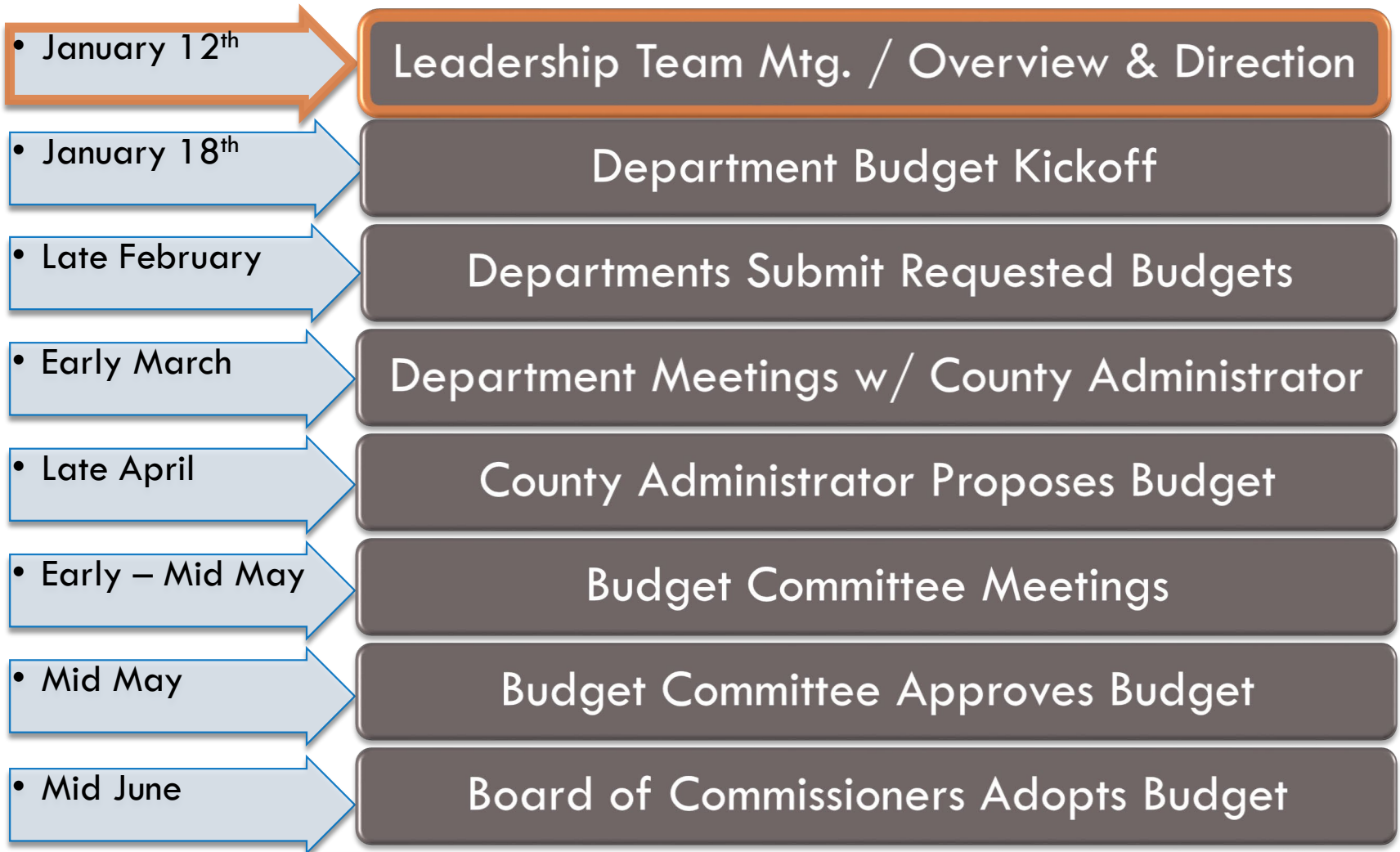


# COUNTYWIDE OVERVIEW

Steve Mokrohisky, County Administrator

# Lane County Budget Cycle



# Lane County Overview

- 1836.88 FTE FY 21-22 Adopted Budget
  - *Addition of 359.13 FTE since FY 15-16*
- \$872,840,609 FY 21-22 Adopted Budget
- Eleven departments
  - Assessment & Taxation\*
  - County Administration
  - County Counsel
  - Data & Analytics
  - District Attorney\*
  - Emergency Management
  - Health & Human Services
  - Human Resources
  - Public Works
  - Sheriff's Office\*
  - Technology Services

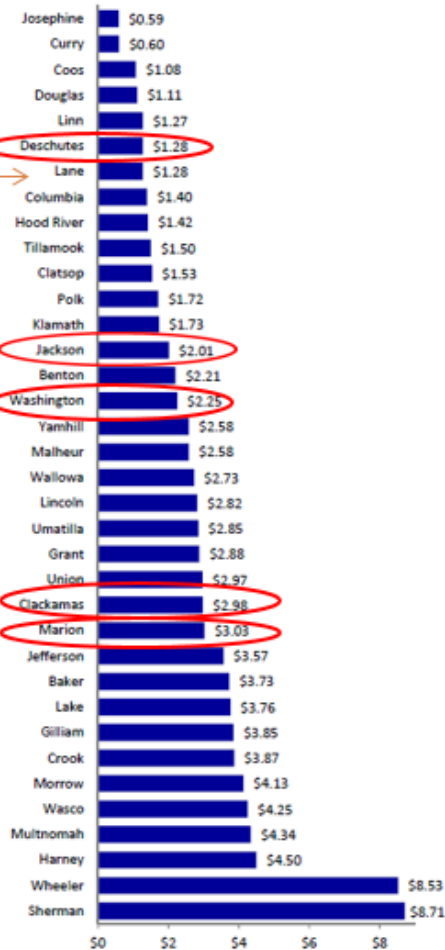
\*Departments run by elected officials

# Lane County In Context & Secure Rural Schools History

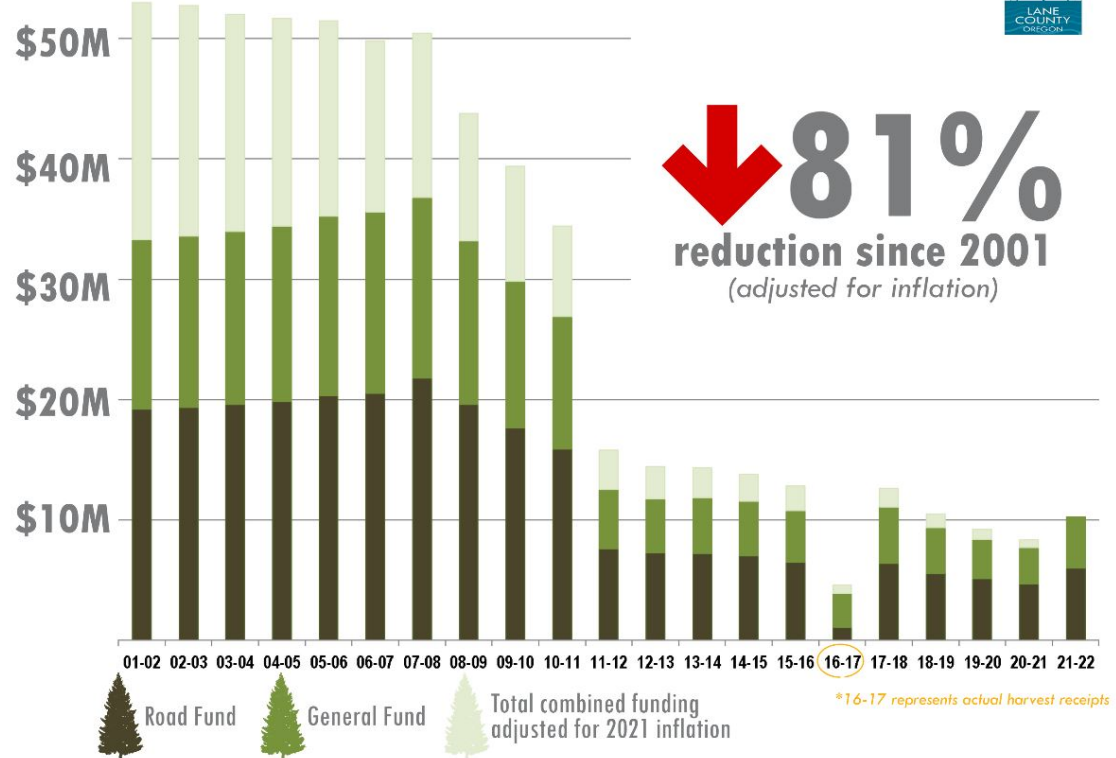


## Property Tax Rates

Permanent rate per \$1,000, FY 2014-15



## LANE COUNTY SECURE RURAL SCHOOLS HISTORY



# Countywide Overview

## Financial Management goals since FY 15-16

1. Create long term financial stability through a structurally balanced budget
  - ❑ All funds meet or exceed the board reserve policy.
  - ❑ Moody's upgraded Lane County's bond ratings
    - ❑ Aa1 in 2019
    - ❑ Aa2 in 2017
    - ❑ Aa3 in 2010
2. Focus limited resources on repairing critical services
3. Stabilize Public Safety system with targeted investments
4. Reduce expenses within our control
  - ❑ Health Insurance, Debt and PERS
  - ❑ Internal Services including Fleet, Facilities, and Technology
  - ❑ Workers Comp Liability
  - ❑ Budget for Vacancies
  - ❑ PERS Side Account – 1.53 percentage point decrease in rate for 10 years

# Strategic Plan

**PURPOSE:** To improve lives

**MISSION:** We responsibly manage available resources to deliver vital, community-centered services with passion, drive and focus.

