

# Budget Review 2022-23

## Multnomah County



### INTRODUCTION & BACKGROUND

Multnomah County is located in the northwestern section of the state. The Columbia River is the northern border of the county.



The Territorial Legislature established Multnomah County in 1854 because citizens found it inconvenient to travel to Hillsboro to conduct business. Portland was designated as the county seat. The county operates under a 1967 home rule charter that assigns legislative authority to the Board of County Commissioners and administrative responsibility to the Board Chair. A five-member salaried board governs the county. All are elected to four-year terms on non-partisan ballots: The Board Chair is elected at large and four board members are elected from districts.

Of the 36 counties in Oregon, Multnomah County is both the state's smallest (in area) and largest (in population). It covers 457 square miles and, as of Portland State's University's April 2021 estimates, has a population of 820,672 (19% of the state's 4.3 million people).

Multnomah County	2018-19	2019-20	2020-21	2021-22
Assessed Value in Billions	\$74.381	\$77.609	\$81.143	\$85.289
Real Market Value (M-5) in Billions	\$172.752	\$176.571	\$184.074	\$194.226
Property Tax Rate Extended:				
Operations	\$4.3434	\$4.3434	\$4.3434	\$4.3434
Historical Society Local Option	\$0.0500	\$0.0500	\$0.0500	\$0.0500
Debt Service	\$0.0000	\$0.0000	\$0.0000	\$0.5951
Total Property Tax Rate	\$4.8434	\$4.8434	\$4.8434	\$4.9885
Measure 5 Loss	\$-12,576,986	\$-13,562,520	\$-15,294,711	\$-15,414,896
Number of Employees (FTE's)	5,177	5,152	5,185	5,279

## STRATEGIC PLAN / PERFORMANCE OBJECTIVES

The county does not put a strategic plan in its budget book. However, each department lists strategic objectives in the budget narrative. Additionally, the county organizes the budget into program offers that outline funding requirements for specific purposes, and each program offer contains performance measures related to the program.

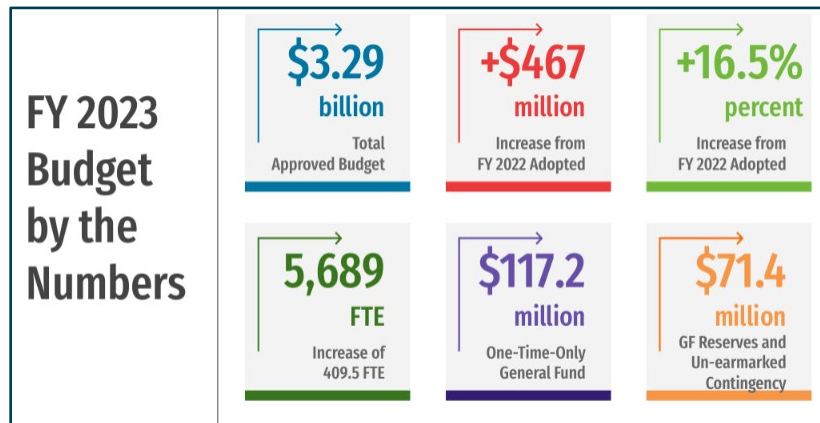
## BUDGET OVERVIEW

The county's FY 2022-23 budget is \$3.3 billion, \$467 million (10%) higher than the revised current year budget.

Multnomah County					
Total Approved Budget Summarized					
\$ Millions					
	2019-20 Actual	2020-21 Actual	2021-22 Rev Bud	2022-23 App Bud	Budget % Change
Beginning Fund Balance	410	361	795	938	18%
Revenues	1,591	2,237	2,176	2,315	6%
Total Resources Net of Fund Transfers	2,001	2,598	2,970	3,253	10%
Expenditures	1,637	1,724	2,642	2,812	
Contingencies and Ending Fund Balance	364	873	329	441	34%
Total Requirements Net of Fund Transfers	2,001	2,598	2,970	3,253	10%
Inter-Fund Transfers	20	20	20	41	103%
<b>Total Budget</b>	<b>2,021</b>	<b>2,618</b>	<b>2,991</b>	<b>3,294</b>	<b>10%</b>

The FY 2023 budget marks a remarkable change in the county's financial situation. For the first time in years, the County Chair did not ask for budget reductions from county departments during the budget creation process. There are four major reasons for this turnaround.

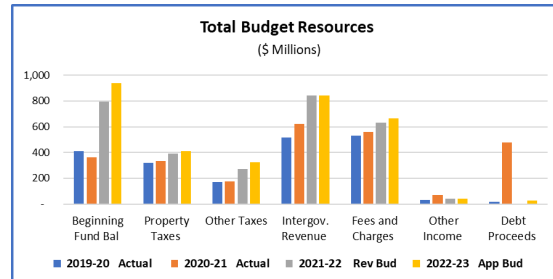
- Starting in FY 2023, several large Urban Renewal Areas (URA) in the City of Portland will end, returning Assessed Value (AV) above their frozen base back to the tax roll. In FY 2023 and FY 2025, when two of the largest URAs return to the tax roll, AV growth is expected to be double what it is in a typical year.
- Less than a month after the Board voted to increase the Business Income Tax (BIT) rate in February 2020, the forecast was revised down sharply in response to the pandemic. Due to Federal economic intervention, FY 2021 BIT collections ended up being higher than pre-pandemic expectations. Due to the timing of collections, FY 2023 will be the first year in which the full impact of the BIT rate increase will be incorporated into the decision-making process.
- Several county revenues were impacted by COVID-19, most notably motor vehicle rental taxes (MVRT), which declined by more than 50% in FY 2021. In FY 2023, the forecast assumes that MVRT and several other smaller revenue sources will return to normal as the pandemic moves to the endemic phase.
- The combination of PERS reform at the state level and the county's funding of PERS side accounts means expense forecasts do not assume any additional PERS rate increases. These biannual rate increases had been a significant source of personnel cost increases.



## RESOURCES

Resources balance to Requirements. Total FY 2022-23 revenues are \$139 million higher (6%) than the current year due to those same revenue increases.

Total Budget Resources (\$ Millions)					
	2019-20 Actual	2020-21 Actual	2021-22 Rev Bud	2022-23 App Bud	Budget % Change
Beginning Fund Bal	410	361	795	938	18%
Property Taxes	319	334	390	410	5%
Other Taxes	171	175	271	324	21%
Intergov. Revenue	518	620	845	844	0%
Fees and Charges	533	558	629	665	6%
Other Income	34	70	40	42	13%
Debt Proceeds	16	480	1	28	----
Transfers In	20	20	20	41	103%
<b>TOTAL RESOURCES</b>	<b>2,021</b>	<b>2,618</b>	<b>2,991</b>	<b>3,294</b>	<b>10%</b>



## REVENUES

**Beginning Fund Balance - \$938 million, \$143 million (18%) higher than the current year.** This increase is driven primarily by a new revenue source (Preschool for All income tax) first collected in FY22, but unspent and carried forward in the fund's FY23 Beginning Fund Balance (\$80 million).

