

Budget Review 2025-26

East Multnomah Soil & Water Conservation District



BUDGET HIGHLIGHTS

- The district's FY 2025-26 total approved budget is \$23.4 million, an increase of 9.1% over the current year budget. The largest increase is in the General Fund (\$1.6 million increase to a total of \$12.1 million, a 15.1% increase).
- The General Fund makes up over half of the total budget and is \$12.1 million, an increase of 15.1% from FY25. The district anticipates over \$350,000 additional property tax revenue over the current year, this increase is driven by larger than budgeted increases in the current year due to the closing of tax increment financing districts. Total expenditures increase in this budget for larger transfers to both the Land Conservation and Grants funds; ending fund balance also increases by nearly \$1.0 million.
- The Land Conservation Fund decreases slightly to \$8.5 million, or -1.9%. The district budgets in this fund so funding is available should any potential land acquisition projects arise.
- The budget includes \$300,000 funding for a new Climate and Equity Rapid Response grant program to address potential decreased funding at the federal level for conservation and science projects. The program will include additional funding for consultant services to help create the pilot criteria.

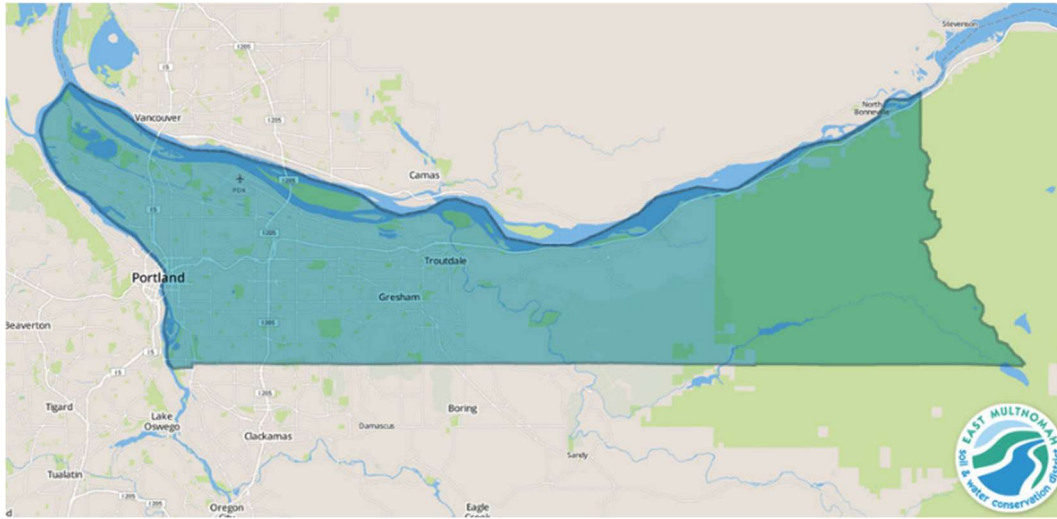
Final change to Approved Budget of \$37,000 not accounted for in this review

We received the final Approved budget from the district right before our deadline to share this review with the TSCC Commissioners. To meet our deadlines, we worked from the latest information available, the budget as revised by the budget committee in April. The final Approved budget had one change not included in this review - \$37,000 in the General Fund was moved from ending fund balance to a transfer to the Grants Fund, where it was appropriated as additional funds in the Partners in Conservation grant program.

INTRODUCTION & BACKGROUND

The East Multnomah Soil & Water Conservation District (EMSWCD) encompasses all of Multnomah County east of the Willamette River centerline, approximately 355 square miles with a population of over 700,000 residents who live, own, or manage land in East County.

The



East

Multnomah Soil and Water Conservation District provides educational, technical and financial assistance to landowners, land managers, and other residents so they may engage in ecologically sound land management practices. Originally intended to serve primarily farmers in response to the 1930's dust bowl, soil and water conservation districts now serve both rural and urban land owners. The EMSWCD promotes conservation objectives using a variety of programs.

East Multnomah Soil & Water CD	2021-22	2022-23	2023-24	2024-25
Assessed Value in Billions	\$57.911	\$60.264	\$65.651	\$69.391
Real Market Value (m-5) in billions	\$136.825	\$149.376	\$152.676	\$152.344
Property Tax Rate Extended: Operations	\$0.1000	\$0.1000	\$0.1000	\$0.1000
Measure 5 Impact	\$-202,315	\$-192,279	\$-182,220	\$-210,337
Number of Employees (FTE's)	23	23	22	23

The budget is built around the 2023-2027 Strategic Goals adopted by the district: Soil and Water Health, Climate Action, and Equity and Inclusion.