**LENSES:**

- Financial Stewardship
- Equity
- Collective Impact

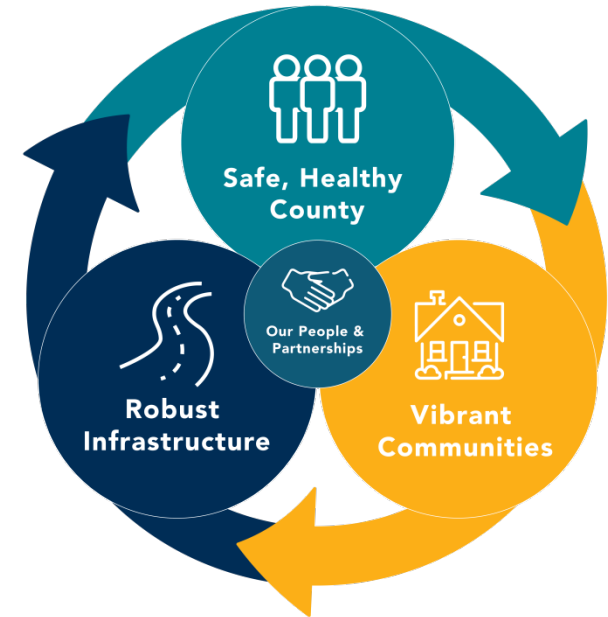
**CORE BEHAVIORS:**

- Passion to serve
- Driven to connect
- Focused on solutions



# Strategic Plan Priorities Draft

- Safe, Healthy County
  - Vibrant Communities
  - Robust Infrastructure
  - Our People & Organizational Health
- 
- Other Significant Plans incorporated:
    - 10 Year Public Safety Plan
    - Community Health Improvement Plan (CHIP)
    - Transportation Plans
    - Homelessness Systems Transformation Plan
    - Rural Economic Development Plan
    - Equity & Access Plan
    - Capital Improvement Plan
    - Climate Action Plan
    - Community Benefits Plan





# Lane County's Current Employment Situation and Forecast

FY 22-23 Lane County Budget Kickoff

**Brian Rooney**  
**January 12, 2022**








## Today's agenda:

- Employment and unemployment trends.
- Labor shortage.
- New employment forecasts!

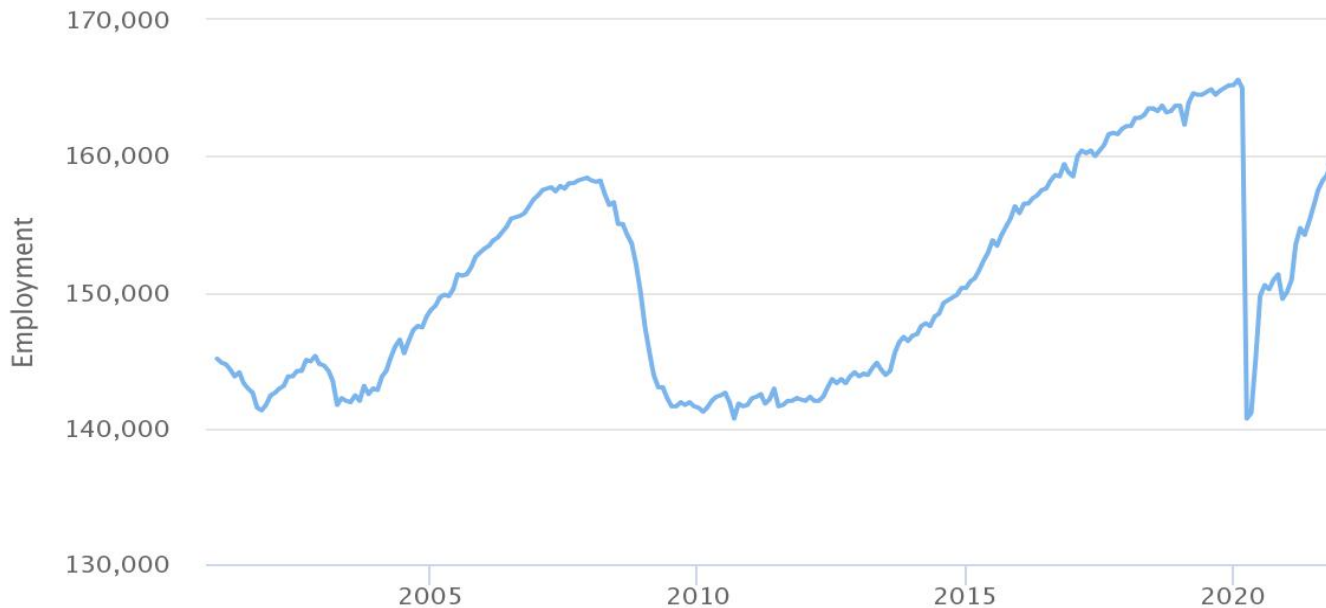


# Employment and Unemployment During the Recovery From Pandemic Losses

# Lane County is approaching prepandemic employment levels.

Lane County  
Total nonfarm employment

(seasonally adjusted)



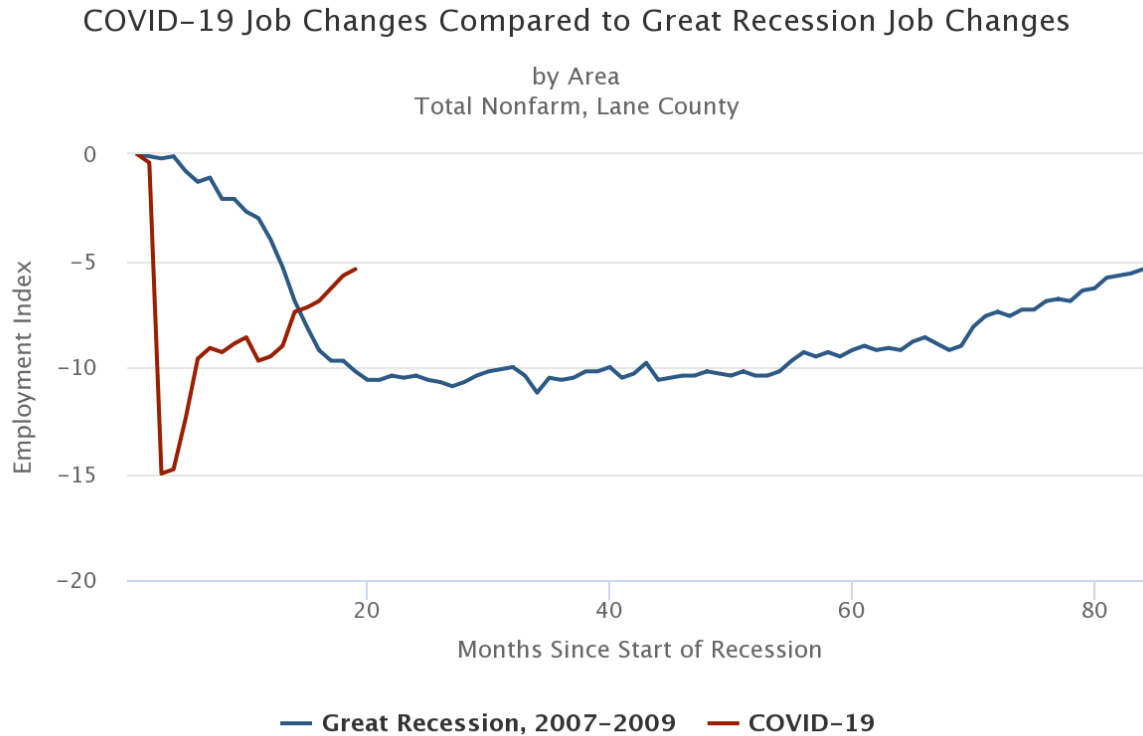
Source: Oregon Employment Department QualityInfo.org

✓ Lane County lost 24,900 (15%) jobs between February and April of 2020. It had gained back 18,800 (76%) of what was lost by November 2021.

Statewide, Oregon lost 14% between February and April 2020. It had gained back 79% of what was lost by November.

Areas with a higher concentration of jobs in restaurants and hotels like the North Coast were the hardest hit.

# Relatively Fast Jobs Recovery



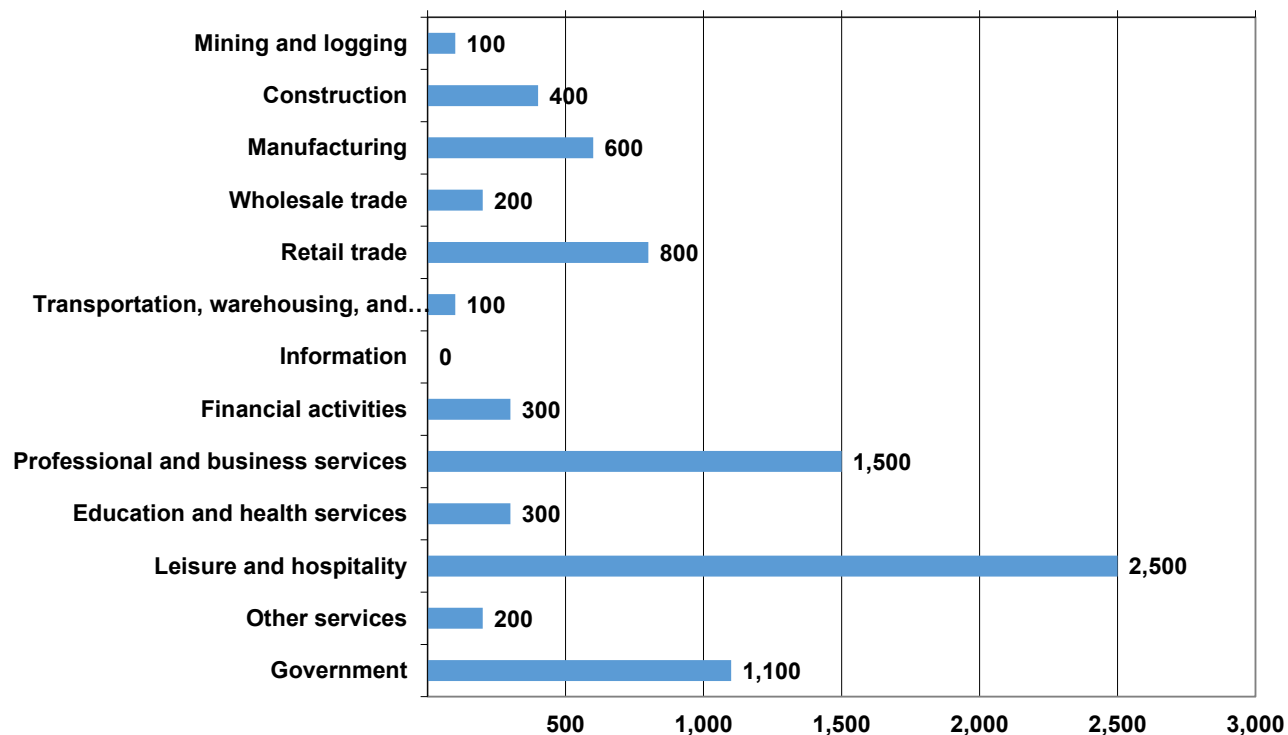
Source: Oregon Employment Department QualityInfo.org

During the Great Recession we were still losing jobs at 22 months.