**Property Taxes - \$410 million, 5.3% higher than the current year.** The county has three property tax levies:

- A Permanent Rate Levy (\$4.3434) which is receipted into the General Fund to be used for any lawful purpose.
- A Local Option Levy (\$0.0500) which is dedicated to the Oregon Historical Society and is receipted in that special revenue fund.
- A General Obligation Bond Levy used solely for paying the debt service on the Library Facility bonds.

The county budgeted a 3.55% AV increase for FY 23 and a decrease in the percentage of taxes lost to compression. This latter action contributed to a 7% increase in local option levy taxes. GO bond debt service taxes were increased by 4%.

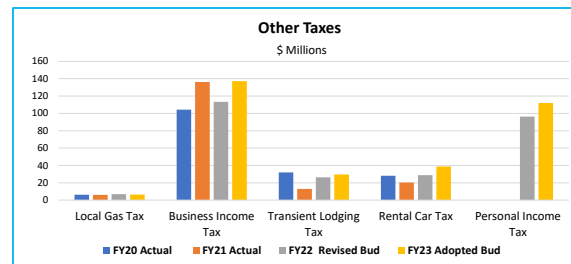
TAX LEVY ANALYSIS				
	ACTUAL 2019-20	ACTUAL 2020-21	BUDGET 2021-22	BUDGET 2022-23
Permanent Rate Levy - Subject to \$10 Limit	\$337,086,835	\$352,507,402	\$364,675,844	\$383,595,854
OHS Local Option Levy - Subject to \$10 Limit	4,227,497	4,490,844	4,654,408	4,796,367
General Obligation Bond Levy	0	0	52,836,522	54,941,007
Total Proposed Levy	341,314,332	356,998,246	422,166,774	443,333,228
Loss due to 1% limitation	(12,640,765)	(15,294,711)	(16,465,885)	(16,710,685)
Loss in appropriation due to discounts and delinquencies	(15,054,556)	(14,410,126)	(22,262,777)	(23,545,243)
<b>Total Proposed Levy Less Loss</b>	<b>\$313,619,011</b>	<b>\$327,293,409</b>	<b>\$383,438,112</b>	<b>\$403,077,300</b>
<b>NOTES</b>				
Average property tax discount				2.70%
Property tax delinquency rate				2.70%
Average valuation change (Based on July - January Value Growth)				3.55%

One other thing to note is that the City of Portland is closing some large urban renewal areas in the next three years, returning assessed value to the other local governments. The county anticipates that the increase its annual assessed value will double, generating significantly more permanent rate and local option levy property tax revenues.

### Other Taxes - \$324 million, 21% higher than the current year

The total of the county's five other taxes increased substantially over the last two years, primarily due to the addition of the voter-approved Preschool for All income tax measure effective in the current year. The Business Income Tax is receipted into the General Fund and there is more information on it in the General Fund section below.

Multnomah County Total Other Taxes				
	2019-20 Actual	2020-21 Actual	2021-22 Revised Bud	2022-23 Adopted Bud
Local Gas Tax	6,191,618	6,025,181	6,850,000	6,440,000
Business Income Tax	104,300,000	136,241,713	113,300,000	137,150,000
Transient Lodging Tax	31,895,289	12,876,250	26,223,930	29,553,302
Rental Car Tax	28,206,441	20,324,139	28,867,600	38,847,173
Personal Income Tax	0	0	96,250,000	112,000,000
<b>Totals</b>	<b>170,593,348</b>	<b>175,467,283</b>	<b>271,491,530</b>	<b>323,990,475</b>



There is no significant change in the other revenue categories. They total \$1.5 million, a 4% increase over current year.

## REQUIREMENTS

In a matter of four years, the County budget has increased from \$2.0 to \$3.3 billion. This change is driven by unprecedented new revenues and new service needs. In her budget presentation, the county's Budget Officer summarized priorities and opportunities:

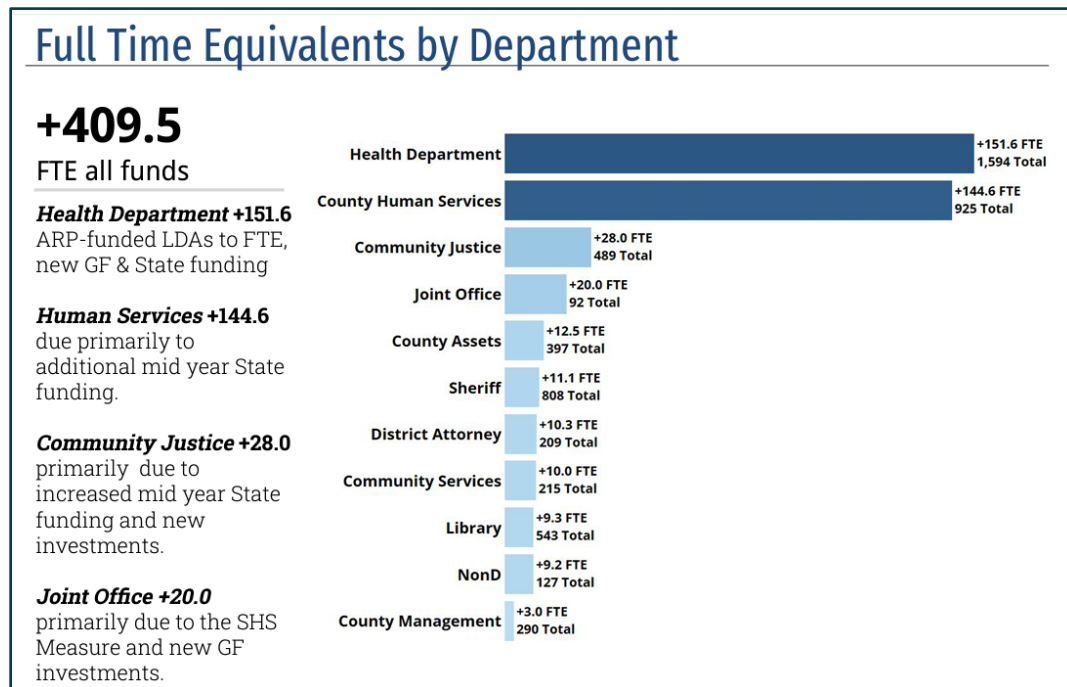
- New, ongoing programming responding to ongoing and emerging community needs

- Addressing inequitable health and economic outcomes from COVID-19 which will continue beyond ARP
- Continued implementation of voter approved initiatives
- Using one-time-only resources to invest in capital (Facilities and IT) to achieve long-term goals
- Maintain flexibility to respond to threats of inflation or economic downturn

Summary of Budget By Object Code					
(\$ Millions)					
	2019-20 Actual	2020-21 Actual	2021-22 Rev Bud	2022-23 App Bud	Budget % Change
Personnel Services	675.7	709.2	795.3	872.9	10%
Materials & Services	895.9	860.0	1,702.5	1,749.5	3%
Capital Outlay	5.6	10.9	27.1	71.4	163%
Debt Service	59.8	144.4	116.8	118.2	1%
Fund Transfers	20.1	19.9	20.3	41.1	103%
Contingencies	-	-	38.6	79.6	106%
Ending Fund Balance	363.7	873.3	290.1	361.2	25%
<b>TOTAL REQUIREMENTS</b>	<b>2,020.9</b>	<b>2,617.6</b>	<b>2,990.6</b>	<b>3,293.9</b>	<b>10%</b>

## Personnel Services

The county is budgeting for 5,589 FTE positions next year, an increase of 410 positions from this year's budget. The new positions are concentrated in the health and human services area and are funded by increased state allocations and increased General Fund revenues. The following chart shows the distribution of the new positions and primary funding sources.



