.

There is not just one entity responsible for all these services. The state funds Public Defense services, police services are funded by cities, and the county funds prosecution, sheriff's services, and the Department of Justice. With this complex system of responsibilities, all entities must work together to increase safety in the community. He said this is what he was referencing when he wrote the article.

He explained in the District Attorney's office that the caseload increased considerably during the pandemic, and the court was not in session due to Covid, causing an increase in caseloads of up to 300%. Adding in the gun violence puts a strain on the resources within the agency. This budget addresses these conditions by adding four prosecutors to address gun violence. When there is a homicide in the county, a deputy district attorney works with law enforcement. During the pandemic, this increased from an average of once a month to once or twice a week. Continuation of the funding for those added positions is crucial.

The Gresham Police department implemented body-worn cameras during the pandemic. The District Attorney's office is responsible for reviewing that footage. They can get to about 30% of this footage with current resources. This helps to determine if a case is viable or not. This budget will allow for close to 100%. He also mentioned other areas of workload backlog that the current budget would reduce. All of this work benefits from the additional resources in the fiscal 2023 budget. Overall, more resources mean better cases, more support for victims, and added capacity to do the critical work of attending homicides. It lifts one critical lever of the criminal justice system towards stability in a moment where system-wide breakage is impending.

Commissioner Donahue asked the following questions:

The District Attorney's office is one part of an extensive system. Do you see similar struggles in the Sheriff's Office to cope with increasing crime? What is included in the budget to respond to recent increases in violent crime, traffic fatalities, and other issues? What do you anticipate about these budgetary items' impact on next year's TSCC hearing?

Multnomah County Commissioner Lori Stegmann said Multnomah County remains committed to the long-term transformation of the criminal justice system. At the same time, it focused on reforms and improvements to address immediate public safety concerns. That's resulted in a budget with diverse and integrated investments across departments.

The Multnomah County Sheriff's Office Law Enforcement Division is responsible for providing police services in unincorporated Multnomah County, as well as the cities of Troutdale, Fairview, Wood Village, and Maywood Park. Overall reported crime trends in those areas have remained relatively consistent over the last five years.

One of the most visible concerns is gun-related crime. The county continues funding that started late last year to support an additional detective working on gun-related crimes, as well as two deputies in the civil unit focused on serving family protection orders and dispossession of firearms and ammunition when ordered by the court. These deputies are also working with the Gun Dispossession Sergeant to increase the successful service of a protection order and the removal of firearms from volatile situations.

Multnomah County is seeing more firearms removed by the Gun Dispossession Units. Deputies have removed 86 firearms between January 1 and May 17, 2022, nearly doubling last year's rate. Overall, 285 firearms have been seized or recovered by the Sheriff's Office this year.

There is a concentration of crime and violence in communities with higher poverty rates, lower median incomes, higher health disparities, higher eviction rates, and generally fewer economic opportunities for residents. Investments in the Sheriff's Office are only part of a robust strategy to curb the uptick in crime. Work addressing the root causes are anti-poverty initiatives, emergency housing, trauma-informed therapy, drug treatment, school-based services, youth employment programs, hunger relief, and health care clinics. Intervention services have been increased significantly to support the work of law enforcement, build resiliency in the community, and address the community's public safety needs. The specific goals have been to:

- Help community members re-establish connections and interpersonal relationships to increase resilience in individuals, families, and communities
- Address the generational and recent trauma impacts on survivors, offenders, family, and community members affected by crime and violence
- Expand and enhance access to high-quality, culturally competent, and coordinated mental and behavioral health supports to ensure the emotional and social well-being of all community members, especially those working and living on the front lines of the crisis

This budget includes investments across multiple departments that support these goals.

For example, the county is funding a coordinator to work between departments and external agencies to monitor, track and coordinate existing and new efforts to reduce violence. The budget includes the continuation of the Gun Violence Prevention Incubator Pilot. Starting last year, the pilot is building capacity in community-based organizations to create effective intervention programming. The county is investing in developing a new Gun Violence Interruption pilot program. The program will leverage credible messengers in communities heavily impacted by gun violence. The program will offer stipends to individuals on supervision and people committing acts of gun violence to help them build economic stability that steers them away from the need to participate in dangerous behaviors. This budget moved \$1.2 million for Community Violence Prevention Programs from ARPA funding in 2022 to the General Fund in 2023 to ensure it has ongoing support.

Commissioner Quiroz asked the following questions:

Preschool for All is entering its second year, with plans for placements slated to begin this fall. We understand there are challenges with hiring and finding physical space - how does the county plan to address these issues? Are your revenue estimates for this program on target?

Commissioner Jessica Vega Pederson said this program's revenue estimates are on target. As this is the first year of a new tax, the revenue estimates were conservative. Mandatory withholding did not begin until January 2022, and a high delinquency rate was incorporated into the forecast. Staff anticipates that the Preschool for All tax revenue will be higher this year due partly to a surge of capital gains-related income.

The lack of early learning spaces and educators are significant hurdles to the full implementation of Preschool for All. Multnomah County will invest in Workforce Development and begin a Facilities Fund to address these challenges. The fiscal year 2023 workforce development investments will include:

- Navigators at Portland Community College and Mt. Hood Community College to recruit and

- retain students in the early childhood education programs
- Scholarships for community-based training and higher education
- Additional capacity and support for a new state-funded substitute pool
- Professional development for existing educators through individualized coaching from Child Care Resource & Referral

These investments are being planned with a specific focus on Black, Indigenous, and Early Educators of Color so that the future workforce reflects the diversity of children in Multnomah County.

A third-party organization will administer the Preschool for All Facilities Fund to fund infrastructure projects for home-based preschool programs, child care centers, non-profit organizations, and school districts. The proposed budget includes \$8 million for the Facilities Fund.