Lane County employers added **9,500 jobs in the first 11 months of 2021**. That's as many jobs as they added in the 48 months leading up to the pandemic recession.

# Most industries continue to rebound from the pandemic recession.

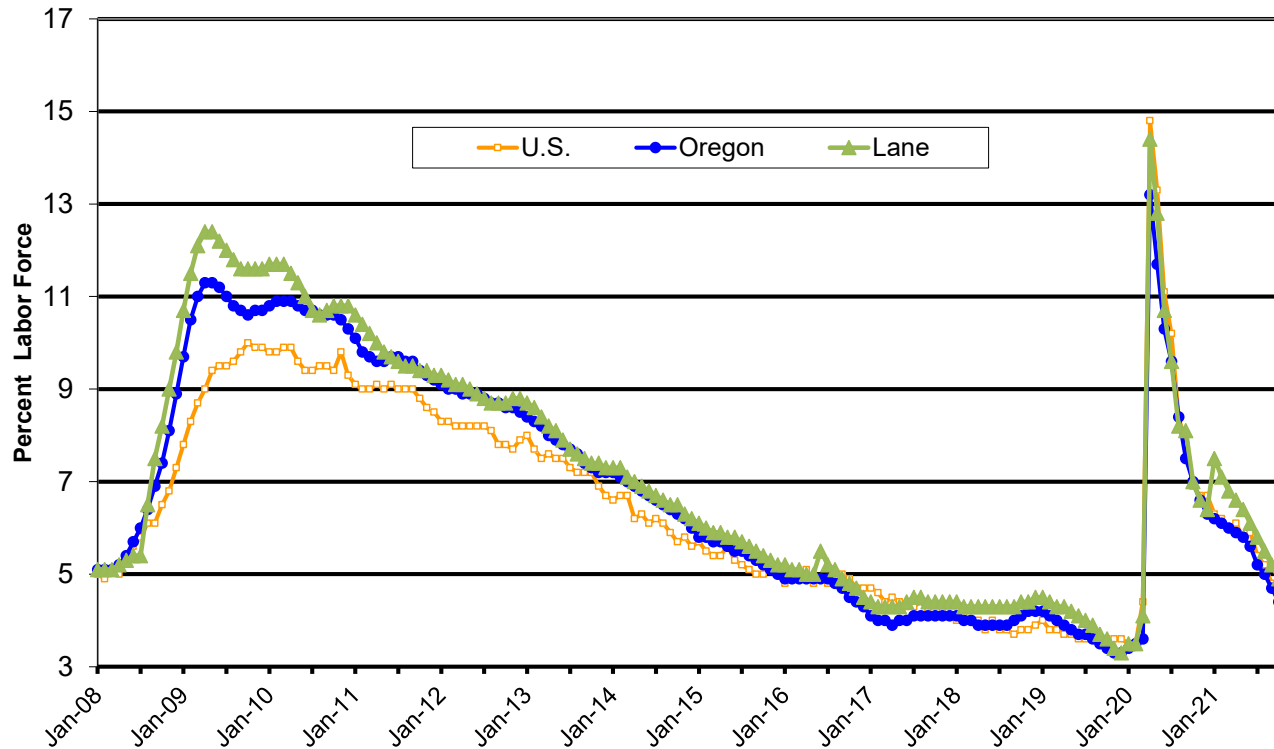
Lane County Industry Employment Change  
over-the-year September 2021



*Total payroll  
employment is up  
8,100 (5.4%)  
over the year.*

# Lane County's November 2021 unemployment rate stood at 4.6 percent, down from 6.6 percent in November 2020 and a high of 14.4 percent in April 2020.

Seasonally Adjusted Unemployment Rates, 2008 to Present



✓ Oregon's statewide rate was 4.2% in November.

✓ U.S. unemployment rate was 4.2% in November.

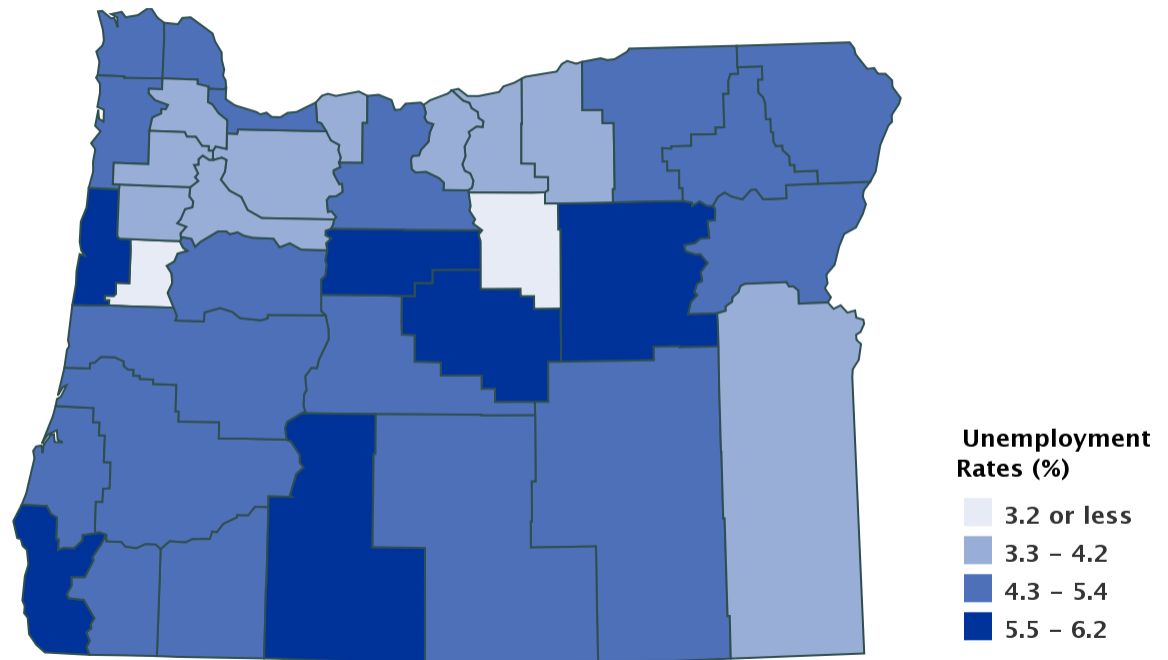
# Oregon Unemployment Rates by County

*In November 2021, 35 of Oregon's 36 counties experienced over-the-month decreases in their unemployment rates.*