The Chair called out two administrative staff expansions in the proposed budget:

- Elections Staffing Expansion

In response to a 50% increase in the number of registered voters in the last 10 years, the county is adding three full-time positions in the Elections Division.

- Audit Capacity Expansion

This budget adds four new staff auditors in the Auditor's Office in order for the office to keep pace with the county's growing complexity and scope. The additions will allow it to fully meet Charter-mandated responsibility to audit all county operations and financial affairs.

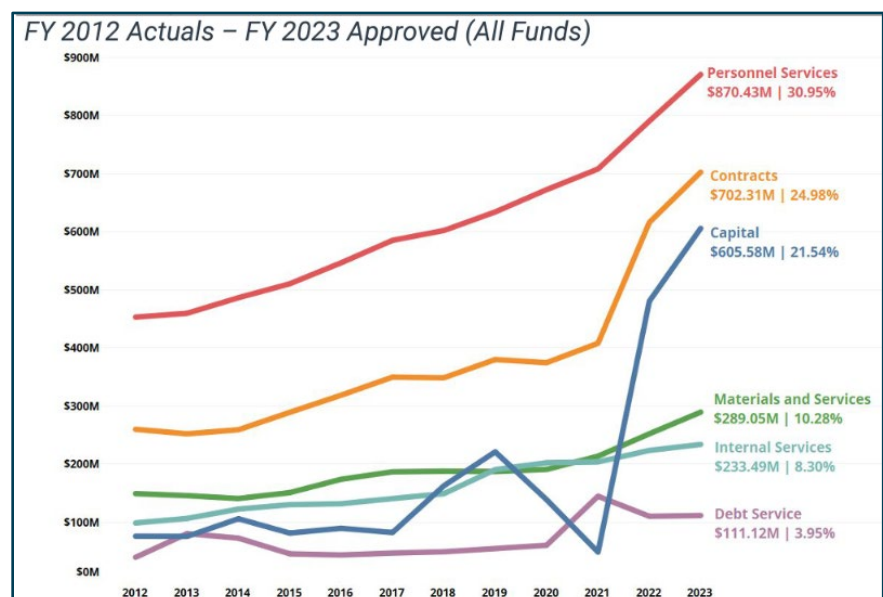
For FY 2023, the county expects the cost of providing current service levels will grow at 4.4%. The growth is driven by personnel costs, which are forecast to grow at 4.3% and, specifically, the personnel cost increase is driven by:

- Cost of Living Adjustment (COLA): 4% (of base pay)
- Step/Merit Increases/Contract Adjustments: 1.4% (of base pay)
- Medical/Dental Coverage: 2.00%
- PERS: -0.86% (of base pay)

The good news in the county's personnel services costs is that PERS rates have stabilized. The county has funded four \$25 million PERS side accounts, the third and fourth of which were used to generate matching funds of \$8.5 million provided by Senate Bill 1049 with the possibility of additional matching funds in the future. These matching funds generate additional ongoing PERS rate relief. These side accounts, combined with the SB 1049 PERS reform measures, means that County PERS rates have likely topped out during the current fiscal year and will decrease henceforth. While rates are still a significant cost, PERS rate increases are no longer expected to contribute to year-over-year increases in personnel costs, which significantly contributed to the county's structural deficit.

### Other Spending Categories

The chart to the right shows how FY23 spending is allocated and the ten-year spending trend.

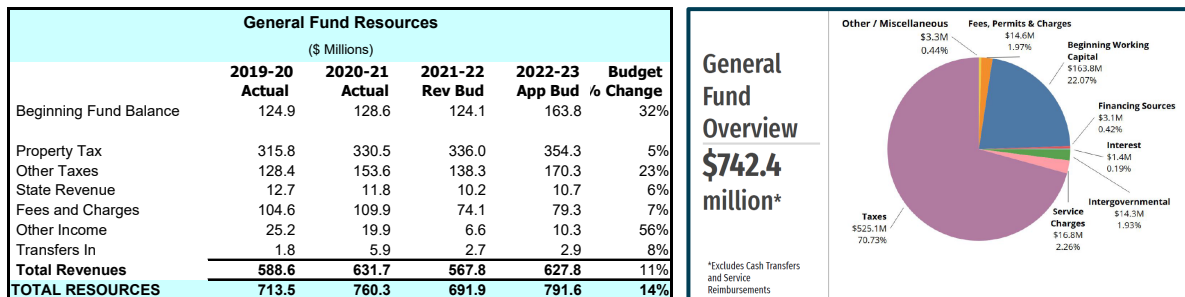


## GENERAL FUND

The FY 2022-23 General Fund budget is \$792 million, a \$100 million (14%) increase from the current year revised budget.

### General Fund Resources

The **Beginning Fund Balance** increased by 32% over the current year revised budget and total revenues increased by 11%. The revenue increase actually returns revenues to their FY 21 level after decreases in FY 22.



The top two sources of General Fund revenue are **Property Taxes (44%)** and **Business Income Tax (17%)**. Business Income Taxes are seeing what is assumed to be a one-time bump this fiscal year that will last into the upcoming fiscal year. In fall of FY 22, the county increased their BIT collection increase by \$30.4 million and dedicated the dollars to immediate shelter needs for houseless individuals (November 2 MultCo BCC board briefing).

At the beginning of the FY 2023 budget process, an \$18.4 million surplus was forecast for the General Fund due to the fast economic recovery from the pandemic and the first of several large Urban Renewal Areas contributing Assessed Value back to the tax roll.

