

Multnomah County 2021-22 Hearing Minutes

Wednesday, May 19, 2021

9:30 p.m.

Multnomah Building 501
SE Hawthorne Blvd.
Portland, Oregon
Webex

Present:

TSCC:

Chair David Barringer, Vice-Chair James Ofsink, Commissioner Margo Norton, Commissioner Mark Wubbold, Commissioner Harmony Quiroz, Executive Director Craig Gibons and Budget Analyst Tunie Betschart. (All via virtual meeting using Webex)

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

Chair David Barringer opened the public hearing and asked the Commissioners and staff to introduce themselves. He then asked if any Commissioners have business relationships with the County that could be perceived as a conflict of interest. There were none. Chair Barringer asked the County Commissioners to introduce themselves.

Following introductions, he congratulated the County on the election held the previous day and the significant approval of the Historical Society's Local Option Levy. He also recognized Multnomah County's response to the Covid-19 pandemic. He stated that the County had worked very hard this past year to overcome the uncertainties brought about by the pandemic. The County's work greatly reduced the toll of the pandemic is taking on people and the community. He thanked Multnomah County leadership for their role in guiding the County through these uncertain times.

Chair Barringer then turned the floor over to Chair Kafoury to make brief introductory remarks about the budget, and then the TSCC commissioners would ask a few questions. Following the questions, Commissioners will take testimony from the public.

Chair Kafoury gave the following introduction to the County's 2021-22 budget and budget process, saying:

A little over a year ago, they watched as the pandemic escalated quickly into a direct threat to the health and safety of the community. In the year since, they have seen the community stretched to its limits by illness, financial hardship, and profound disruptions to the sense of stability. The community, routines, and doing business have all changed.

Those changes reflect the steepest challenges that Multnomah County has ever faced in its history. Multnomah County staff and programs walked alongside the community with compassion in a way that reflects the County's core values. The County has made sure that they serve people and populations disproportionately affected by inequities by:

- Honoring the expertise and resilience of communities of color through partnerships
- Creating positions that deliver services in equitable and effective ways
- Prioritizing transparency, accountability, and constant improvement

The budget for 2022 offers a blueprint for:

- Addressing the County's highest priorities in the wake of the pandemic.
- Allocating resources to the public health structure, which has to keep the community safe
- Looking beyond the requirements that are directly in front of us.
- Recovering and emerging. from this tough season as a more just, more equitable, and stronger community
- Laying the foundation to implement the first stages of three voter-approved ballot measures
- Investing in strategies that will alter how the County does its work to ensuring that it meets their needs in more racially equitable ways
- Supporting the work of addressing racial disparities in the communities

Thanks to careful planning and a faster than expected recovery from the worst of the shutdowns, the County's financial picture has stabilized compared to the uncertainty and the volatility they faced during last year's budget process. The County still faces a \$2.5 million General Fund hole, but they were able to balance the budget through strategic reductions. However, that didn't account for the nearly \$120 million that the County spent over the last year protecting the community's health, housing, and food security as part of the Covid response.

But thankfully, the Biden Administration passed the American Rescue Act of 2021. For Multnomah County, that meant a direct allocation of \$78.8 million for this coming fiscal year and another \$78.8 million for the next fiscal year. At \$2.81 billion, this executive budget is the largest that's ever been proposed in the County's history. Multnomah County can be a transformative force for the community. Multnomah County can and will continue to make strides in the direction of justice, safety, and the holistic health of the community as a whole in the wake of a world-changing pandemic.

She concluded by stating she appreciates the TSCC commissioner's work, serving the community during a difficult time.

With that that commissioners moved to the prepared questions.

TSCC questions:

Chair Barringer asked the following questions:

The pandemic forced the County to respond in a big way with new and expanded services. Fortunately, federal funding has been available. But, as the pandemic ebbs, how do you see this constellation of pandemic-related services changing? Which programs will continue, which will sunset, which will transition to something different? How will you fund the programs that need to continue without federal support?