*Grant County (6.2%) had Oregon's highest unemployment rate in November.*

*Wheeler County (2.8%) registered the lowest unemployment rate for the month.*

Seasonally Adjusted Unemployment Rate, November 2021



Oregon Employment Department, Local Area Unemployment Statistics

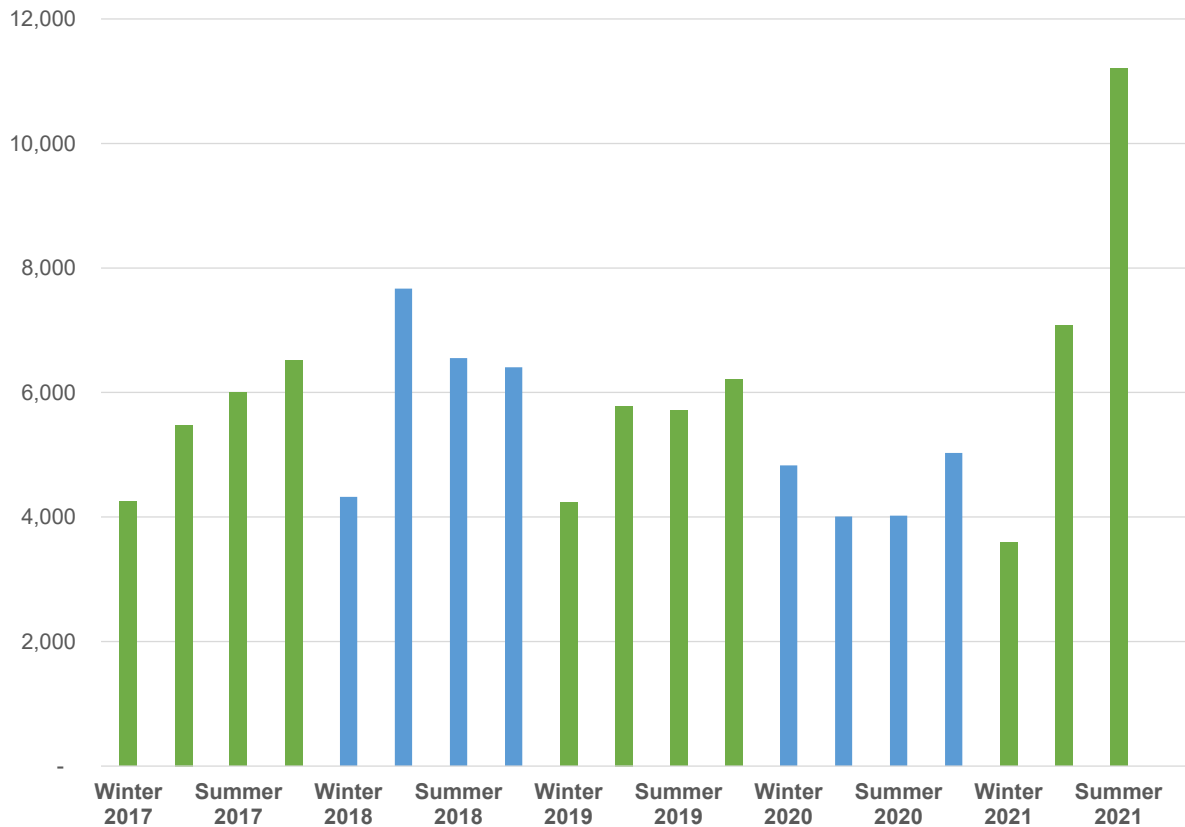


# LABOR SHORTAGE



# Employers aren't trying to get back to February 2020. They're way beyond it.

Lane County Quarterly Job Vacancies 2017-2021

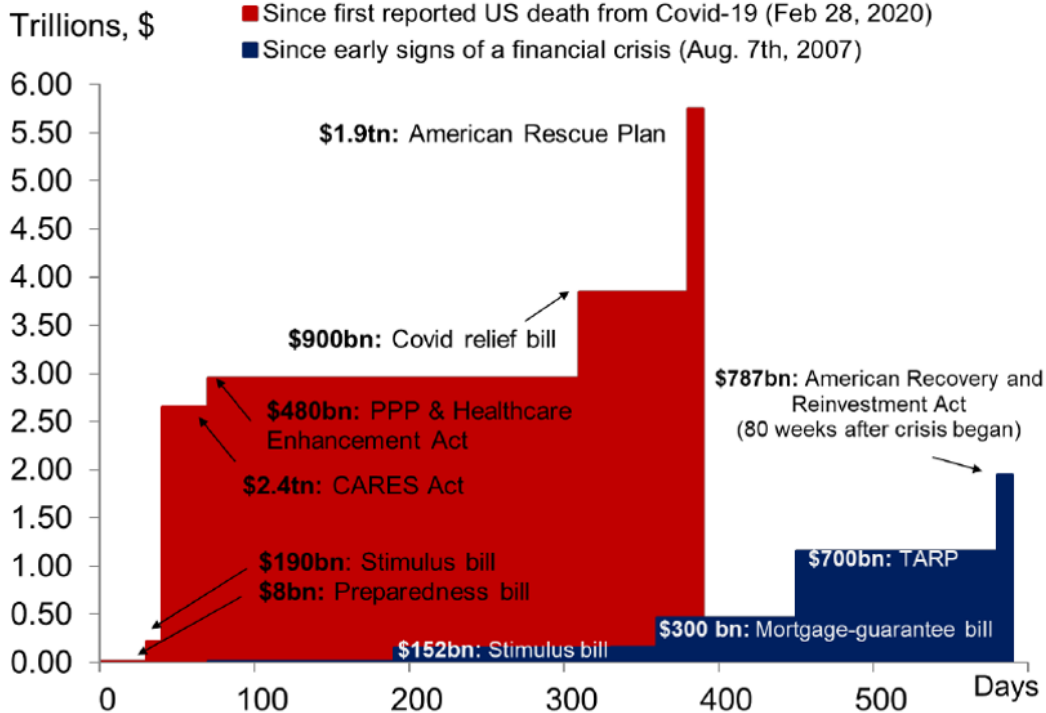


*This only represents private job vacancies*

*So 11,203 is at least as many job openings as Lane County businesses have been trying to fill in recent months.*

# What's fueling record levels of job vacancies?

## US: Funds authorized by Congress



The economy got much more stimulus – and much faster than during the Great Recession.

Higher household incomes and savings fuel more demand for goods and services (and jobs to make/provide them)

Record quits

Less In-migration

Retirements

# Will the end of enhanced UI also end worker shortages?

*Federal Pandemic Unemployment Claims that Ended as Share of Job Vacancies*

<b>Region</b>	<b>PEUC Claims Ended</b>	<b>PEUC + PUA Claims Ended</b>	<b>2021 Summer Job Vacancies</b>	<b>PEUC% Vacancies</b>	<b>All Pandemic Claims % of Vacancies</b>
Lane County	4,228	7,571	11,203	38%	68%
Oregon Statewide	46,454	77,931	106,951	43%	73%

*Source: Oregon Employment Department*

Even if all the Oregonians whose PEUC benefits ended were able to match to a job vacancy in their area, it would still leave notable shortfalls.

There are still the 3,300 people in Lane County whose PUA benefits ended too. As the program drew to a close, four out of five of these workers were self-employed.

# Hiring demand was widespread across Oregon's economy.

## Oregon Job Vacancies by Industry, Summer 2021

<b>Industry</b>	<b>Vacancies</b>
<b>All Industries</b>	<b>106,951</b>
Health care and social assistance	20,916
Leisure and hospitality	16,740
Retail trade	12,006
Manufacturing	11,966
Construction	8,526
Professional, scientific, and technical services	7,218
Other services	5,882
Management, administrative, and waste services	5,455
Financial activities	5,169
Wholesale trade	4,784
Transportation, warehousing, and utilities	3,194
Natural resources and mining	3,152
Private educational services	1,425
Information	198

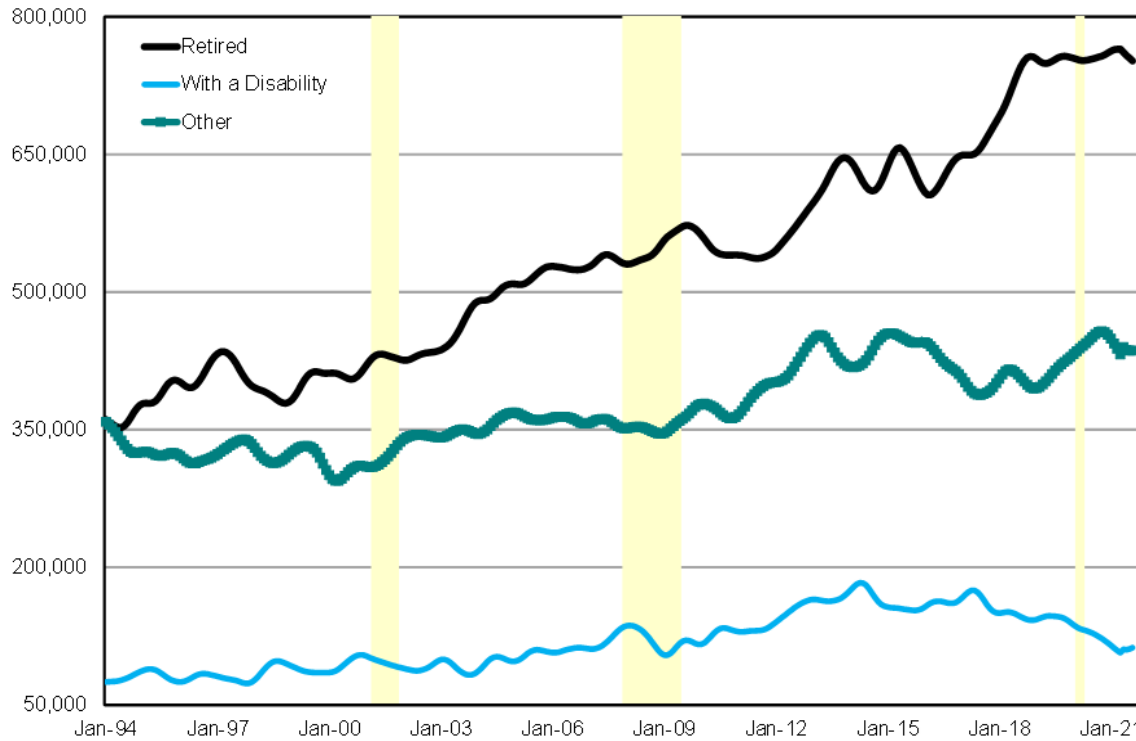
Source: Oregon Employment Department

*Retail trade, manufacturing, professional and technical services, and financial activities reported record levels of job vacancies in summer.*

*Note: While we've all seen evidence of local school districts hiring as in-person classes resume, those openings and other government hiring aren't captured in this survey of private-sector businesses.*

# Struggling Beyond September: Retirements

Reasons People Ages 16+ Are Not in Oregon's Labor Force  
Shaded Bars = NBER Recessions



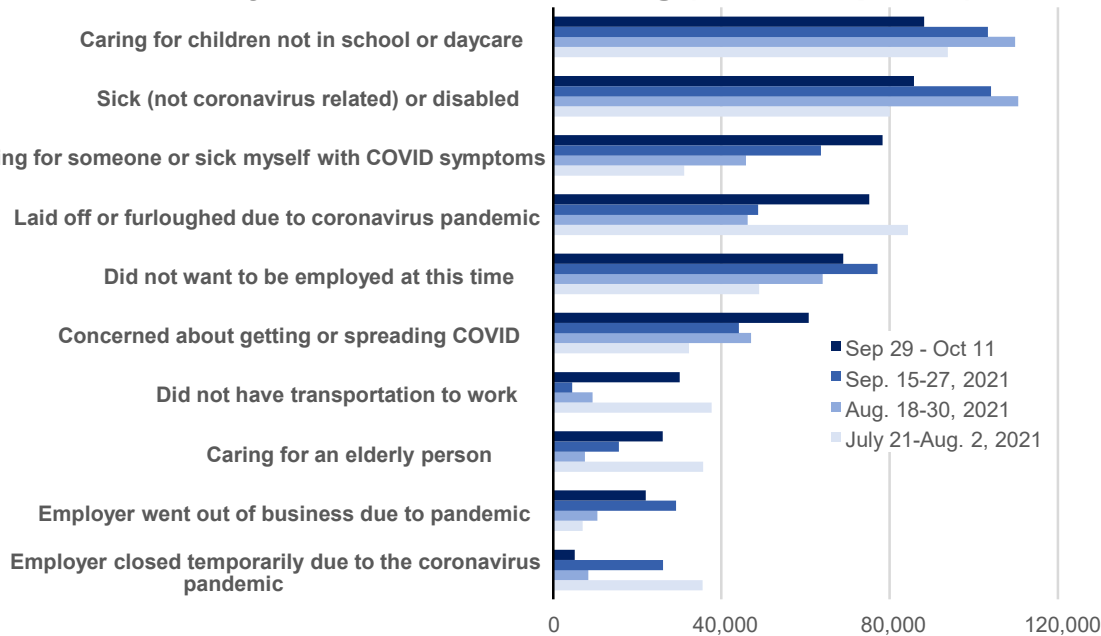
Source: Oregon Employment Department, Local Area Unemployment Statistics

The number of people who were not in Oregon's labor force due to retirement grew by 21% between 2016 and 2019.