The Budget Office's March 2022 five-year forecast projected an ongoing surplus of \$19.3 million for FY 2023, which becomes a \$38.2 million surplus in FY 2027. There are four major reasons for the increasing surpluses:

- Starting in FY 2023, several City of Portland Urban Renewal Areas (URA) will end, returning Assessed Value (AV) above their frozen base back to the tax roll. In FY 23 and FY 25, when two of the largest URAs return to the tax roll, AV growth is expected to be double what it is in a typical year.
- Less than a month after the Board voted to increase the Business Income Tax (BIT) rate in February 2020, the forecast was revised down sharply in response to the pandemic. Due to Federal economic intervention, FY 2021 BIT collections ended up being higher than pre-pandemic expectations. Due to the timing of collections, FY 2023 will be the first year in which the full impact of the BIT rate increase will be incorporated into the decision-making process.
- Several county revenues were impacted by COVID-19, most notably motor vehicle rental taxes (MVRT), which declined by more than 50% in FY 21. In FY 23, the forecast assumes



that MVRT and several other smaller revenue sources will return to normal as the pandemic moves to the endemic phase.

- The combination of PERS reform at the State level and the commitment to funding PERS side accounts means the forecast does not assume any additional PERS rate increases. These biannual rate increases had been a significant source of personnel cost increases.

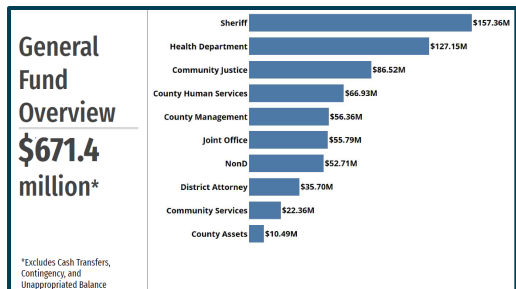
The FY 23 budget assumes the following rates of growth (as measured from the FY 22 Adopted budget) for each revenue source:

- Property Tax – An increase of 5.2%
- Business Income Tax – An increase of 21.1%
- Motor Vehicle Rental Tax – An increase of 32.8%
- Recording Fees/CAFFA Grant – An increase of 10.1%
- U.S. Marshal Jail Bed Rental – An increase of 5.6%

## General Fund Requirements

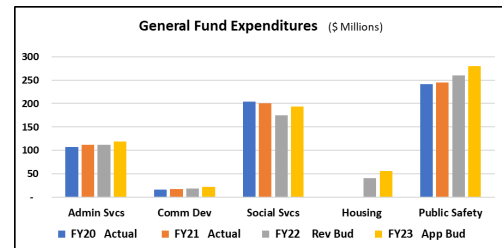
As with General Fund resources, the fund's requirements are rebounding from the current year drop. Total General Fund expenditures for FY22 are budgeted at \$706 million, a 13% increase over the current year budget. The budget anticipates an Ending Fund Balance of \$54 million.

General Fund Requirements					
(\$ Millions)					
	2019-20 Actual	2020-21 Actual	2021-22 Rev Bud	2022-23 App Bud	Budget % Change
Administrative Services	107.2	111.9	112.3	119.6	6%
Community Development	16.8	18.1	19.1	22.4	17%
Social Services	203.6	200.6	175.3	194.1	11%
Housing	-	-	41.0	55.8	36%
Public Safety	241.6	244.9	260.4	279.6	7%
Transfers Out	13.6	4.2	17.3	34.8	102%
Contingencies	-	-	16.2	31.0	91%
Ending Fund Balance	130.7	180.6	50.3	54.5	8%
<b>TOTAL REQUIREMENTS</b>	<b>713.5</b>	<b>760.3</b>	<b>691.9</b>	<b>791.6</b>	<b>14%</b>



Expenditures in the core General Fund categories show consistent incremental annual increases except for fluctuations in Social Services spending. Social Services spending increased greatly overall in the county budget over the last three years, but that is reflected in budgets in other funds.

General Fund Expenditures					
(\$ Millions)					
	FY20 Actual	FY21 Actual	FY22 Rev Bud	FY23 App Bud	Budget % Change
Admin Svcs	107	112	112	120	6%
Comm Dev	17	18	19	22	17%
Social Svcs	204	201	175	194	11%
Housing	-	-	41	56	36%
Public Safety	242	245	260	280	7%
<b>TOTAL REQUIREMENTS</b>	<b>569</b>	<b>575</b>	<b>608</b>	<b>671</b>	<b>10%</b>





## OTHER SIGNIFICANT BUDGET AREAS

### The American Rescue Plan Act Funding

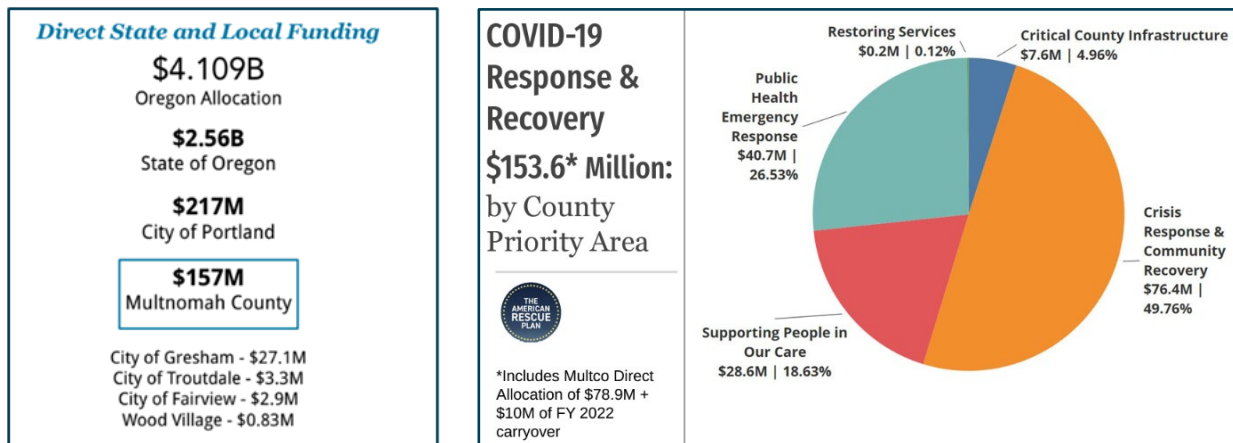
The American Rescue Plan (ARP) Act of 2021 is a \$1.9 trillion federal stimulus bill designed to help the United States recover from the ongoing health and economic impacts of the pandemic. The bill was signed by President Joe Biden on March 11, 2021.

As part of the recovery package, the ARP provides \$350 billion dollars in emergency funding for state, local, territorial, and Tribal governments to help them navigate the impacts of the public health emergency, namely the rise in expenses amid falling revenues.

Multnomah County's total direct allocation of ARP funds is \$157 million, which must be spent by December 31, 2024. The County's initial allocation of \$79 million was allocated in the current year budget. The County is deploying the second tranche of \$79 million (along with \$10 million carry over from the first tranche) in the FY 23 budget. The funding allocation is as follows.

- Crisis Response and Community Recovery - \$48 million
- Public Health Emergency Response - \$24 million
- Core Services Supporting People in Our Care - \$11 million
- Critical County Infrastructure - \$5 million
- Restore Services Impacted by Budget Reductions - \$0.2 million

A detailed listing of the allocations is included at the end of this document.