Multnomah County Chair Kafoury responded, saying for the fiscal year 2021, Multnomah County deployed more than \$120 million in the CARES Act funds, plus other funds from local state and

federal sources. The needs in the community have continued to deepen and increase. The American Rescue Plan provides \$350 billion in additional funding for state and local governments navigating the impact of the COVID-19 outbreak.

To live, work, and rebuild the community, they must continue many of the current efforts, especially health, housing, and community services, to manage the spread of the virus and provide stability and accelerate recovery.

She went on to say the pandemic might be ebbing, but it is certainly not over. There are challenges still emerging that they will need to address. Among those are the inequitable economic conditions in many parts of the community. The work of addressing the profound harms of the pandemic will take years, as will the work of recovering from the pandemic in a way that builds something better, more equitable, and more just than before.

So the County is focused on five areas for investing first round of federal ARP funding. They are:

- Allocating \$56.8 million for public health emergency response, including testing, tracing outbreak response, vaccination, call center, emergency operations, communication outreach
- Setting aside \$8.9 million for core County services to support people in in the County's care, particularly those in congregate settings like shelters, jail, and juvenile detention
- Using \$700 thousand to restore and continue services that were impacted by budget reductions at the state, local and federal levels
- Distributing \$73 million to Crisis Response and Community Recovery, including \$48.8 million for emergency rent assistance
- Using \$4.9 million to invest in critical county infrastructure like improved air quality in buildings and expanded technology

The County will also receive a second direct ARP allocation next year and additional federal and state funds for specific populations and needs. So the County has the infrastructure and a solid set of values that will allow them to invest these response and recovery funds in strategic and compassionate ways.

Multnomah County is anticipating a level of General Fund stability that they haven't seen in a long time. They are forecasting steady increases to the General Fund surpluses due to income tax reform combined with the expiration of several large Urban Renewal areas that will return their assessed value to the tax rolls.

She concluded by stating as they continue to navigate the long-term path to recovery, the County will adjust, expand or taper programs in ways that are both responsive to the community's needs and grounded in equity.

Commissioner Quiroz asked the following questions:

How are you measuring the impact of this federal funding, and, importantly, what lessons have you learned in the way of managing a large infusion of new money?

Multnomah County Chair Kafoury answered, saying they have learned that the County is strong, adaptable, and resilient. Managing the state and federal funding in response to the pandemic has required the careful attention of program and finance staff across the County to ensure compliance requirements, the same meticulous attention that staff applies year in and year out, as they manage department budgets.

In any given year, General Fund resources account for approximately one-third of the total budget. The rest of the budget consists of hundreds of unique local, state, and federal funding streams. In FY2021-22, there will be over 300; each of them has specific allow-ability and reporting requirements. Managing the hundreds of millions of dollars of pandemic funding has stretched every corner of the organization; the County has relied on the same diligent business practices that they employ every day.

With this substantial infusion of resources, the County has had to balance expediency and efficiency. The County must use and distribute the funds in a way that ensures that they get to the people and the places who need it the most and has the most impact.

So over the last year they have paid attention to and collected the kind of information that helps identify and increase the community impact. Highlights of the investments and activities that reached the community include:

- Administering over 33,000 doses of the vaccine to the most vulnerable through public health and integrated clinical health system
- Hosting or co-hosting nearly 190 vaccination events
- Managing four permanent community testing sites
- Connecting over 8,600 households with isolation and quarantine supplies
- Distributing almost 10 million items of personal protective equipment
- Distributing 16,000 gift cards totaling \$6.2 million for community support
- Processing over 3,000 business relief payments totaling nearly \$6 million.
- Supplying more households with food assistance through Sun than ever before.

In May, the number of households receiving food assistance was sixteen million, compared to six million pre-pandemic.

The County is still providing COVID briefings to the community every other week and intends to meet all the requirements for the dollars received.

Commissioner Norton asked the following questions:

My question is a follow along to the last discussion. As you mentioned in your introduction, significant programs are starting up. As if the pandemic and all of this federal money weren't enough to deal with, now we're talking about bringing on the Metro Homeless Services money and its distribution as well as cranking up the preschool program. So to follow along with the discussion, what have you learned from the pandemic experience that will help you gear up for the quick launch of new programs? You didn't comment on the pandemic money about accountability built into large distributions for contractors and others. How are you monitoring the performance of those parts of the implementation?