The strategic plan identifies a focus on three specific areas rather than individual programs. Supporting these three areas is how the district meets their mission of soil and water health. The mission is supported by two important lenses: equity and inclusion and climate action.

Agriculture and Working Lands

Lands utilized for farming and grazing.



Natural Spaces

Areas of land and water managed for healthy fish and wildlife habitat.



Urban and Built Environment

Human-dominated spaces that include both the built and natural environment.



BUDGET OVERVIEW

The district's FY 2025-26 total approved budget is \$23.4 million, 9.1% over the current year budget. Budget increases are aligned with the district's 2023-2027 strategic plan, approved in December 2022.

During the strategic planning process, the district identified a need for greater visibility, transparency and accountability with public audiences and partners. The FY26 approved budget includes minimal adjustments to program areas as the district continues to focus on areas identified in the strategic plan. Continued emphasis will be placed on the district's visibility through development of unified branding for EMSWCD and targeted messaging to priority constituent groups. EMSWCD will also build upon co-created regional campaigns to increase awareness of its programs. A new district website is scheduled to launch in June 2025, along with a campaign to celebrate the district's 75th anniversary starting in May and extending into the fall.

Funding for grants to support business development for farmers that have completed all Headwaters Incubator Program (HIP) requirements is included in this budget. HIP provides land, water, infrastructure, training and other support for qualified individuals wanting to start a sustainable agricultural business. To date, HIP has graduated 25 farms through these efforts. The budget includes \$40,000 total, or \$20,000 each for the two expected graduates of the program; these grants will provide additional support to graduates.

The budget includes \$300,000 funding for a new Climate and Equity Rapid Response grant program to address potential decreased funding at the federal level for conservation and science projects. The program will include a community listening strategy to understand need.

Investment in capital outlay for land purchases is similar to FY25 in this budget at \$8.2 million. Capital outlay for projects budgeted in FY25 have been completed or paused and will not be carried forward into FY26. The only capital project funded in this budget is \$55,000 for an HVAC upgrade at the district headquarters facility.

The district board reviewed the 2025-26 Proposed Budget as presented and made subsequent changes to the program budgets after receiving estimates of decreased benefits costs versus what was originally budgeted and utilizing ending fund balance. Adjustments in the Approved Budget include:

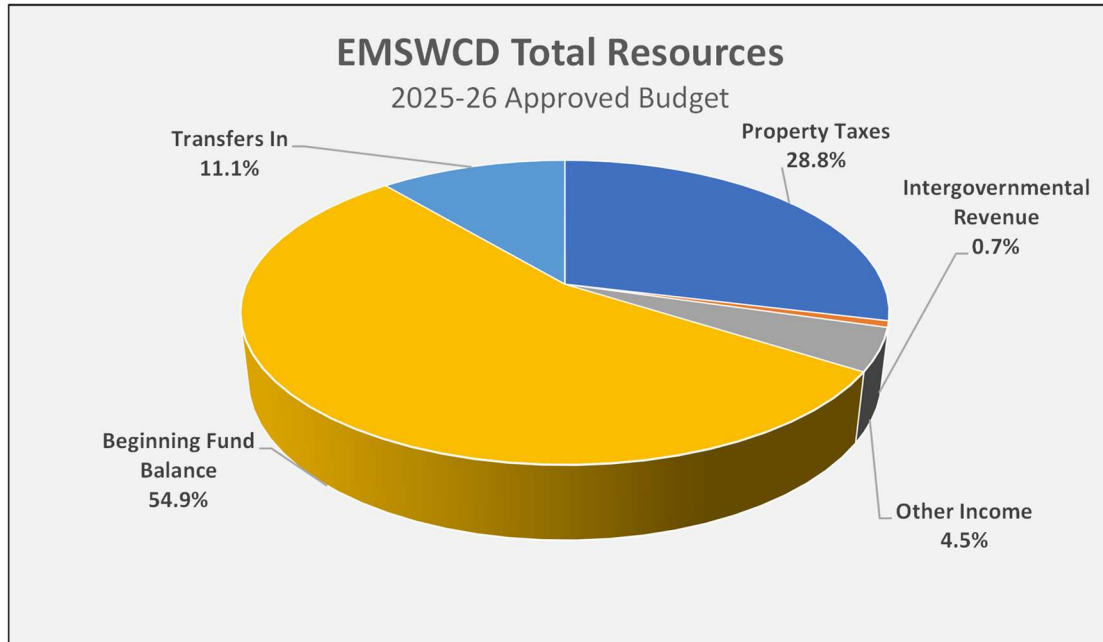
- \$300,000 added for the Headwaters Farm Irrigation Project.
- \$23,000 added to Partners in Conservation Grants program in the Grants Fund, allowing for full funding of 29 projects.
- Also in the Grants Fund, \$10,000 was added to support the Sandy River Watershed Council.
- \$170,000 added for the earthen dam removal project at Mt Hood Community College. This funding will bring the project to 30% design.