### Housing and Homelessness

The FY 2023 Joint Office of Homeless Services budget is \$255.5 million, a \$94.5 million increase from the FY 2022 Adopted budget. The budget includes \$59.8 million of county discretionary funds. The remaining \$195.8 million of the budget comes from Other Funds that include the Metro Supportive Housing Services Measure (SHS Measure) and City of Portland funding.

### Joint Office Budget (Multiple Funds Combined)

#### Resources

Funds	FY 2022 Adopted	FY 2023 Proposed	Difference	% of FY 2023 Budget
<b>County Discretionary Funds</b>				
General, Tax Title, & Video Lottery Funds	\$27,793,585	\$59,753,320	\$31,959,735	23.4%
<b>Other Funds</b>				
Supportive Housing Fund	55,887,500	110,124,698	54,237,198	43.1%
City of Portland General Fund	37,385,277	45,425,687	8,040,410	17.8%
Other Federal/State/Local Funds	10,304,911	13,331,715	3,026,804	5.2%
ARP - Direct County	8,250,000	9,436,000	1,186,000	3.7%
COVID-19 - Other	21,408,360	17,448,497	(3,959,863)	6.8%
<b>Total Other Funds</b>	<b>133,236,048</b>	<b>195,766,597</b>	<b>62,530,549</b>	<b>76.6%</b>
<b>Total All Funds</b>	<b>\$161,029,633</b>	<b>\$255,519,917</b>	<b>\$94,490,284</b>	

#### Requirements

<b>Budget Trends</b>		FY 2022	FY 2022	FY 2023	
	FY 2021 <u>Actual*</u>	Current <u>Estimate</u>	Adopted <u>Budget</u>	Proposed <u>Budget</u>	<u>Difference</u>
Staffing FTE	45.00	70.75	72.00	92.00	20.00
Personnel Services	\$11,260,117	\$14,637,245	\$13,614,651	\$16,303,939	\$2,689,288
Contractual Services	98,594,102	134,054,894	127,913,102	175,941,287	48,028,185
Materials & Supplies	13,864,201	11,540,875	6,936,685	13,273,715	6,337,030
Internal Services	4,407,802	5,114,057	1,995,195	4,605,155	2,609,960
Capital Outlay	6,879,902	5,212,500	7,550,000	45,395,821	37,845,821
Debt Service	0	0	3,020,000	0	(3,020,000)
<b>Total Costs</b>	<b>\$135,006,124</b>	<b>\$170,559,571</b>	<b>\$161,029,633</b>	<b>\$255,519,917</b>	<b>\$94,490,284</b>

The FY 23 Joint Office budget funds 92 full time equivalent positions (FTE). The 20 FTE increase is largely due to the Metro Supportive Housing Services (SHS) Measure. The county General Fund also increased by 9 FTE, mainly due to new programs. The City of Portland General Fund added 1 FTE.

The county's portion of this budget is \$183 million. It supports a system-wide response, spanning departments, to meet the housing and homelessness situation. Resources come from the Metro Housing Services Measure (\$107 million) and other local, state and federal sources (\$76 million). County-specific expenditures include the following.

- \$27 million - Shelter and outreach investments to help support over 2,000 beds of year-round shelter.
- \$76 million - Housing placements, rent assistance and support services to permanently end people's homelessness (1,450 additional people move into and retain housing, and support for more than 1,700 units of supportive housing).
- Other initiatives include:
  - Behavioral Health Resource Center (BHRC) - serving people experiencing homelessness and behavioral health needs in downtown Portland.

- Cultivating Community - emergency motel room shelter and crisis case management.
- Rent assistance with legal services- teaming county staff with attorneys from Metropolitan Public Defender and Oregon Law Center to reach households at the last possible stage of the legal process by processing rent assistance applications at the courthouse and at people's front doors.

The following outcome measures are from the Joint Office web site (<https://www.multco.us/johs>).

Between July 1, and Dec. 31, 2021:

- 3,750 people stayed in a shelter at least one night
- 1,780 people moved into apartments and other permanent homes
- 3,400 showers were taken in mobile hygiene stations
- 25,150 people enrolled in programs to prevent homelessness
- 23 new programs launched with Joint Office funding

On a given night, the Joint Office supports more shelter capacity than it did before the pandemic, with more than 1,600 beds, sleeping pods and motel rooms – up from 1,350 year-round beds before the pandemic. Because rooms and sleeping pods can serve more than one person, the number of people served is even higher.

### Preschool for All Implementation

On November 3, 2020, Multnomah County voters approved a measure to establish a tuition-free preschool program, funded by a personal income tax, which went into effect in 2021. The personal income tax is 1.5% on taxable income over \$125,000 for individuals/\$200,000 for joint filers, and an additional 1.5% on taxable income over \$250,000 for individuals/\$400,000 for joint filers.

The first Preschool for All slots will open this September. The county anticipates that in the first year, it will be able to serve more than 600 children from 36 Pilot Site Providers across 48 locations. These first PFA slots will be offered at childcare centers, Head Start sites, in-home providers, and school districts.

At this moment, there are not enough early childhood teachers or physical spaces in Multnomah County for universal preschool. Childcare providers struggle to find facilities that meet their needs, which are often prohibitive in cost. The COVID-19 pandemic has made it even harder to find and retain preschool staff. This budget funds an increase in the money set aside to support facilities and workforce development.

### Library Building Bond

In November of 2020, County voters approved a \$387 million bond measure for new and remodeled library facilities. The estimated levy rate is \$0.61 per \$1,000 of assessed value, or \$61 per year for each \$100,000 of a property's Assessed Value. The total ballot measure authorization was issued in 2021. The issue generated an additional \$50 million in premiums, and after deducting the underwriting cost, generated \$436 million.

The new **Library Operations Center** Construction is slated to start in early FY 23. Located in in East Portland, it is the first project in the bond program. The center will feature Automated Materials Handling that will distribute library materials to patrons efficiently, reducing overall materials handling costs and expediting delivery of patron holds.

Other projects that are expected to start construction in FY 2023 include:

- The **Holgate Library** project, a new 21,000-square-foot library building on its existing site.
- The **Midland Library** project, renovating the existing library with a 6,000-square-foot addition on the existing site.
- The **Albina Library** project, which will build 42,000-square-feet of library space and administrative offices on the existing Knott Street/Isom site.
- The **North Portland Library** project, which will renovate 8,700-square-feet of the existing library and build a 1,500-square-foot addition.

### Workforce Equity

The county is developing and executing a Workforce Equity Strategic Plan (WESP), with the goal of fostering safety, trust and belonging for all employees. The plan is to make changes that impact the culture of county work units – changes in performance and accountability; recruitment, hiring, retention and promotion; and overall decision-making.