Multnomah County Chair Kafoury answered, saying they know that community expectations are high. They see the impacts of the investments made with the Metro Supportive Housing Services funding and the Preschool for All funding. So they hold exact high expectations for the County.

The County will be effective and transparent stewards with resources from these two new initiatives. Both supportive housing services and Preschool for All efforts are deeply grounded in years of community engagement, driven by how and where the funds coming through the respective measures will be spent. So naturally, that influences the development of culturally responsive programming.

Both initiatives have spent these pre-implementation months preparing for organizational growth and building programs that lead with equity and are built to serve those impacted by inequities. These efforts will be funded with more straightforward and more predictable local revenue sources than the sporadic funding that the County has received from the federal government and the state over the last year.

The County is looking to balance the available resources with community needs, working every day to impact each dollar significantly. That will be true for these funding resources too.

She went on to say they will access initial tax collections, forecast future revenue, and make future investments that bring the most significant benefits to the community and stability to the programs.

The interest is whether or not you have experienced things in the pandemic hustle informing your approach to bringing these large programs online.

Multnomah County Chair Kafoury continued by saying they are always learning from recent experiences. Still, the differences with these new initiatives are that the County has had time to plan for them, and they're going to be stable and longer-term, although ramping up is always a challenge.

Commissioner Ofsink asked the following question:

A lot of the programs rolled out right now are using third-party providers. How are you building accountability and performance metrics to make sure the third-party providers reach the same standard that Multnomah County would use for its internal employees?

Multnomah County Commissioner Sharon Meieran responded, saying that the County has contracted out over one-third of the operating budget. In fiscal 2022, not accounting for the Metro Supportive Housing Services and Preschool For All funding, the proposed budget would already contract out almost \$914 million of funding over 41% of the operating budget.

The County relies on a network of community-based organizations to provide services, including the types that these two measures will fund. Therefore, the County cannot implement these transformative initiatives successfully without community partners. For example, historically, 90% of the Joint Office of Homeless Services budget and 40% of the Department of County Human services budget are contracted services.

Accountability is built into the new programs and service contracts the same way they are built into each service provided by the County with community partners. Concerning supportive housing services measures, partners from Multnomah, Washington, and Clackamas counties are currently working on regional outcomes metrics that will build on existing metrics. They will be used to measure the impacts and outcomes of investments made across the region. That feedback loop will involve close coordination between program staff and community partners to ensure that objectives are met.

Preschool for All planning included the commitment to build on investments in early learning and identify the places where Multnomah County could add value rather than duplicate current services. Preschool for All will increase the capacity of organizations like Mount Hood Community College, Child Care Resources, and Referrals, rather than start new lines of business in early childhood coaching or other areas.

The department of County Human Services will utilize more than 20 years of experience in administering education-related programs through the SUN community schools to create the underpinnings for Preschool for All.

The Preschool for All ballot measure also included creating a Community Advisory Committee, which will be established this summer.

This group will be responsible for:

- Guiding the initiative,
- Reviewing revenues and expenditures,
- Monitoring progress on program outcomes,
- Creating recommendations for policy changes

Chair Kafoury will appoint 12 to 15 group members that reflect the racial and geographic diversity of Multnomah County and are reflective of the groups most involved in the new initiative, including parents, preschool providers, child care workers, and representatives from culturally specific organizations.

I appreciated the idea of helping provide that oversight and accountability. Does the County have feedback loops for some services: month, quarterly, or is it only annually? It seems like the frequency of the check-in may reflect on a new program as to how nimbly the County can shift and redirect things.

Multnomah County Chair Kafoury responded, saying it varies with department or program. The County gets quarterly reports from all contractors through the Joint Office. She offered to get more information on specific programs or departments.

There is no need to do that. Thank you for that immediate feedback.

