

---

# Foreword

The World Health Organization declared the novel coronavirus, COVID-19, a 'pandemic' on March 11, 2020. Days before, Oregon's first identified COVID-19 case involved exposure in Clackamas County. As a result, the Clackamas County Board of County Commissioners made an emergency declaration on March 2, 2020. On March 23, 2020, Oregon Governor Brown issued Executive Order 20-12, ordering Oregonians to stay at home, closing specified retail businesses, requiring social distancing measures, and imposing other requirements. On March 29, 2020, the federal government issued to Oregon a major disaster declaration.

Socially and economically the impacts have been devastating and far-reaching. As of May 8, 2020<sup>1</sup>:

- Globally, 3.8 billion people have been infected with COVID-19 with over 250,000 deaths.
- In the U.S., there are over 1.2 billion confirmed cases with nearly 75,000 deaths.
- In Oregon, nearly 3,000 cases have been confirmed with 121 deaths.
- Clackamas County has a total of 241 confirmed cases and 8 deaths.
- The national unemployment rate has risen from 3.5% in February 2020 to 14.7% in April 2020.
- The Oregon Employment Department has received 381,800 unemployment claims since mid-March 2020.
- Clackamas County residents have filed over 24,000 unemployment claims since March 15, 2020.

The long-term economic impacts of this unprecedented national event remain unseen. Clackamas County's financial sustainability and stability will need to be monitored closely, as data and impacts are recognized. Recent operational efforts to enhance the County's financial reporting frequency will be significant in the County's continued ability to be strategic and responsive. Frequently reassessing the County's financial health indicators (liquidity, debt ratio, fund ratio, net position, and revenue overages/shortfalls) is strongly recommended.

In alignment with the County's 2020-2021 budget strategy currently underway, this financial condition analysis and report have been completed and presented according to the pre-pandemic design and substantial effort. The report presents the June 30, 2019 financial condition of the County as supported by the most recently audited Comprehensive Annual Financial Report. The long-term pandemic impacts are unknown and have not been taken into consideration. The presentation of historical data has been expanded to include Great Recession data points, 2007 through 2009, in addition to the ten year analysis period of 2010 to 2019. While the Great Recession was a result of a leading period of economic decline and the current economic crisis has occurred extremely quickly during a period of strong economic growth, awareness of its impacts and the recovery period associated with the recession may inform County strategy in the coming months and years. Whether similar revenue decline and recovery trends will occur is unknown. The long-term impacts on property tax, federal and state funding, and other sources of revenue are undetermined.

This evaluation of the County's pre-pandemic financial health will provide a baseline for future analysis of COVID-19 impacts and will inform continuing evaluations of the County's five strategic priorities and its 12 goals. New considerations may emerge, which result in goal adjustments, as the County's social and economic landscapes react to this worldwide event.

---

<sup>1</sup> Clackamas County Emergency Operations Center Situation Status Report #57, 5/8/2020