The county has created department-based “Complaints Investigation and Civil Rights Policy Units”, and is supporting department equity teams and equity practitioners. It has also increased supports for equity work within Central Human Resources. The budget includes new staffing within several departments, focused on supporting specific WESP goals for managers and related DEI work.

### Capital Projects

Major capital projects with budgeted allocations in the FY23 budget are as follows:

- **Library Capital Bond Construction:** \$416,557,464 - Update seven branch libraries and build a library in East County, similar in size to Central Library in downtown Portland. Add gigabit speed internet to all libraries. Create a central materials handling and distribution center.
- **Facilities Capital Asset Preservation Program & Capital Operation Costs:** \$32,276,869 - For projects to maintain Tier I buildings which are designated for long-term retention.
- **Earthquake Ready Burnside Bridge:** \$51,085,354 - To create a seismically resilient Burnside Street lifeline crossing of the Willamette River that would remain fully operational and accessible immediately following the next Cascadia Subduction Zone earthquake.
- **Transportation Capital:** \$44,479,069  
Funds for projects to maintain and enhance bridges, roads, and bicycle and pedestrian pathways.

- **Facilities Capital Improvement Program:** \$23,558,880 - Primarily for projects in high need Tier II and Tier III buildings.
- **Behavioral Health Resource Center Capital:** \$20,324,000 - To build a dedicated facility to support those who are experiencing homelessness and have behavioral health issues.

## DEBT STATUS

The following table from the budget document summarizes the county's debt portfolio. Amounts are shown in thousands of dollars. This information aligns with TSCC records.

Debt Amortization Schedule								
fy2023 proposed budget								
Debt Description (expressed in thousands)	Maturity Dated	Date	Avg Annual Interest	Amount Issued	Principal Outstanding 6/30/2022	Principal Outstanding 6/30/2023	2022-23 Interest	2022-23 Principal
<b>PERS Pension Revenue Bonds:</b>								
Limited Tax Pension Obligation Revenue Bonds	12/01/99	06/01/30	7.67%	\$184,548	\$36,968	\$31,979	\$24,686	\$4,989
<b>General Obligation Bonds:</b>								
Series 2021 A&B - Library Projects GO Bonds	01/26/21	06/15/29	3.14%	\$387,000	\$349,405	\$306,240	\$8,809	\$43,165
<b>Full Faith and Credit Obligations:</b>								
Series 2010B - Full Faith and Credit	12/14/10	06/01/30	2.74%	\$15,000	\$12,270	\$10,860	\$600	\$1,410
Series 2017 - Full Faith and Credit	12/14/17	06/01/47	3.09%	164,110	126,220	116,550	5,296	9,670
Series 2019 - Full Faith and Credit	09/12/19	06/01/29	1.74%	16,075	11,843	10,238	206	1,606
Series 2021 - Full Faith and Credit	01/21/21	06/01/33	1.33%	<u>89,580</u>	<u>87,245</u>	<u>79,750</u>	<u>1,089</u>	<u>7,495</u>
<b>Total Full Faith and Credit</b>				<b>\$284,765</b>	<b>\$237,578</b>	<b>\$217,398</b>	<b>\$7,191</b>	<b>\$20,181</b>
<b>Leases and Contracts:</b>								
Sellwood Lofts - Capital Lease	01/01/02	01/01/32	2.50%	1,093	714	667	71	47
West Gresham Plaza - Capital Lease	06/15/16	06/30/23	1.75%	<u>1,207</u>	<u>182</u>	<u>0</u>	<u>1</u>	<u>182</u>
<b>Total Leases and Contracts</b>				<b>\$2,300</b>	<b>\$896</b>	<b>\$667</b>	<b>\$72</b>	<b>\$229</b>
<b>Loans</b>								
Oregon Transportation Infrastructure Bank	09/01/08	09/01/25	3.98%	\$3,200	\$1,060	\$810	\$42	\$250

## BUDGET/STRATEGIC PLAN ALIGNMENT

This budget carries out the planned implementation of the new funding sources and the continued use of pandemic-related funding for the health of the community.

## HIGHLIGHTS

- The county's FY 2022-23 budget is \$3.3 billion, \$467 million (17%) higher than the current year revised budget.
- As a result of new and increased funding sources, for the first time in years, the County Chair did not ask for budget reductions from County departments during the budget creation process.
- The FY 23 General Fund budget is \$792 Million, a \$100 million (14%) increase from the current year revised budget.
- The FY 23 Joint Office of Homeless Services budget is \$255.5 million, a \$94.5 million increase from the current year adopted budget.
- The county is budgeting for 5,589 FTE positions next year, an increase of 410 positions. The new positions are concentrated in the health and human services area and are funded by increased state allocations and General Fund revenues.

## BUDGET PROCESS & COMPLIANCE

### LOCAL BUDGET LAW COMPLIANCE

The FY 2022-23 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown.

The audit report for fiscal year 2020-21 notes two exceptions. TSCC staff has discussed these with County staff and they are not material amounts per the audit.

*Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. For the year ended June 30, 2021, expenditures exceeded appropriations in the Federal/State Program Fund by \$216 and in the Capital Debt Retirement Fund by \$91,090. Budget modifications will be prepared for the 2022 fiscal year.*

### CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff notes no deficiencies in the district's FY 2022-23 budget development process and recommends no that the Certification Letter contain no recommendations or objections.

## Appendix A: Detailed ARP Allocations

### Public Health Emergency Response

Dept. of County Human Services	
ACHP Registered Nurse	\$200,000
COVID-19 Response Coordination	\$80,000
Dept. of Community Justice	
Enhanced Cleaning Juvenile Justice Center and East Campus	\$120,000
Transportation Services	\$20,000
Health Department	
Public Health - COVID-19 Investigation and Response	\$4,800,720
Public Health - Isolation and Quarantine	\$11,341,425
COVID-19 Response Health Officer	\$205,848
COVID-19 Response Support Services	\$1,406,494
Public Health Community Partners and Capacity Building Expansion	\$1,023,795
Public Health Communicable Disease Services Expansion	\$711,208
Health Data Exchange	\$400,000
Non-Departmental	
Communications Office Public Health Emergency Response	\$325,000
Emergency Management (EM) Logistics	\$2,425,000
EM Community Personal Protective Equipment (PPE) & County	<u>\$1,040,000</u>
TOTAL	\$24,099,490

### Core Services Supporting People in Our Care

Dept. of Community Justice	
Expanded Rent Assistance of Justice Involved Individuals	\$250,000
Joint Office of Homeless Services	
Emergency Response - Shelter Operations and Outreach Supplies	\$8,261,000
Emergency Response - Expanded Hygiene Access	\$750,000
Emergency Response - Culturally Specific Outreach	\$425,000
Multnomah County Sheriff's Office	
MCJ Dorm 5	\$773,344
MCJ Dorm 13	\$637,357
Electronic Signage and Washing Machine	<u>\$60,000</u>
TOTAL	\$11,156,701