Lane County's share of workers 55+ = 25%, about the same as Oregon.

# Some workers still have barriers to getting back to work.

**Oregon Adults Not Working and Not Retired at Time of Survey by Reason for Not Working (Where Reported)**



Source: Oregon Employment Department and U.S. Census Bureau, Household Pulse Survey, Oregon estimates 34, 36, and 38.

Support Business • Promote Employment

*More workers should enter the labor force in the not so immediate future as:*

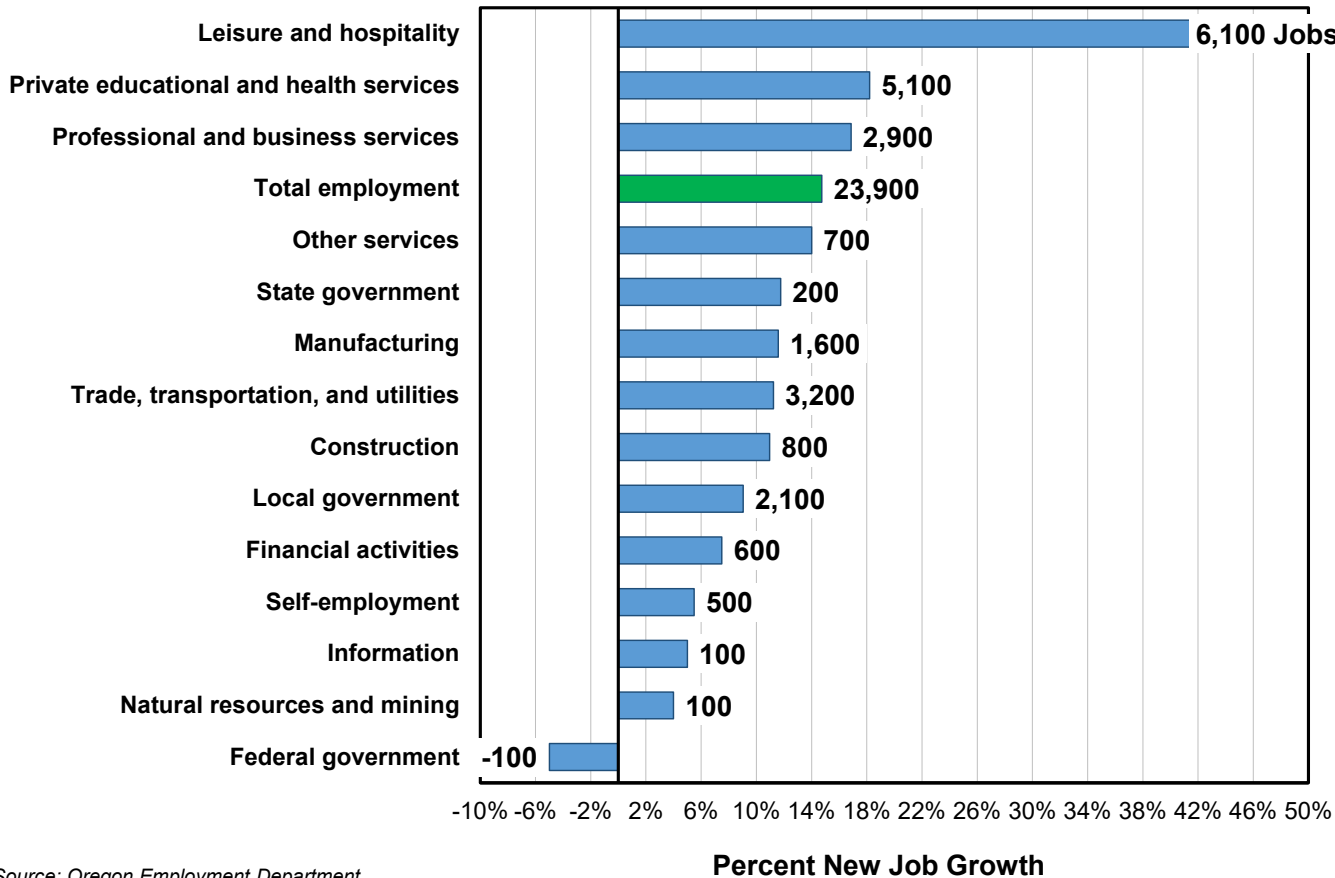
- *Schools reopen and child care shortages are addressed.*
- *Sickness from COVID abates.*
- *Concern for getting or spreading COVID lessens.*
- *Households run out of savings.*
- *In-migration increases as pandemic abates.*



# FORECAST

# Lane County Jobs are Projected to Increase 15% by 2030

## Lane County Industry Sectors Forecast, 2020-2030



*Leisure and hospitality adds the most jobs due to recovery from the COVID-19 recession.*

*Oregon statewide is expected to increase 16% by 2030.*

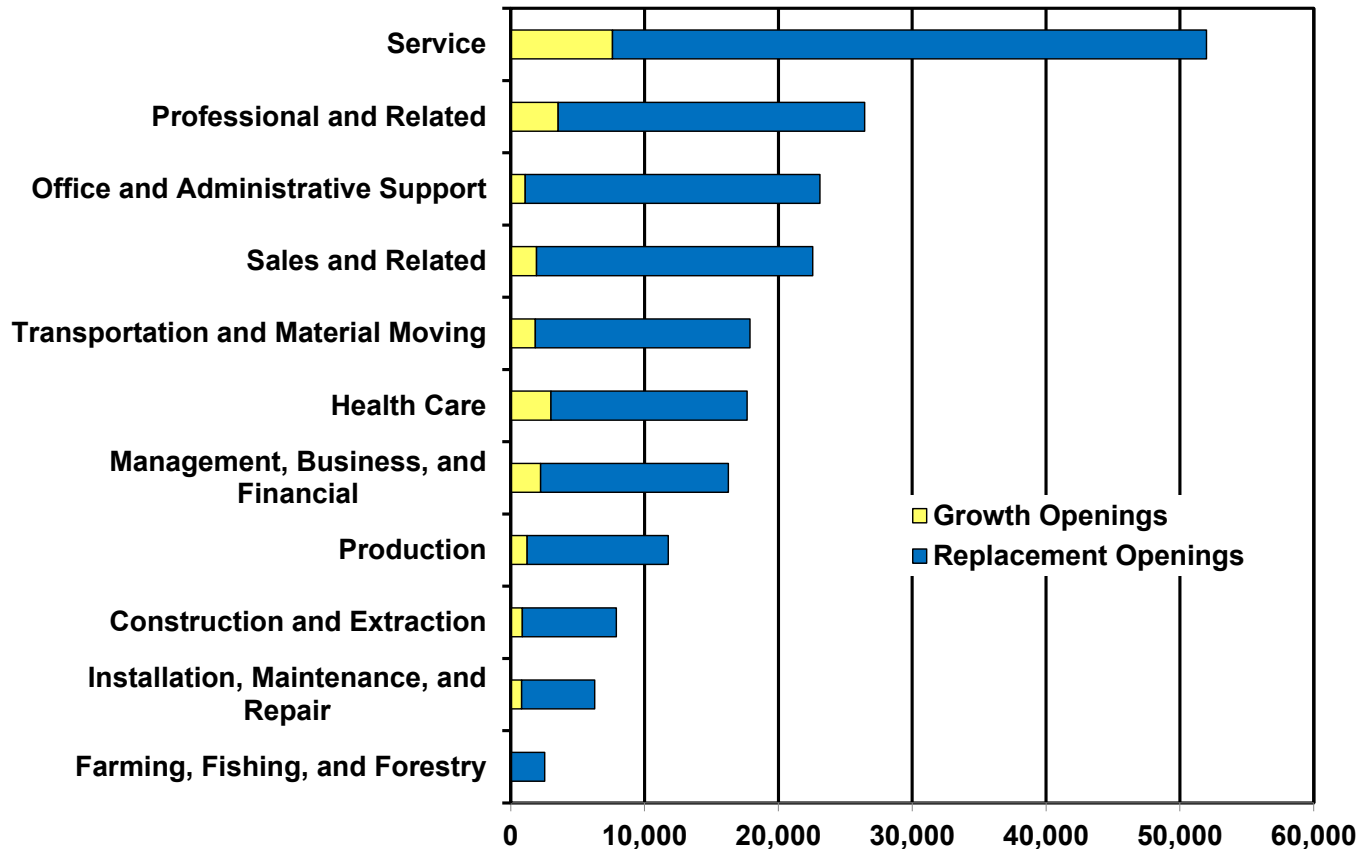
*Other areas expected at fastest rate are Central Oregon (18%), Portland area (17%) and Northwest Oregon (16%).*