RESOURCES

EMSWCD BUDGET SUMMARY - RESOURCES					
RESOURCES:	2022-23 Actuals	2023-24 Actuals	2024-25 Revised	2025-26 Approved	
Property Taxes	5,708,791	6,147,857	6,379,272	6,736,902	5.6%
Intergovernmental Revenue	150,244	143,674	216,594	156,594	-27.7%
Other Income	728,293	1,671,664	1,096,257	1,056,251	-3.6%
Subtotal Revenues	6,587,328	7,963,195	7,692,123	7,949,747	3.3%
Beginning Fund Balance	11,329,991	11,777,803	11,733,373	12,817,051	9.2%
Transfers In	1,626,815	1,849,435	1,993,754	2,594,896	30.2%
TOTAL RESOURCES	19,544,134	21,590,433	21,419,250	23,361,694	9.1%

The district's total resources increased over \$1.9 million, a 9.1% increase from the revised budget. The district carries a large fund balance which it maintains for capital conservation purchases such as conservation easements.

Property taxes are the district's primary source of income and are budgeted to grow by 5.6% from the current year budget. The district levies its full rate of \$0.1000 per \$1,000 of assessed value. Taxes account for 84.7% of the district's ongoing revenues. Grants increase this year by 23.4% due to an increased transfer from the General Fund that is invested in the Partners in Conservation grant program.