Commissioner Norton asked these follow-up questions:

Just as you have been pushed to the limits dealing with pandemics, so have many of your outside contractors. Do they have the same resilience? Are you persuaded that they are prepared to move with you at your pace?

Multnomah County Chair Kafoury replied, saying they are pretty pushed to the limit, especially with the culturally specific providers that the County works with, who are providing services, and their families and their neighbors who are suffering.

The County can acknowledge these workers and do it the best way possible by working alongside them. Unfortunately, the amount of reimbursement has not matched how much it costs them to do the services, so the County has to supplement through the General Fund dollars. The federal funds have a ceiling for activities.

One of the proposed budget pieces is a pot of funds for organizations to build a more substantial infrastructure. They don't have the foundation of the business services and HR, so allowing them to pay higher wages and build infrastructure in their organizations is crucial. The inner dependence between the County and governments and these nonprofit partners is not going to lessen in the near or long-term

Commissioner Wubbold asked the following question:

Looking at the homeless services program, it's a genuine concern. How confident are you that you'll be able to meet the community's expectations of fewer homeless camps?

Multnomah County Chair Kafoury answered, saying there are many ways to measure success to end homelessness for thousands of people.

Success will be measured in how the County:

- Works with regional coordination with tri-county partners
- Creates a long term regional system to address homelessness
- Develops a core program
- Addresses the disproportional impact of persistent structural and institutional racism

The Joint Office is leading a County-wide effort to better align housing-focused programming across all care systems through investments in the health department. This is a regional challenge, and it deserves a regional response. The tri-counties work closely to align strategies and develop performance metrics and expand capacity, particularly with more minor and culturally specific organizations. The critical metric for success will be ending people's homelessness.

She said they work very closely with Portland's Homeless Urban Camping Impact Reduction program to move people from encampments to housing. In addition, measure 26-210 was launched, promoted, and approved as a supportive housing services revenue measure. In the explanatory statement, the action authorized Metro to establish a Regional Supportive Housing funding program providing the resources for the unmet needs of those experiencing episodes of homelessness in the region. The measure will result in a substantial increase in the delivery of supportive housing services.

So this next year, the County will use the funds to secure permanent housing for more than 1,000 people currently experiencing homelessness. The new funding will also help keep nearly a thousand households from having to join encampments in the first place by providing rent assistance that will help them stay in their housing. It will only be successful if the measure is successfully implemented in the rest of the region

She concluded by saying that when implemented in a way that honors what voters wanted to accomplish, this measure will help people move off the streets, out of encampments, and into the housing that offers a more lasting and effective and humane solution; having an impact on encampments.

Commissioner Norton asked the following questions:

To stay with this issue for a moment, when we talk about this problem in the context of the Joint Office, most people focus on the issues in the City of Portland. But what about the suburban and rural areas of the County? What is the County's leadership role in homeless issues occurring outside the City of Portland?

Multnomah County Commissioner Lori Stegmann answered, saying the County has helped people escape homelessness for decades. In addition, staff gained significant expertise in service delivery and managing federal and state funding.

With the passage of the Here Together ballot measure, they have had to work in a much more structured and formal way to address homelessness regionally. This means the beginning of a more developed, coordinated, and long-term response that recognizes that homelessness affects people

in cities, suburbs, and small communities alike.

Homelessness requests look different in different jurisdictions, but they can also look different within the same jurisdiction. She gave an example of homelessness locally, assuming people living outside, forgetting about those moving from living room to living room, or surviving out of a vehicle. The solution is always going to be the same, permanent housing.

Specific to Multnomah County, the Joint Office has always provided support for services outside of Portland and collaborated with East County jurisdictions. For example, the City of Gresham has been part of the leadership of A Home for Everyone. As interest in expanded services in the East County grows, coupled with the growing need and the new resources available through the Metro Supportive Housing Services measure, the County expects to make significant additional investments, expand outreach, shelter, and supportive housing services in East County in the coming year.

She concluded by stating that the County is in discussions with municipal leaders in all east county jurisdictions, talking about how they can be more involved in the ongoing planning work that shapes investments in homeless services throughout the County.