Source: Oregon Employment Department



# All broad occupational categories provide opportunity through replacement openings.

## Projected Occupational Openings, 2020-2030 Southwestern Oregon



# Thank you!



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[www.qualityinfo.org](http://www.qualityinfo.org)

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# STATE & FEDERAL LEGISLATIVE PRIORITIES & INFLUENCES

Alex Cuyler, Intergovernmental Relations Manager

# Oregon Legislature

- Short Session convenes February, 2022
  - Bills can amend 21-23 biennial budget
  - Emergency Board will also allocate funding after session
  - State budget is healthy, and federal ARPA funds were not fully allocated (must be obligated by 12/31/2024)
  - State Agencies are already stressed from current budget appropriations
  - Race for Governor includes two seated members
  - Local Government has mixed credibility in Salem
  - The Lane County delegation is well positioned on policy committees, but remains under-represented on funding committees (Joint Ways and Means and sub-committees)

# Oregon Legislature

- Long Session convenes February, 2023
  - ▣ Bills will create 23-25 biennial budget
  - ▣ Re-balance bill is early budget bill and can influence Lane County's FY 23 budget.
  - ▣ Challenge for 23-25 is dependent on federal funding, service demand, and agency right sizing
  - ▣ Leadership positions in both House and Senate could be in flux
  - ▣ The important acronyms: CCA, JRI, CAFFA, SHAP, ARPA
  - ▣ Next Governor could prioritize tax reform, land use, and workforce (or not).

# United States Congress

- Progress For FY 22 Budget
  - ▣ Continuing Resolution in place until Feb 18, 2022
  - ▣ Important Congressionally Directed spending items
  - ▣ Politically charged environment continues
- Outlook for FY 23 Budget
  - ▣ Congressman DeFazio retirement
  - ▣ Republican Majorities possible in both chambers
  - ▣ Will Congressionally Directed spending continue?
  - ▣ Secure Rural Schools versus harvest revenue in light of recent court decisions

# FOCUS AREAS FOR 2022

Steve Mokrohisky, County Administrator

# Focus Areas

Intense focus on emergencies

COVID-19 Response

Holiday Farm Fire Recovery

## Significant Policy Priorities

- Housing & Shelter
- Climate Action
- Public Safety & Behavioral Health System
- American Rescue Plan and Federal Infrastructure Package

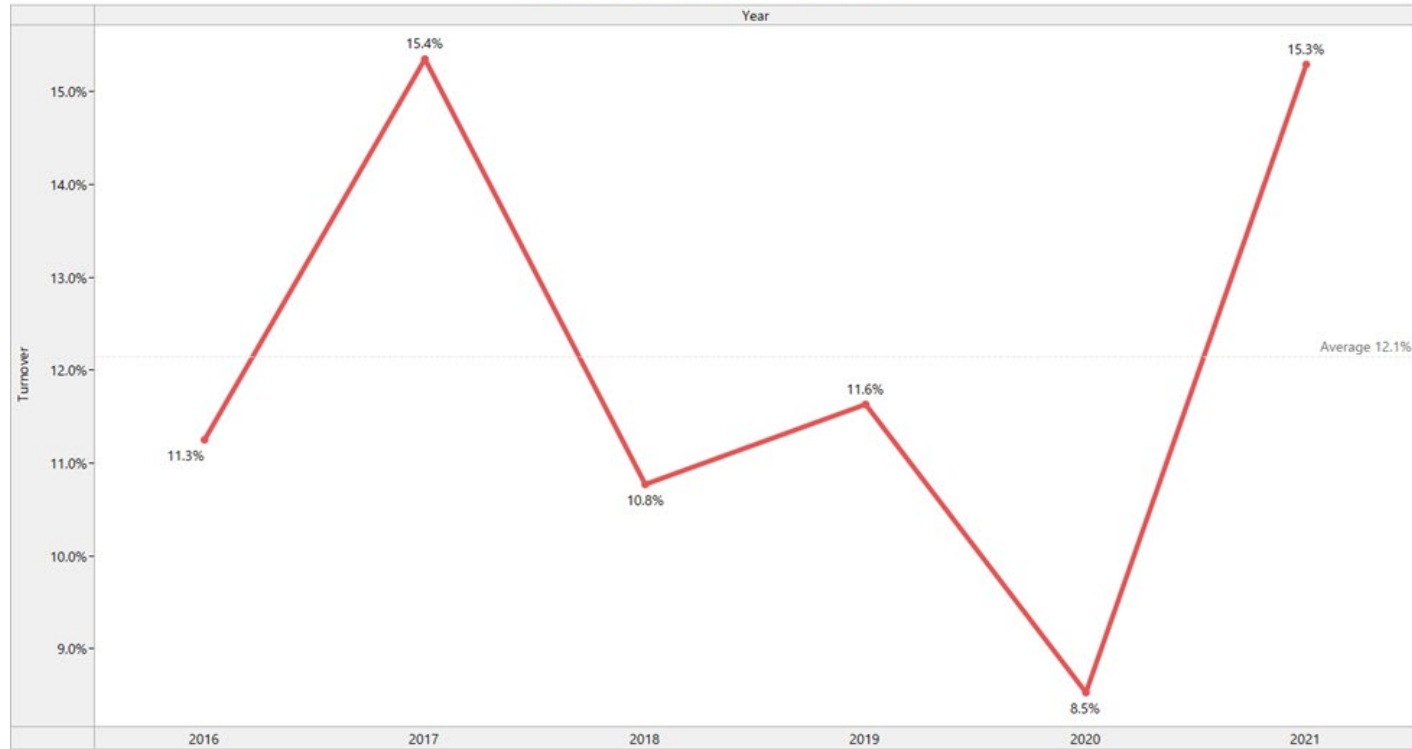
New Department focused on Community Justice