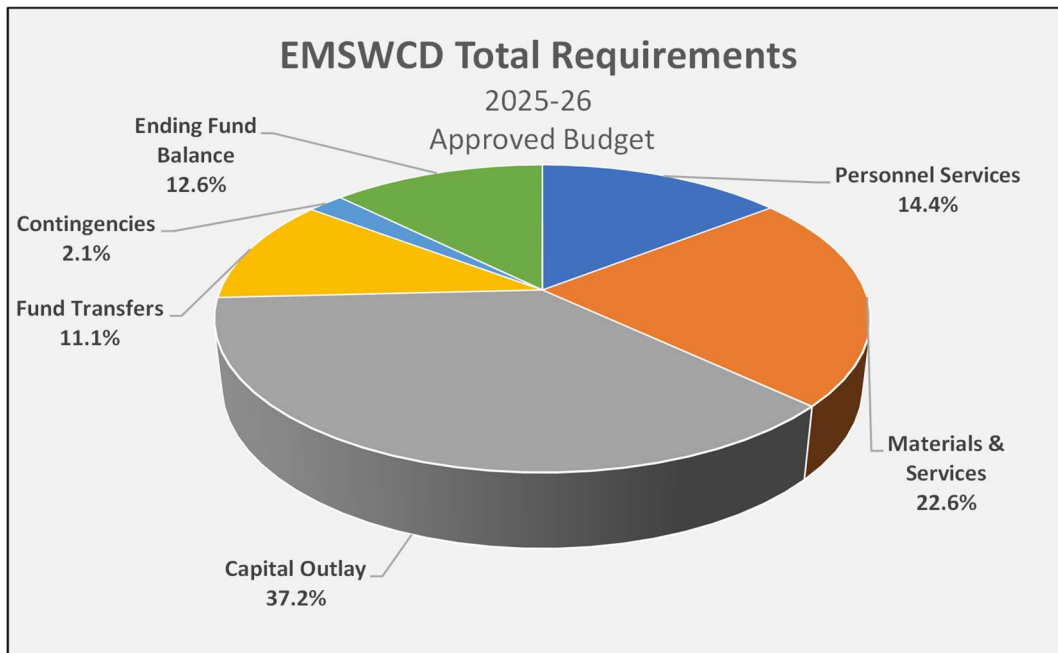


REQUIREMENTS

EMSWCD BUDGET SUMMARY - REQUIREMENTS					
REQUIREMENTS:	2022-23 Actuals	2023-24 Actuals	2024-25 Revised	2025-26 Approved	
Personnel Services	2,726,330	2,714,667	3,173,330	3,374,420	6.3%
Materials & Services	2,168,502	3,118,593	4,817,569	5,269,225	9.4%
Capital Outlay	1,244,784	966,145	8,932,707	8,690,537	-2.7%
Subtotal Expenditures	6,139,616	6,799,405	16,923,606	17,334,182	2.4%
Fund Transfers	1,626,815	1,849,435	1,993,754	2,594,896	30.2%
Contingencies	-	-	500,000	500,000	0.0%
Ending Fund Balance	11,777,703	12,941,593	2,001,890	2,932,616	46.5%
TOTAL REQUIREMENTS	19,544,134	21,590,433	21,419,250	23,361,694	9.1%

Expenditures total \$17.3 million in FY26; this is 74.2% of the total budget. The remaining balance is made up of transfers, contingency, and ending fund balance. Total expenditures are 9.1% higher than the current year budget, driven by increased transfers out and ending fund balance.

Capital Outlay is primarily budgeted for Land Conservation projects, which account for \$8.2 million of the \$8.7 million total budgeted in capital outlay. Actual expenditures in prior years have been significantly less than budgeted as most of the money budgeted for capital spending on conservation easements has not been spent; however, this is by design as the district budgets so funding is available should potential projects arise. The budget also includes \$355,000, down from \$411,000 in FY25, to upgrade the HVAC system at the district headquarters facility and explore options to increase water availability through the Headwaters Farm Irrigation project.



SIGNIFICANT FUNDS/PROGRAMS

EMSWCD BUDGET SUMMARY - BY FUND

	2023 Actuals	2024 Actuals	2025 Revised	2026 Approved	
General Fund	10,613,320	12,391,551	10,540,543	12,133,160	15.1%
Grants Fund	1,440,097	1,930,738	2,202,000	2,718,000	23.4%
Land Conservation Fund	7,490,717	7,268,144	8,651,707	8,485,534	-1.9%
Partner Grants Mgt Fund	-	-	25,000	25,000	0.0%
TOTAL ALL FUNDS	19,544,134	21,590,433	21,419,250	23,361,694	9.1%

General Fund

The FY 2025-26 General Fund budget is \$12.1 million, an increase of 15.1%. The General Fund makes up over half of the district's total budget and is home to the programmatic functions of the district.

The General Fund is primarily funded by property tax, and all property tax revenue for the district is budgeted here. Intergovernmental revenue and grants for operating programs are also budgeted in the General Fund.

Expenditures in the General Fund increase by 8.2%, with the largest percentage increase in personnel services. Materials and services are slightly less than FY25 and capital outlay decreases 17.6% from \$431,000 to \$355,000 for improvements at the district headquarters.

Ending fund balance increases by over \$0.9 million, or 46.5%, while contingency remains unchanged at \$500,000 for unforeseen events in 2025-2026.

GENERAL FUND EXPENDITURES BY PROGRAM

	2023 Actuals	2024 Actuals	2025 Revised	2026 Approved	
Conservation/Land Legacy	551,876	-	-	-	
Finance and Operations	1,077,297	1,436,184	1,524,760	1,487,300	-2.5%
Headwaters Farm Program	424,969	656,872	912,497	1,024,583	12.3%
Rural Lands Program	1,147,457	1,522,717	1,983,747	1,935,115	-2.5%
Urban Lands Program	815,231	673,085	949,300	933,710	-1.6%
Community Engagement	-	511,805	674,595	724,940	7.5%
Subtotal	4,016,830	4,800,663	6,044,899	6,105,648	1.0%
Transfers Out	1,626,815	1,849,435	1,993,754	2,594,896	30.2%
Contingencies	-	-	500,000	500,000	0.0%
Ending Fund Balance	4,969,675	5,741,453	2,001,890	2,932,616	46.5%
Total	10,613,320	12,391,551	10,540,543	12,133,160	15.1%

Finance and Operations sees decreases across all spending categories for a total reduction of \$37,460 overall; the number of employees remains unchanged at 5.50 FTE.

The **Headwaters Farm Program** (2.50 FTE) increases by \$112,086 overall. The program received additional funding across all spending categories, with the largest increase in capital outlay and materials and services. The district added \$300,000 to the proposed budget to address the Headwaters Farm Irrigation Project. The project will explore availability of water sources and may lead to drilling a well on site. The project is expected to take at least a year to assess and construct improvements.