Commissioner Quiroz asked the following questions:

We would like to know how time and the pandemic have impacted the planned rollout of the Preschool for All program. How has the amount of funding, the schedule, and the program's priorities shifted in the last 18 months?

County Commissioner Jessica Vega Peterson fielded this question saying the Preschool for All program was years in the creation. The implementation timeline for Preschool for All was developed before the pandemic. It hasn't changed in the last 18 months. The timeline was designed to be realistic and mitigate negative impacts seen in other universal preschool program rollouts.

For Multnomah County, the fiscal year 2022 is a ramp-up year that Preschool for All will use to establish foundational structures and processes. Based on the hiring and procurement timelines, it was essential to building enough time to start the program with a strong foundation and wait to begin offering spots until the fiscal year 2023. The start of preschool services in September 2022 was part of the original Preschool for All timeline. But Covid-19 had an impact here in Multnomah County.

Preschool for All partners works closely with the State of Oregon's Early Learning division, which is responsible for distributing the Early Learning Covid relief dollars. The County is also talking with preschool providers directly. Despite the challenges, the County believes that the overall timeline goals are still achievable. The program is intentionally designed to be phased in overtime, increasing the number of participating children and preschool providers each year.

She went on to describe the process for taxation to pay for Preschool for All. After the passage of the ballot measure, the County chief financial officer worked closely with the County attorney's office and County leadership to develop the tax code for the Preschool for All personal income tax. They created a tax structure to withstand the program's long-term sustainability and built-in flexibility for the board to adjust the tax rate as needed. The County does expect expenditures in some future years to be higher than expected revenue in those years. The intentional implementation timeline of Preschool for All allows the County to save money in the earlier years that could be used as revenue balancing dollars. Due to the volatility of income taxes, the County

is establishing a reserve of 15% of the annual budgeted revenues and a contingency of 10% of budgeted yearly revenue. These actions will help absorb any unexpected changes during implementation.

Portland public schools and other systemic care providers, but Portland Public Schools, particularly, are embarking on the district's more diverse area. This is opening up a lot of physical space in schools. How are you developing partnerships with the state as a whole and in-home providers and the systemic care providers like the school districts?

Part of the intention of having a wide variety of providers being part of the Preschool for All was having the public schools be a part of that. So PPS was a member of the Preschool for All task force. The County has continued to have conversations with school districts to see how the available facilities can be utilized. She said she had a discussion with the superintendent of PPS about how they were changing the K through 8 to K through 5. This could result in additional classroom spaces, which would be an excellent opportunity to implement preschool programs. So there's a lot of potentials there, and conversations around this will continue.

Commissioner Ofsink asked this follow-up question:

I heard the County is helping with training for providers to ensure they are ready. Will that training help bring providers online even ahead of the County's program, making them ready even under current conditions?

County Commissioner Vega Peterson said they are working closely to see how to get the current dollars to providers because that seems to be where the most significant need is. She said if more follow-up were needed, they would be happy to provide that.

Commissioner Ofsink asked the following Question:

In the corrections program, what is your long-term plan for balancing diversion and incarceration? There's also a substantial racial reckoning and issues around criminal justice reform and police accountability. We were hoping that the County can talk a little bit about how that has affected some of the County's offerings and programs. Within the corrections program, how have you balanced diversion and incarceration? What levers does the County have to affect how many people are incarcerated within our community?

Multnomah County Commissioner Susheela Jayapal responded, saying the piece around diversion and incarceration is one piece of the larger conversation about the criminal justice system. The County views that as a part of broader work of creating a criminal legal system.

That work has to start wholly grounded in acknowledging that the systems roots and racial oppression continue to inflict disproportionate harm on black, indigenous, and other people of color. Only intentional budgetary policy and programmatic decisions can begin to build up the system that is needed.