Workforce Challenges & Opportunities



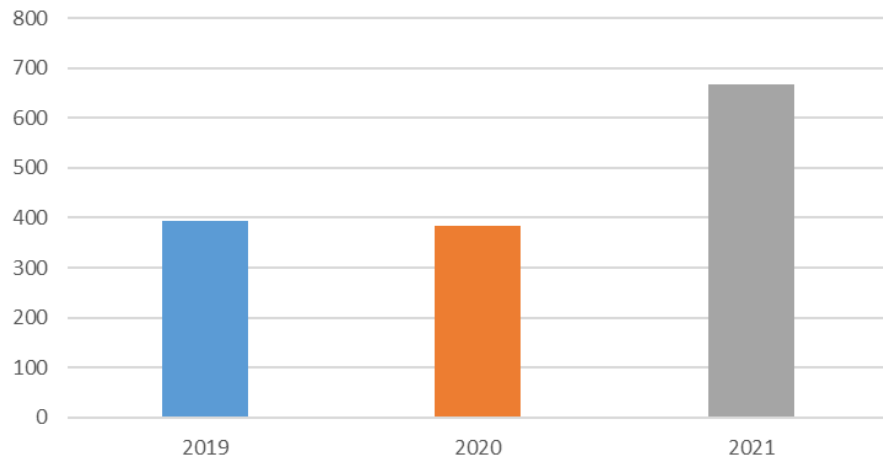
# County Workforce

Turnover County-Wide 2016 - 2021

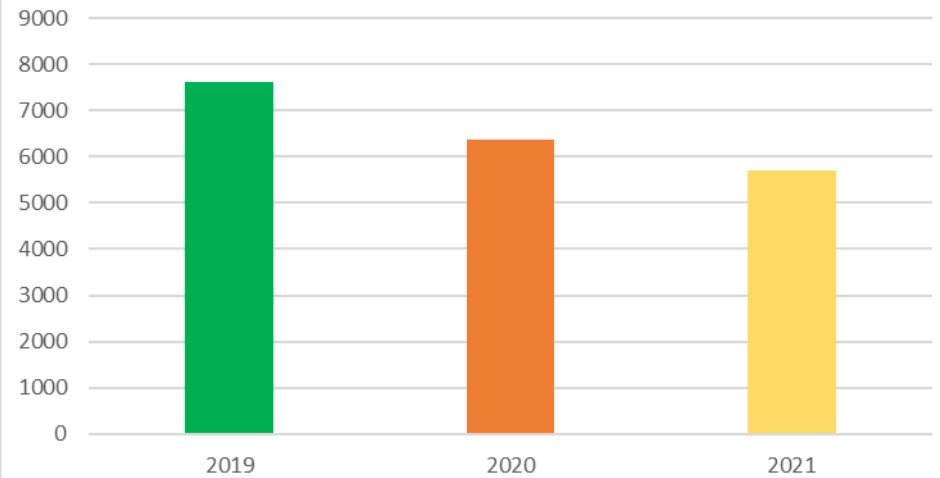


# County Workforce

Total Postings

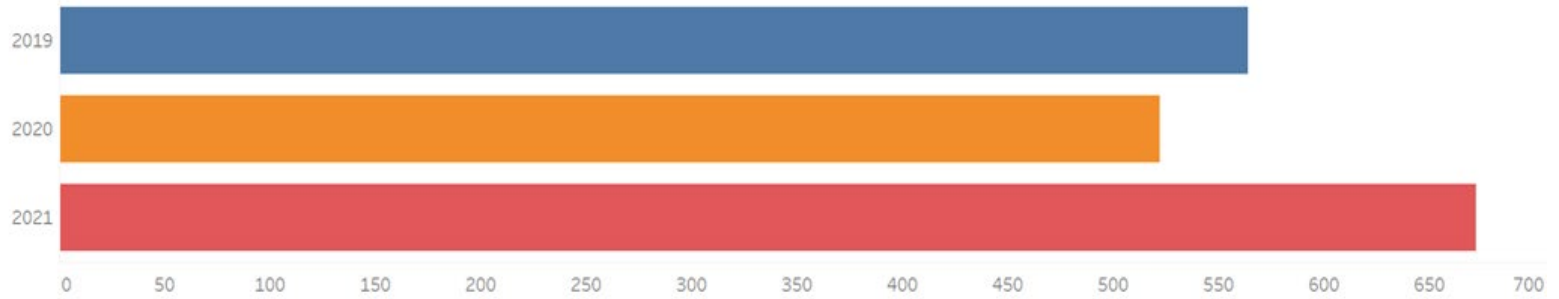


Total Applications



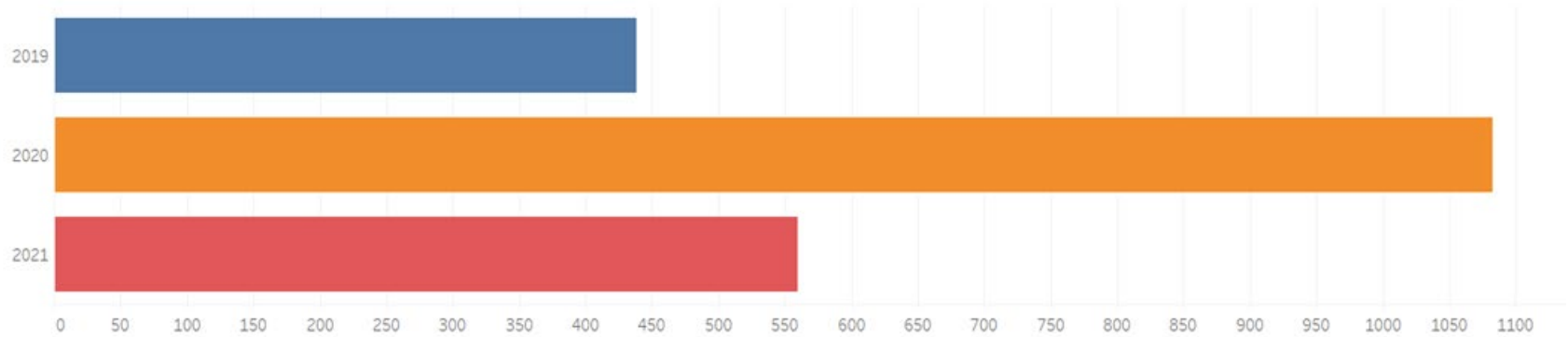
# County Workforce

# of Hires



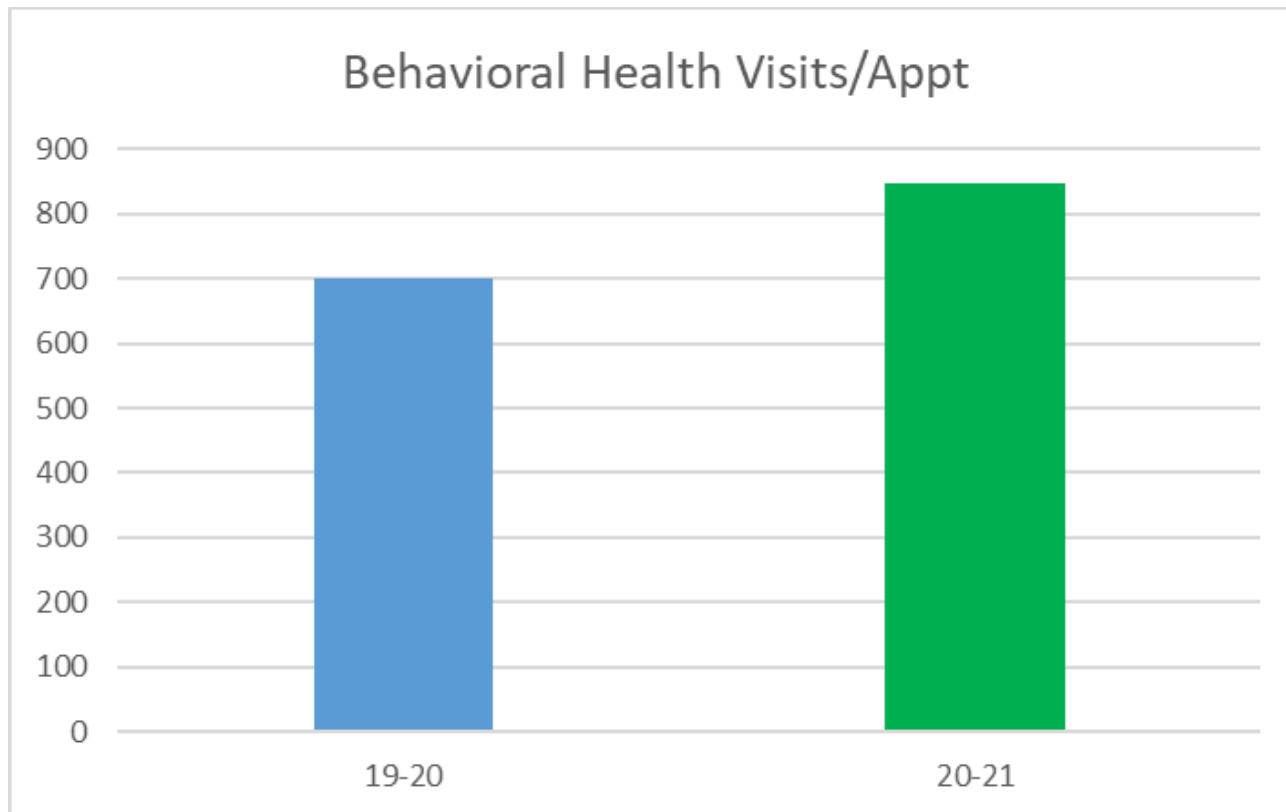
# County Workforce

# of Leaves



# County Workforce

## Employee Wellness & Employee Assistance Program



# INTERSECTION OF PUBLIC SAFETY, BEHAVIORAL HEALTH AND HOMELESSNESS

Cliff Harrold, Sheriff


Pauline Gichohi, Behavioral Health Manager

Kate Budd, Housing Manager



# PUBLIC SAFETY

**Cliff Harrold, Sheriff**



# Behavioral Health (BH) Crisis Center

Pauline Gichohi, Behavioral Health Division Manager



# Best Practice for Crisis Care

- Crisis now Model-4 Components:
  - Someone to Talk to-(call center)-988
  - Someone to Respond-(Mobile Crisis)
  - A Place to go-(Crisis stabilization)
  - Prevent Future crisis-(Follow up services)

# Enhanced BH Crisis System response

- BH liaisons at the jail
- FIT-Forensic Intensive Treatment Team
- Stabilization
- Crisis Center-24/7 (No wrong door)

# Challenges

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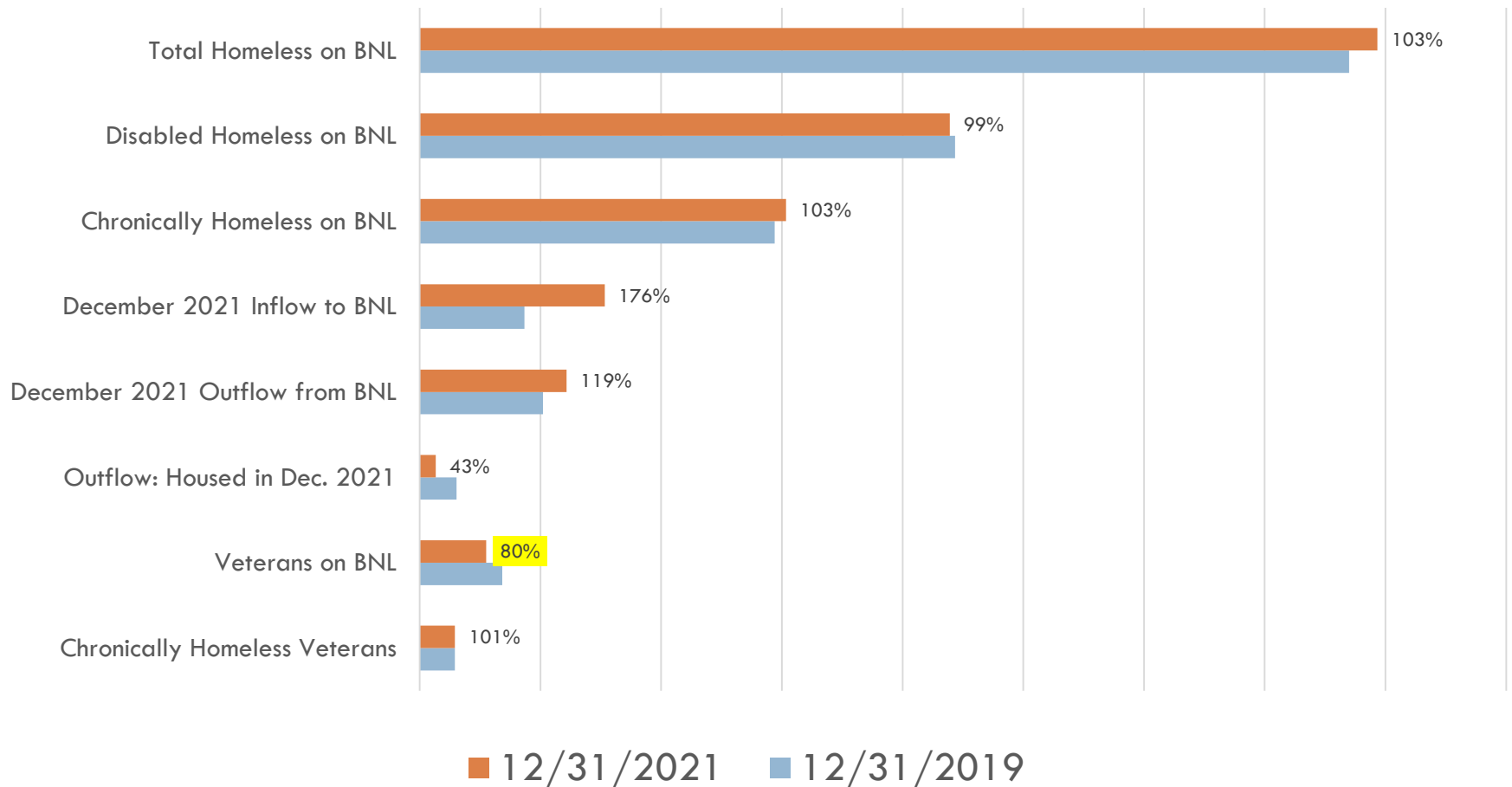
- BH Workforce
- Dwindling Residential Treatment homes
- Children's BH system overhaul