The FY24 budget included capital outlay to relocate the Headwaters Farm Office. The current facility poses a conservation liability with an aging septic system in close proximity to a creek. The district planned to procure a double-wide farm office and to remove the existing office and decommission its septic system; related capital outlay and contracted services were budgeted in FY25 as a carry forward from the prior year. This effort has proven more challenging than originally anticipated. Instead of budgeting for a new farm office, this budget takes a step back and includes \$40,000 to contract for planning and design (\$30,000) and permitting (\$10,000) for a future facility adjacent to the barn.

The **Rural Lands Program** (7.00 FTE) decreases by 2.5% to just over \$1.9 million. This is a reduction of almost \$50,000. The decrease in capital outlay and contracted services is partially offset by the addition of 1.0 FTE to support the invasive weeds control program as well as an increase in the number of trees purchased for planting.

Spending in the **Urban Lands Program** decreases by \$15,590 overall for its staff of 4.00 FTE. Contracted services decrease by \$44,000 in this budget. The proposed budget reduced funding for the dam removal project at Mt Hood Community College by \$100,000 in anticipation of external grant funding. Unfortunately, the external funding was not approved and the district added funding to reach 30% design for the dam removal project during budget discussions at the Board Meetings in April.

The **Community Outreach and Engagement Program** (3.75 FTE) will continue implementation of the district's Communications Plan, developed in 2023. Focus in the upcoming year will be on the 75th Anniversary campaign extending into the fall, as well as the launch of the district's updated website in June 2025.

Grants Fund

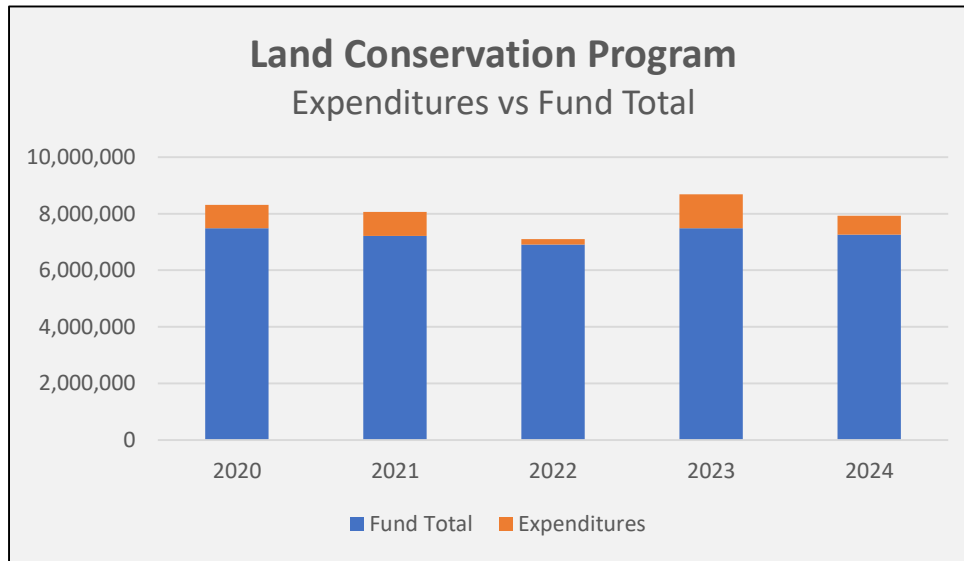
The Grants Fund contains dollars sent directly to the community. Overall, the fund increases to \$2.7 million, a 23.4% increase from the \$2.2 million budget in the current year. All money in the fund is budgeted to be spent. The fund's revenue increased by just over \$200,000 primarily due to transfers from the General Fund.

The Grants Fund supports conservation and environmental education projects. Awards are given through several programs. Three grant programs grow in FY25, while two budget the same amount as the current year and one decreases from current funding levels. The Equity Focused Strategic Opportunity grant program will pay \$25,000 in obligated grants funds in FY 25-26, but the program itself is closing at the end of FY 24-25.