To that end, here are some of the actions the County is taking:

- Closing dorms as part of an effort to reduce reliance on jails.
- Reducing staff due to the decrease in the number of bookings into jails as a result of Covid-19
- Focusing investments on providing tools and resources needed to avoid the system and

- successfully leave it
- Redirecting those disinvestment dollars into programs aimed at uplifting communities that are disproportionately incarcerated

The County is doing this with a focus on three key components:

- Diversion and deflection,
- Helping those who are reentering the community from jail or prison.
- Repairing past harm that comes with interacting within the criminal justice system

This work requires tremendous collaboration and political will. Multnomah County is leading a local effort to create a public safety system that is equitable, restorative, and responsive. The County gathers decision-makers to identify ways in which the system perpetuates the cycles of harm and implement changes that reorient how and when individuals interact with the system and redefine the assumptions for which the system has long operated.

Several reform efforts are dealing with the justice system. One of these includes the Equal Justice Initiative.

The efforts of this initiative are centered on three pillars for change.

- 1) Leading with race and prioritizing interventions, policies, and budgeting for BIPOC communities.
 - a) Focusing on shrinking the current criminal legal system footprint and growing health, housing, and treatment responses
 - b) Increasing restorative approaches that focus on healing harm reduction and restoration.
- 2) Participating in the safety and justice challenge, a national effort to help local communities reduce their over-reliance on the jail by changing the way they think about and use those facilities.
 - a) Moving away from using for psychiatric hospitals or to house the houseless
 - b) Develop new policies, programs, and strategies that reduce the County's jail bed use, including at the pretrial system, which is where a lot of the usage begins
 - c) Looking at risk when deciding who should remain in custody and who could safely be released back into the community.
- 3) Continued involvement in the state's justice program brings multiple stakeholders together to continue to move individuals away from prison sentences and toward wrap-around services.

She concluded by stating they will continue to work with partners as they implement significant challenges to the criminal legal system through legislative action. This includes supporting bills that look to inform law enforcement and enact important voter-approved initiatives.

The one other component that has gotten a lot of attention lately is police accountability. The County has law enforcement officers too. Are there other programs within the County that address responsibility for law enforcement officers?

Multnomah County Commissioner Susheela Jayapal answered, saying they have looked to increase the accountability through budget notes and the sheriff reporting back on internal accountability mechanisms.

Examples of recent reporting:

- Use electronic monitoring as a tool and
- Use of jail labor
- Wage paid for jail labor

Those are the tools that have been used to look at accountability.

Multnomah County Chair Kafoury added that they have been increasing the number of people on the equity team. They have a strong woman leading those efforts, but she is one person, and equity work can't be done with just a single person. So having additional staff in her office will be beneficial where they can evaluate the training, the accountability that the County has talked about, and lift that work, leaning into the County's values around leading with race.

Chair Barringer thanked Multnomah County Commissioners and staff for the answers to the questions and asked if anyone had any comments, they would like to make. There were none.

Chair Barringer asked if anyone had signed up to give testimony. No one had.

Since there were no other comments, questions, or testimony, Chair Barringer closed the public hearing and opened the meeting of the TSCC Commissioners to consider Multnomah County 2021-22 Approved budget.

He asked if the Commissioners had any additional questions or comments.

Commissioner Norton said she would like to thank Multnomah County Chair and commissioners for their thoughtful answers. Being sensitive to their time, TSCC Commissioners try to look ahead and focus on the issues identified in the budget message. However, this in no way minimizes the broad scope of the County's activities. She concluded by saying that even though the commissioners do not ask about the other activities of the County's staff, it does not mean these activities are any less critical.

Chair Barringer asked Executive Director Gibons to review the budget from the staff perspective. He said the budget was well done from the TSCC Staff's perspective. Mr. Gibons proposed the Certification Letter contain no recommendations or objections concerning the 2021-22 Approved budget or the budget process. He complimented the County on the narrative in the budget, giving a good description of their activities, making it easier to understand.

Commissioner Norton moved to certify that the Commissioners have no recommendation or objections concerning Multnomah County's 2021-22 Approved budget. Commissioner Quiroz seconded the motion. Motion passed with a unanimous vote.

There being no further business, Chair Barringer adjourned the regular meeting.

**Minutes Approved by Commission
At June 8, 2021 Meeting**

A handwritten signature in black ink, appearing to be 'C.B.', written over a horizontal line.