### Critical County Infrastructure

Dept. of County Assets	
Facilities Air Quality Improvements	\$800,000
Staff Telework Software Bundle	\$1,473,000
Digital Access Coordinator	\$165,592
Dept. of County Management	
Federal Grant Compliance and Monitoring	\$160,000
Future of Work Coordinator and Space Planning	\$2,705,000
Labor Relations Expanded Support	<u>\$235,000</u>
TOTAL	\$5,538,592



### **Crisis Response and Community Recovery**

Multnomah County District Attorney's Office	
Gun Violence Case Backlog	\$821,802
Dept. County Human Services	
Multnomah Mothers' Trust Project (MMTP)	\$1,350,000
Domestic Violence Services	\$755,000
SUN Community Schools: Family Resource Navigators	\$4,073,000
Peer Support Tenant Services & Housing Stability	\$515,000
YFS Division Support Staff Expansion	\$148,000
Emergency Rent Assistance	\$22,785,668
YFS Rent Assistance Team Staffing Capacity	\$2,730,000
DCHS Client Assistance	\$5,400,000
Dept. of Community Justice	
Client Assistance	\$275,000
Gun Violence Prevention Incubator Pilot	\$300,000
Community Violence Interruption Pilot	\$300,000
Health Department	
Behavioral Health - Continuing COVID Response	\$1,625,888
Gun Violence Impacted Families Behavioral Health Team	\$1,214,400
Culturally Specific Behavioral Health Programs	\$625,000
Old Town In-reach	\$1,100,000
Library	
Outreach Hotspots	\$200,000
Multnomah County Sheriff's Office	
Civil Process – Reducing Community Violence Involving Firearms	\$314,382
Detectives Unit – Reducing Community Violence Involving Firearms	\$161,977
Additional Close Street Supervision Positions	\$348,461
Non-Departmental	
Countywide Client Assistance	\$2,500,000
Office of Sustainability Food Access Focus	\$200,000
COVID-19 Policy and Project Coordination	<u>\$215,000</u>
TOTAL	<u>\$47,958,578</u>
<b>Restore Services Impacted by Budget Reductions</b>	
Multnomah County District Attorney's Office	
Domestic Violence Case Backlog	<u>\$191,354</u>
TOTAL	<u>\$191,354</u>
Grand Total	<u>\$88,944,715</u>

# Multnomah County

## Approved Budget Summary Sheet

	2019-20 Actual	2020-21 Actual	2021-22 Rev Bud	2022-23 App Bud	Budget % Change
<b>SUMMARY OF ALL FUNDS</b>					
<b>Property Tax Breakdown:</b>					
Permanent Rate Property Taxes	310,192,488	323,890,275	330,151,632	347,503,529	5%
Local Option Levy Property Taxes	3,319,359	3,403,134	3,350,683	3,599,578	7%
GO Debt Property Taxes	0	0	49,935,797	51,974,193	4%
Prior Years Property Taxes	5,478,824	6,463,437	6,138,193	7,206,835	17%
Payments in Lieu of Property Taxes	367,305	342,245	60,000	156,329	161%
<b>Total Property Taxes</b>	<b>319,357,976</b>	<b>334,099,091</b>	<b>389,636,305</b>	<b>410,440,464</b>	<b>5%</b>
<b>Resources:</b>					
Beginning Fund Balance	409,588,978	360,541,491	794,658,282	938,119,139	18%
Property Taxes	319,357,976	334,099,091	389,636,305	410,440,464	5%
Other Taxes	170,593,348	175,467,283	271,491,530	323,990,475	19%
Intergovernmental Revenue	518,350,538	620,316,335	844,640,261	844,378,347	0%
Fees and Charges	532,900,453	557,505,316	629,128,428	665,294,871	6%
Other Income	33,609,857	70,122,896	40,284,396	42,111,816	5%
Debt Proceeds	16,347,415	479,688,132	539,985	28,453,741	5169%
Transfers In	20,127,589	19,882,839	20,256,270	41,102,019	103%
<b>TOTAL RESOURCES</b>	<b>2,020,876,154</b>	<b>2,617,623,383</b>	<b>2,990,635,457</b>	<b>3,293,890,872</b>	<b>10%</b>
<b>Requirements by Function:</b>					
Administrative Services	596,783,219	540,152,821	988,493,142	1,028,168,138	4%
Housing	4,040,628	0	207,229,424	255,519,917	23%
Community Development	109,117,477	101,625,459	159,654,149	194,535,559	22%
Social Services	487,079,354	557,765,966	758,877,800	774,216,548	2%
Parks, Recreation and Culture	84,283,320	80,531,561	95,972,034	99,608,174	4%
Public Safety	295,927,501	299,978,978	314,681,156	341,718,645	9%
Debt Service	59,842,802	144,377,694	116,818,635	118,214,525	1%
Transfers Out	20,127,589	19,882,838	20,256,270	41,102,019	103%
Contingencies	0	0	38,602,599	79,648,429	106%
Ending Fund Balance	363,674,264	873,308,096	290,050,248	361,158,918	25%
<b>TOTAL REQUIREMENTS</b>	<b>2,020,876,154</b>	<b>2,617,623,413</b>	<b>2,990,635,457</b>	<b>3,293,890,872</b>	<b>10%</b>
<b>Requirements by Object:</b>					
Personnel Services	675,733,889	709,153,170	795,262,534	872,878,119	10%
Materials & Services	895,856,781	859,998,743	1,702,531,615	1,749,455,263	3%
Capital Outlay	5,640,829	10,902,875	27,113,556	71,433,599	163%
Debt Service	59,842,802	144,377,693	116,818,635	118,214,525	1%
Fund Transfers	20,127,589	19,882,839	20,256,270	41,102,019	103%
Contingencies	0	0	38,602,599	79,648,429	106%
Ending Fund Balance	363,674,264	873,308,093	290,050,248	361,158,918	25%
<b>TOTAL REQUIREMENTS</b>	<b>2,020,876,154</b>	<b>2,617,623,413</b>	<b>2,990,635,457</b>	<b>3,293,890,872</b>	<b>10%</b>