Grant	Purpose	FY 2025-26 Budget	Change from Prior Year
Partners in Conservation (PIC)	The largest grant program, supports projects related to the organization's mission	\$1.8 million	+\$355,000
Cooperative Landowner Incentive Program (CLIP)	Provides cost share for conservation practices on private properties	\$311,000	+\$11,000
SPACE	Supports people growing health food, protect water quality and soil health, and connect to nature	\$117,000	+\$15,000
Equity Focused Strategic Opportunity	Provide dollars for marginalized and disadvantaged folks that may not otherwise be eligible for grants as determined with a strategically focused equity lens	\$25,000	-\$50,000
Strategic Partnerships	Direct funding to active Watershed Councils within EMSWCD boundaries	\$200,000	\$0
NEW Climate and Equity Rapid Response	Provide funding to support climate and equity efforts in the district that may have decreased federal funding	\$300,000	+\$300,000

Land Conservation Fund

This fund holds money for use in the pursuit of land conservation by buying easements, development rights, or real property. The district transfers property tax revenue from the General Fund to the Land Conservation Fund. The transfer is \$700,000 in the FY26 budget, up from \$400,000 in the current year. Expenditures are generally less than a million dollars annually, although expenses reached \$1.2 million in FY 23; fund balance is historically between \$6 to \$8 million each year; the actual ending fund balance for 2023-24 was \$7.3 million.



The district is actively seeking conservation projects to fulfill the goal of this fund and budgets the full fund amount to allow for purchase of easements or real property if the opportunity arises.

DEBT STATUS

The district has no debt.

BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
X		Did the district meet publication requirements?
X		Do resources equal requirements in every fund?
X		Are contingencies shown only in operating funds?
X		Did the budget committee approve the budget?
X		Did the budget committee set the levy?
X		Does the audit show the district was in compliance with budget law?

LOCAL BUDGET LAW COMPLIANCE

The FY 2025-26 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown.

Staff reviewed the FY 2023-24 audit and there were no findings.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the district's FY 2025-2026 Approved Budget or budget process and submits the Certification Letter with no recommendations or objections.

East Multnomah Soil & Water Conservation District

Budget Summary

	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	%
	Actual	Actual	Revised	Approved	Change
SUMMARY OF ALL FUNDS					
PROPERTY TAX BREAKDOWN:					
Permanent Rate Property Taxes	5,708,791	6,147,857	6,279,272	6,636,902	5.7%
Prior Years Property Taxes	0	0	100,000	100,000	0.0%
TOTAL PROPERTY TAX	5,708,791	6,147,857	6,379,272	6,736,902	5.6%
RESOURCES:					
Beginning Fund Balance	11,329,991	11,777,803	11,733,373	12,817,051	9.2%
Property Taxes	5,708,791	6,147,857	6,379,272	6,736,902	5.6%
Intergovernmental Revenue	150,244	143,674	216,594	156,594	-27.7%
Other Income	728,293	1,671,664	1,096,257	1,056,251	-3.6%
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REQUIREMENTS BY OBJECT:					
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Materials & Services	2,168,502	3,118,593	4,817,569	5,269,225	9.4%
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SUMMARY OF BUDGET - BY FUND					
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Land Conservation Fund	7,490,717	7,268,144	8,651,707	8,485,534	-1.9%
Partner Grants Management Fund	0	0	25,000	25,000	0.0%
Grants Fund	1,440,097	1,930,738	2,202,000	2,718,000	23.4%
GRAND TOTAL ALL FUNDS	19,544,134	21,590,433	21,419,250	23,361,694	9.1%

DETAIL OF GENERAL FUND**RESOURCES:**

Beginning Fund Balance	4,292,381	4,969,675	3,773,420	5,074,413	34.5%
Property Tax	5,708,791	6,147,857	6,379,272	6,736,902	5.6%
Federal Revenue	19,500	0	20,000	18,000	-10.0%
State Revenue	109,462	96,604	96,594	96,594	0.0%
Local Revenue	21,282	47,070	0	0	0.0%
Other Income	461,904	1,130,345	271,257	207,251	-23.6%
Transfers In	0	0	0	0	0.0%
TOTAL FUND RESOURCES	10,613,320	12,391,551	10,540,543	12,133,160	15.1%

REQUIREMENTS:

Administrative Services	1,077,297	1,436,184	1,524,760	1,487,300	-2.5%
Environmental and Conservation Services	2,939,533	3,364,479	4,520,139	4,618,348	2.2%
Transfers Out	1,626,815	1,849,435	1,993,754	2,594,896	30.2%
Contingencies	0	0	500,000	500,000	0.0%
Ending Fund Balance	4,969,675	5,741,453	2,001,890	2,932,616	46.5%
TOTAL FUND REQUIREMENTS	10,613,320	12,391,551	10,540,543	12,133,160	15.1%