

HATFIELD RESIDENT FELLOWSHIP PROJECT BRIEF

Multnomah County Central Budget Office: Biennial Budgeting Analysis

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Project Dates: August/2024 – March/2025

PROJECT GOAL

On behalf of the Multnomah County Central Budget Office, the Hatfield Resident Fellow (HRF) prepared a research report that examines the advantages and disadvantages of biennial budgeting at the local level. This report was written in direct response to a 2023 Audit asking the County to consider the feasibility of budgeting on a biennial, rather than an annual, basis. The goal of this research report was to inform the Board of County Commissioners and other Multnomah County decision-makers.

In addition to writing this report, the HRF supported the Budget Office with a variety of special projects, including developing presentations for the Board of County Commissioners, producing internal budget resources, and creating interactive data visualizations using Tableau software.

TAKE-AWAYS

Biennial budgeting offers many potential benefits that could enhance operational efficiency for a local jurisdiction, but it also carries challenges that make implementation risky. Transitioning from an annual to a biennial model is more likely to be successful during a period of fiscal stability and under strong, united leadership. Listed below are several high-level takeaways from the HRF's findings on biennial budgeting:

- **Pro:** Creates opportunities to increase government efficiency by reducing the total amount of time spent on the budget process over a two-year period. This efficiency can give local governments more

capacity to focus on program implementation and evaluation.

- **Pro:** Can encourage longer-term planning and strategic thinking among policymakers, budget officers, and other decision-makers.
- **Con:** Typically makes financial forecasting less certain, making it more difficult to predict and plan for changes in fiscal circumstances.
- **Con:** If not managed correctly, the mid-cycle review process can create inefficiencies that quickly negate any time savings gained by a two-year budget cycle.

CHALLENGES

While many local jurisdictions practice biennial budgeting, identifying these jurisdictions and finding resources on biennial budgeting proved challenging. Public information about the budget process varies widely by jurisdiction, and the literature on biennial budgeting is limited. It was important that the HRF gather enough information to produce a balanced, well-informed report.

STRATEGY & RESULTS

The HRF's report does not intend to provide a recommendation either for or against biennial budgeting. Rather, it offers a neutral framework for consideration. To approach this project from a neutral perspective, the Fellow produced a series of case studies that illustrate how biennial budgeting has been successfully implemented by other jurisdictions. These case studies demonstrate that biennial budgeting is an adaptable model that can be adjusted depending on context.

RESULTS

This report contributes to the store of knowledge and research that the Central Budget Office offers to County policymakers, and could even be useful to other jurisdictions considering biennial budgeting. It has been made publicly available as a resource on the Budget Office website. The Multnomah County Board of Commissioners can use this report in the future to make an informed decision about whether biennial budgeting is a suitable model for the County going forward.