Can you tell us more about the interface between the public "slots" and the existing private capacity? Do you think public "slots" could affect the pricing of private pay participants or crowd them out as the public program expands?

Commissioner Vega Pederson said the pandemic had a devastating impact on childcare providers and made it clear how unstable the childcare system is. The Preschool for All Plan created a framework for implementation that included stabilizing existing providers, creating opportunities for new providers, and offering support for providers to expand their businesses. As the county builds a new system that provides universal access to preschool, this must be done with intention and a focus on racial equity.

Preschool for All is growing to universal preschool access in 2030. Each year the number of participating preschool providers and slots will grow. The investments will include a mix of spaces that are being stabilized and spaces that are brand new.

Investments to stabilize slots mean that providers can count on consistent revenue. Families who have previously struggled to pay for child care will have money for their increasing rent and grocery costs. Existing slots include slots that may be vacant right now and slots that families with low incomes would not be able to access without Preschool for All. Multnomah County has already heard from one home-based provider that she had planned to close one of her locations if she hadn't received Preschool for All funding for next year.

Stabilizing existing providers is also directly tied to Preschool for All's racial equity goals. It is easiest for school districts and large organizations to expand. To build a system where the business owners and teachers reflect the children in Multnomah County, home-based providers, and small centers must be strengthened. The investments and stable funding in these early years will create the foundation they need for future expansion.

Commissioner Vega Peterson said participation in Preschool for All is optional, and there will always be providers and families who choose not to participate. In these early years, the focus is on preschool programs currently serving families who experience barriers to accessing preschool. One of the critical expectations that the Preschool & Early Learning Division has communicated to providers is that no families currently in care should lose their slots based on their program's participation in Preschool for All.

Commissioner Donahue asked the following Questions:

As we move into the next stage of the pandemic, how are county health services shifting out of immediate pandemic response into something that may be more long-term? As the federal money tapers off, how are you investing in programs or services that position us well for the future?

Multnomah County Commissioner Susheela Jayapal said the pandemic had brought the Public Health Division together, recently activating a hub that includes the following critical areas of focus:

- Vaccine operations
- Community wisdom and partnerships
- Data rooted in racial equity
- Community-based education

This collective includes staff across all units within the division to provide guidance and direction on plans forward toward the long-term Covid response/recovery strategies. This platform also serves as an adequate and efficient space.

A Request for Pre-Qualifications has been developed where the county was able to pre-qualify over 80 community-based organizations connected to Black, Indigenous, and other people of color communities throughout Multnomah County. This enhancement will allow the county to allocate funding more quickly to partners so that they can provide various support and resources to families.

Another internal system enhancement to note as a result of the collective is developing an adolescent health specific response to Covid. This response brings together leaders from across divisions to create a department-wide framework to guide the development and implementation of Covid recovery efforts focused on reaching youth/adolescents. This framework will rely on guiding principles to:

- Reduce and eliminate racial inequity and disparities in access to resources and care that have deepened for the adolescents from BIPOC communities
- Embrace adolescent's wisdom as drivers of change
- Share a positive sense of self and healthy behaviors centering on education and resources needed to affect life outcomes positively.

The external investments in coalition building will better position the county in the future with the increased reach within African Immigrant and Refugee, Native American, Asian, Pacific Islander, and Latinx communities. The funding and resources provided to these coalitions aim to support sustainability and capacity building, technical assistance, and consultation on their infrastructure development and advance community priorities. The African Immigrant and Refugee coalition includes at least 14 Community Based Organizations representing 38 languages within the county and continues to meet bi-weekly to develop and implement change activities.

Multnomah County has also been able to build and cultivate relationships with health systems, connecting them with the coalitions and community partners, and continue to facilitate discussions on wellness hubs, increasing access to other preventative care and health-promoting structures.

The county runs the largest Federally Qualified Health Center (FQHC) in Oregon. COVID-19 pushed the county out of its comfort zone to adopt technology in ways that previously didn't, including telehealth. In the clinical system, client and staff comfort with telehealth options has remarkably increased. Telehealth parity and expanded reimbursements for telehealth will allow the county to continue serving clients using technology, creating innovative pathways to health care further aided by the targeted American Rescue Plan Act (ARPA) fund investment into improving clinical infrastructure. This infrastructure will have a lasting impact on client and staff comfort, safety, and care.

Integrated Computer Solutions has diligently worked to integrate COVID-19 services and treatments into the operations for the past six months. While the county still holds specific vaccine clinics and testing opportunities, COVID-19 services have become part of the regular services. The FY 2023 budget reflects the commitment to future planning and financial sustainability while also addressing recovery from COVID-19. The county has incorporated new roles into the budget for client outreach and engagement, enabling clients to seek missed care. The county has also added functions devoted to population health, and nurse triage support for clients

Chair Quiroz thanked the Multnomah County Commissioners and staff for the responses to the questions and contributions to the hearing. Then she closed the hearing and opened a regular meeting of the Tax Supervising and Conservation Commission to certify Multnomah County's 2022-23 Approved budget. She asked if the TSCC commissioners had any questions or comments to make concerning the budget. There were none.

Chair Quiroz asked Executive Director Allegra Willhite to give staff recommendations for the certification letter.

Ms. Willhite said staff found the budget estimates reasonable for the purposes stated and the budget to comply with Local Budget Law. She said staff have no recommendations or objections to the fiscal year 22-23 budget. She thanked Multnomah County staff for their help and willingness to answer questions during the budget review.

Chair Quiroz called for a motion.

Commissioner Norton moved to certify Multnomah County's Approved Budget with no recommendations or objections as recommended by staff. Commissioner Ofsink seconded the motion, which passed with a unanimous vote of the commissioners.

There being no other business, Chair Quiroz closed the meeting.