# HOMELESSNESS

Kate Budd, Housing Manager

# Homeless Needs Snapshot

Adults who are Unhoused on the Lane County By Name Lists (BNL)  
December 31, 2019 and 2021



# Permanent Supported Housing

- People with the Highest Needs
  - ▣ Chronically Homeless
  - ▣ Frequent System of Care Engagement
  - ▣ Seniors and People with Disabilities
- Focus on Intensive Engagement
- Strong Public & Private Partnerships



# FUSE Outreach Outcomes

- Frequent User Service Engagement (FUSE)
- Reduces overall costs to systems of care
  - SAMHSA (Substance Abuse & Mental Health Services Administration) Evaluation – FUSE Outreach (6 months)
    - 74% Reduction in ED Visits
    - 87.7% Reduction in Jail Visits
    - 68.7% Reduction in Overall Jail Days
    - 60% Reduction in Inpatient Treatment Visits
    - 80% Reductions in Overall Inpatient Treatment Days

# Permanent Supported Housing

## Enhanced or New Projects

- MLK Commons – FUSE Participants
  - ▣ Reductions in Systems of Care Use
  - ▣ Increase in Client Stability
  - ▣ Additional Supports for Residents
- The Nel
  - ▣ Operations
- Bridges Over Broadway
  - ▣ Transitioning to PSH





# Motel Shelters

- Bridges over Broadway – Wild Fire Survivors
  - ▣ 50 Rooms
- University Inn
  - ▣ 49 Rooms
- Motel 66
  - ▣ 60 Rooms
- Focus on Transitioning Clients Out



# Outreach to Those Unhoused

- Meet Basic Needs of People who are Unsheltered
- Focused Engagement
- Connections to Homeless System & Mainstream Supports

## New Projects

- Lane County Coordinated Entry Rural Outreach
- Carry It Forward Springfield Outreach
- White Bird Outreach



# Emergency Shelter

- Congregate & Private Space
- Wraparound Supports to Reduce Barriers
- Support with getting on Housing Paths

## New Projects

- Brooklyn Street – 12 Beds
- Navigation Center – 75 Beds



# Alternative Shelters

---

- Meet Basic Human Needs
- Pallet Shelters & Vehicle Safe Park Sites
- Partnership with City of Eugene

## Alternative Shelter Sites Enhancements

- Housing Barrier Reduction and Navigation
- Infrastructure

# 2022 Opportunities



- ❑ Covid Federal Funds
- ❑ New & Enhanced Partnerships
- ❑ Building off COVID Shelter Efforts
- ❑ New & Growing Grassroots Groups
- ❑ Integrating Behavioral and Physical Health Supports
- ❑ Built for Zero
- ❑ Landlord Liaison
- ❑ Planning for the Future
- ❑ Youth Homelessness Demonstration Project

# 2022 Challenges

- Infrastructure Needs – Backbone Support
  - HMIS
  - Coordinated Entry
  - Finance
- Flexible Funds
- Non-profit Capacity & Expertise
- 2024 Federal COVID Funding Ends

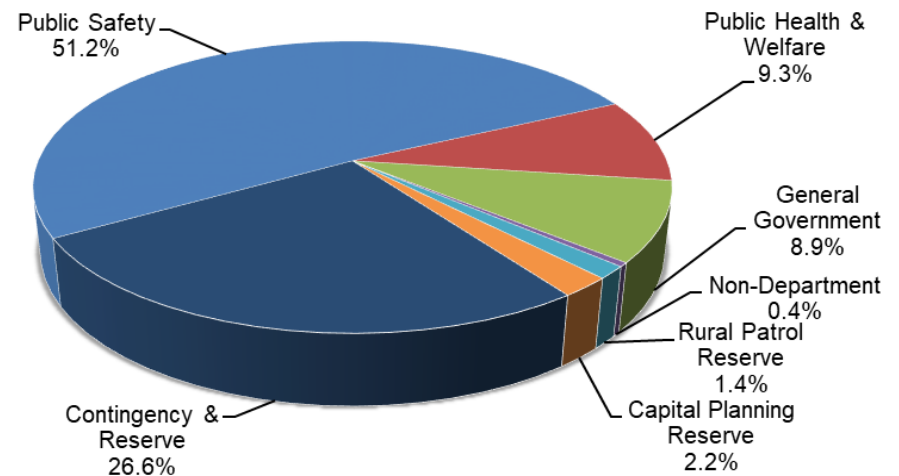
# GENERAL FUND - INITIAL 5 YEAR FORECAST

Christine Moody, Budget & Financial Planning Manager

# General Fund

Primary operating fund for the County, this fund consists of discretionary revenues from tax collections, federal timber receipts, investment earnings, cigarette and liquor taxes, and other state and local revenue sources. The remaining revenues are generated by activities such as grants and contracts, recording and election fees, and other revenues generated by department activities or services.

**Discretionary General Fund FY 21-22  
Allocation by Service Category**





# History v. FY15-16 Forward

## HISTORY

- Loss of Timber revenue
- Property Tax Reform
  - ▣ Expenditures consistently exceeded revenue
  - ▣ Used one-time funds for operations

## FY 15-16 FORWARD

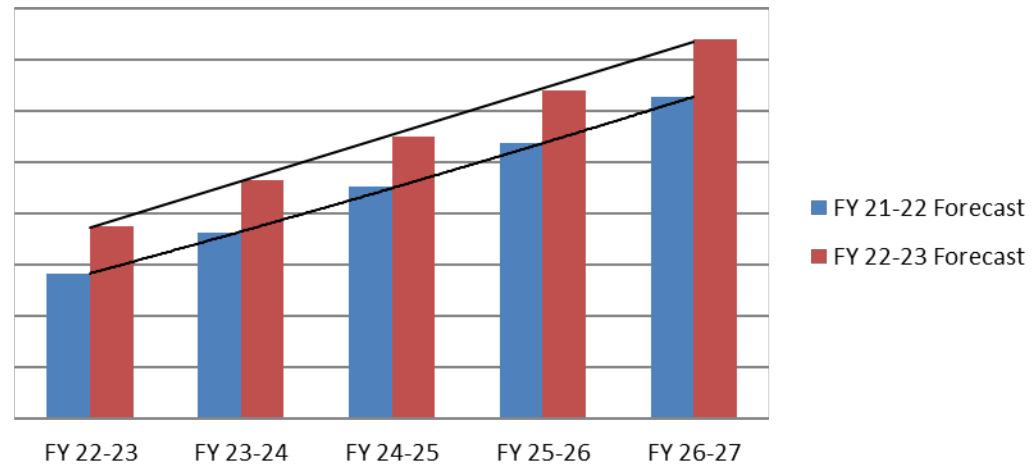
- Stabilized spending
  - ▣ One-time v. Ongoing
- Reduction of expenses
  - ▣ Prepayment of debt
  - ▣ Internal expenses
  - ▣ Self-funded Medical

# Forecast Highlights – Revenue

## Property Taxes

Original flat projection of FY 21-22 not realized. ~3.75%

Future Forecast: 3.25%, 3.75%, 3.5%, 3.5%, 3.75%



## Timber Revenue

3 year extension of Secure Rural Schools, providing 1x \$

## Recording Revenue

Down from FY 20-21, but within budget

## Marijuana Revenue

Measure 110 decreased County allocation by ~\$1 million

## Car Rental Tax

Rebounding faster than anticipated

# Forecast Highlights - Expenses

## **Wages**

Continued growth due to market adjustments and cost of living increases.

## **Benefits**

- Medical claims costs per employee increasing.
- PERS Employer rate stable in FY 22-23; anticipated increases in FY 24-25.
- PERS Bond costs decreasing as enter last 5 year – maintaining smoothing fund

## **Materials & Services**

Future CPI projections for West Region (OR December Economic Forecast)–

FY 22-23 – 2.4%

FY 23-24 – 2.5%

FY 24-25 – 2.6%

FY 25-26 – 2.7%

FY 26-27 – 2.7%

# General Fund Forecast



Next Steps: Forecast will be finalized through Proposed Budget development process

Next Forecast: May, 2022 Budget Committee

# BUDGET CALENDAR

# BASIC BUDGET DIRECTION

Steve Mokrohisky, County Administrator

Christine Moody, Budget & Financial Planning Manager

# Budget Calendar

## **January**

Budget Kickoff w/Leadership Team January 12<sup>th</sup>

Budget Kickoff w/Departments January 18<sup>th</sup>

## **February**

Departments prepare and submit budget to central budget office

## **March**

County Administrator Meetings w/Departments

Adjustments to department budgets

## **April**

Preparation of proposed budget document

## **May/June**

Budget Committee Meetings

Budget Committee Approval and Board of Commissioners Adoption

# Initial Budget Direction

- Personnel
  - ▣ Include previously approved cost of living & market increases in addition to merit raises
  - ▣ Include a vacancy variance all funds
  
- Benefits
  - ▣ Medical rates – Increase of 7.5%
  - ▣ Material & Services – Limit to CPI growth as possible (2.4%)

## GOALS:

- ▣ Structurally balance all funds
- ▣ Continue to meet 20% minimum reserve in General Fund
- ▣ Maintain current service levels
- ▣ Plan to ensure future stability – when one-time funds end

# WRAP UP

Steve Mokrohisky, County Administrator