# Multnomah County

## Approved Budget Summary Sheet

	2019-20 Actual	2020-21 Actual	2021-22 Rev Bud	2022-23 App Bud	Budget % Change
<b>SUMMARY OF ALL FUNDS</b>					
General Fund	713,453,390	760,290,330	691,917,269	791,612,069	14%
Road Fund	58,527,906	60,595,239	70,336,550	77,566,707	10%
Bicycle Path Construction Fund	468,222	580,132	681,476	113,923	-83%
Recreation Fund	35,112	28,544	50,000	40,000	-20%
Federal/State Program Fund	357,213,878	376,868,434	377,927,820	375,497,250	-1%
County School Fund	49,360	53,264	80,300	80,125	0%
Animal Control Fund	3,345,870	3,770,277	4,292,080	3,864,186	-10%
Willamette River Bridge Fund	11,169,177	24,876,545	45,408,378	50,887,564	12%
Library Fund	86,831,671	81,868,993	95,972,034	99,408,174	4%
Special Excise Taxes Fund	36,117,195	15,895,628	30,187,210	35,315,375	17%
Land Corner Preservation Fund	4,223,747	4,906,002	4,787,919	5,300,439	11%
Inmate Welfare Fund	1,366,864	1,253,074	1,183,702	1,447,151	22%
CARES Act Local Government Fund	9,581,706	157,121,371	219,894,063	153,583,085	-30%
Justice Services Special Operations Fund	6,373,981	4,977,865	8,579,415	8,013,891	-7%
Oregon Historical Soc Local Option Fund	3,397,744	3,490,658	3,444,440	3,672,039	7%
Video Lottery Fund	5,909,559	6,919,547	6,123,382	7,617,204	24%
Supportive Housing Fund	7,986,456	5,028,682	55,887,500	110,124,698	97%
Preschool for All Program Fund	0	2,736,503	96,250,000	191,402,080	99%
Capital Debt Retirement Fund	39,989,506	127,824,715	33,499,106	32,195,250	-4%
General Obligation Bond Sinking Fund	0	0	50,435,797	52,773,275	5%
PERS Bond Sinking Fund	67,545,165	54,263,574	62,226,220	95,228,611	53%
Downtown Courthouse Capital Fund	89,910,743	13,010,453	6,078,931	6,113,978	1%
Asset Replacement Revolving Fund	130,563	263,337	138,179	521,843	278%
Financed Projects Fund	1,488,532	938,617	0	0	0%
Library Capital Construction Fund	5,547,320	5,874,497	7,507,807	9,729,646	30%
Capital Improvement Fund	30,135,114	23,063,160	23,082,966	25,417,037	10%
Information Technology Capital Fund	6,213,876	5,548,800	5,494,122	12,699,062	131%
Asset Preservation Fund	19,323,209	22,218,579	29,405,586	32,776,869	11%
Health Headquarters Capital Fund	5,944,985	5,258,019	1,600,000	260,000	-84%
Sellwood Bridge Replacement Fund	20,949,543	9,471,939	9,067,929	8,745,172	-4%
Hansen Building Replacement Fund	3,355,702	3,139,458	1,377,869	1,000,000	-27%
ERP Project Fund	6,706,855	3,117,711	0	0	0%
Burnside Bridge	20,018,171	9,351,300	23,558,042	51,085,354	117%
Behavioral Health Resource Ctr Capital Fund	2,229,515	3,697,959	23,760,413	20,324,000	-14%
Multnomah County Library Capital Const Fun	0	438,206,968	436,041,796	416,557,464	-4%
Justice Ctr Capital Fund	0	0	0	7,100,000	0%
Behavioral Health Managed Care Fund	35,040,144	7,920,278	1,816,997	2,120,076	17%
Health Dept FQHC Fund	0	0	147,005,828	158,088,765	8%
Risk Management Fund	205,367,321	219,372,557	246,712,640	267,126,701	8%
Fleet Management Fund	6,310,811	6,224,815	6,686,586	8,167,500	22%
Fleet Asset Replacement Fund	7,862,379	8,699,435	9,766,523	10,921,339	12%
Information Technology Fund	69,586,547	69,672,043	73,501,445	80,095,948	9%
Mail Distribution Fund	4,225,389	4,367,711	4,025,854	4,427,920	10%
Facilities Management Fund	66,942,926	64,856,400	74,841,283	74,869,102	0%
<b>GRAND TOTAL ALL FUNDS</b>	<b>2,020,876,154</b>	<b>2,617,623,413</b>	<b>2,990,635,457</b>	<b>3,293,890,872</b>	<b>10%</b>

# Multnomah County

## Approved Budget Summary Sheet

	2019-20 Actual	2020-21 Actual	2021-22 Rev Bud	2022-23 App Bud	Budget % Change
<b>DETAIL OF GENERAL FUND</b>					
<b>Resources:</b>					
Beginning Fund Balance	124,899,971	128,565,416	124,092,031	163,816,669	32%
Property Tax	315,849,193	330,519,679	335,996,853	354,278,237	5%
Other Taxes	128,397,637	153,637,518	138,300,000	170,325,000	23%
Federal Revenue	217,628	(176,219)	0	0	0%
State Revenue	12,684,453	11,787,119	10,156,369	10,718,443	6%
Local Revenue	3,424,474	3,493,975	3,311,719	3,591,298	8%
Fees and Charges	104,628,854	109,909,935	74,141,210	79,336,606	7%
Other Income	21,368,803	16,373,266	3,034,657	3,524,144	16%
Debt Proceeds	218,126	233,592	223,494	3,137,250	1304%
Transfers In	1,764,251	5,946,049	2,660,936	2,884,422	8%
<b>TOTAL FUND RESOURCES</b>	<b>713,453,390</b>	<b>760,290,330</b>	<b>691,917,269</b>	<b>791,612,069</b>	<b>14%</b>
<b>Requirements:</b>					
Administrative Services	107,221,803	111,880,809	112,327,774	119,561,360	6%
Community Development	16,799,236	18,062,639	19,086,972	22,359,863	17%
Social Services	203,569,428	200,581,296	175,301,773	194,079,624	11%
Housing	0	0	40,985,196	55,787,192	
Public Safety	241,594,359	244,891,682	260,406,775	279,587,893	7%
Debt Service	11,269	0	0	0	0%
Transfers Out	13,590,664	4,248,091	17,265,000	34,798,621	102%
Contingencies	0	0	16,212,776	30,972,219	91%
Ending Fund Balance	130,666,631	180,625,813	50,331,003	54,465,297	8%
<b>TOTAL FUND REQUIREMENTS</b>	<b>713,453,390</b>	<b>760,290,330</b>	<b>691,917,269</b>	<b>791,612,069</b>	<b>14%</b>
<b>DETAIL OF GENERAL OBLIGATION DEBT SERVICE FUND</b>					
<b>Resources:</b>					
Beginning Fund Balance	0	0	0	253,460	0%
GO Debt Property Taxes	0	0	49,935,797	51,974,193	4%
Prior Years Property Taxes	0	0	300,000	445,622	49%
Interest on Investments	0	0	200,000	100,000	-50%
<b>TOTAL FUND RESOURCES</b>	<b>0</b>	<b>0</b>	<b>50,435,797</b>	<b>52,773,275</b>	<b>5%</b>
<b>Requirements:</b>					
Debt Service	0	0	49,935,797	51,974,193	4%
Ending Fund Balance	0	0	499,000	799,082	60%
<b>TOTAL FUND REQUIREMENTS</b>	<b>0</b>	<b>0</b>	<b>50,434,797</b>	<b>52,773,275</b>	<b>5%</b>