



FY 2025 General Fund 5-Year Forecast Update

Presented to the
Board of County Commissioners

Multnomah County
March 21, 2024

Located at: www.multco.us/budget

Agenda

- Economic Overview
- FY 2024 Revenue Review
 - BIT
- FY 2025 General Fund 5-Year Forecast
- FY 2025 One-Time-Only Funds
- FY 2024 General Fund Contingency Update
- Forecast Risks and Issues
- Summary and Questions



Economic Overview

- Stubborn inflation
 - Good for Interest revenue, bad for personnel costs
- Strong jobs report but big retro revisions
 - Locally, employment growth still sluggish
 - Revisions suggest rate cuts
- Uncertainty
 - Property Values
 - Official Vacancy Rates continuing to catch up to reality
 - Population
 - Census/PRC: low growth or slowing decline



FY 2024 Revenue Review

	Adopted ¹	November Forecast Change	March Forecast Change	May Forecast Change	Net Change From Adopted	Note
Property Taxes	388,686,560	4,429,621	(3,000,000)		1,429,621	Lower Compression/Higher Delinquency
Business Income Taxes	155,071,186	0	0		0	
Motor Vehicle Rental Taxes	33,838,500	2,176,770	0		2,176,770	Increased Compliance
US Marshal/BM 73/BOP	6,614,875	(2,785,406)	0		(2,785,406)	Decrease in USM Bed Usage
State Shared						
Video Lottery	6,350,000	0	0		0	
Liquor	5,538,500	0	0		0	
Cigarette	593,042	0	0		0	
Marijuana	1,000,000	0	0		0	
Amusement	173,000	0	0		0	
Recording Fees/CAFFA Grant Indirect	7,829,365	(1,172,000)	0		(1,172,000)	Housing Activity Very Slow
Departmental	28,186,238	0	0		0	
Central Indirect/Svc Reimburse	17,921,567	0	0		0	
All Other	46,352,038	6,480,000	3,000,000		9,480,000	Interest
FY 24 Revenue Adjustments ²	698,154,871	9,128,985	0	0	9,128,985	
% of Revenue		1.31%	0.00%	0.00%	1.31%	

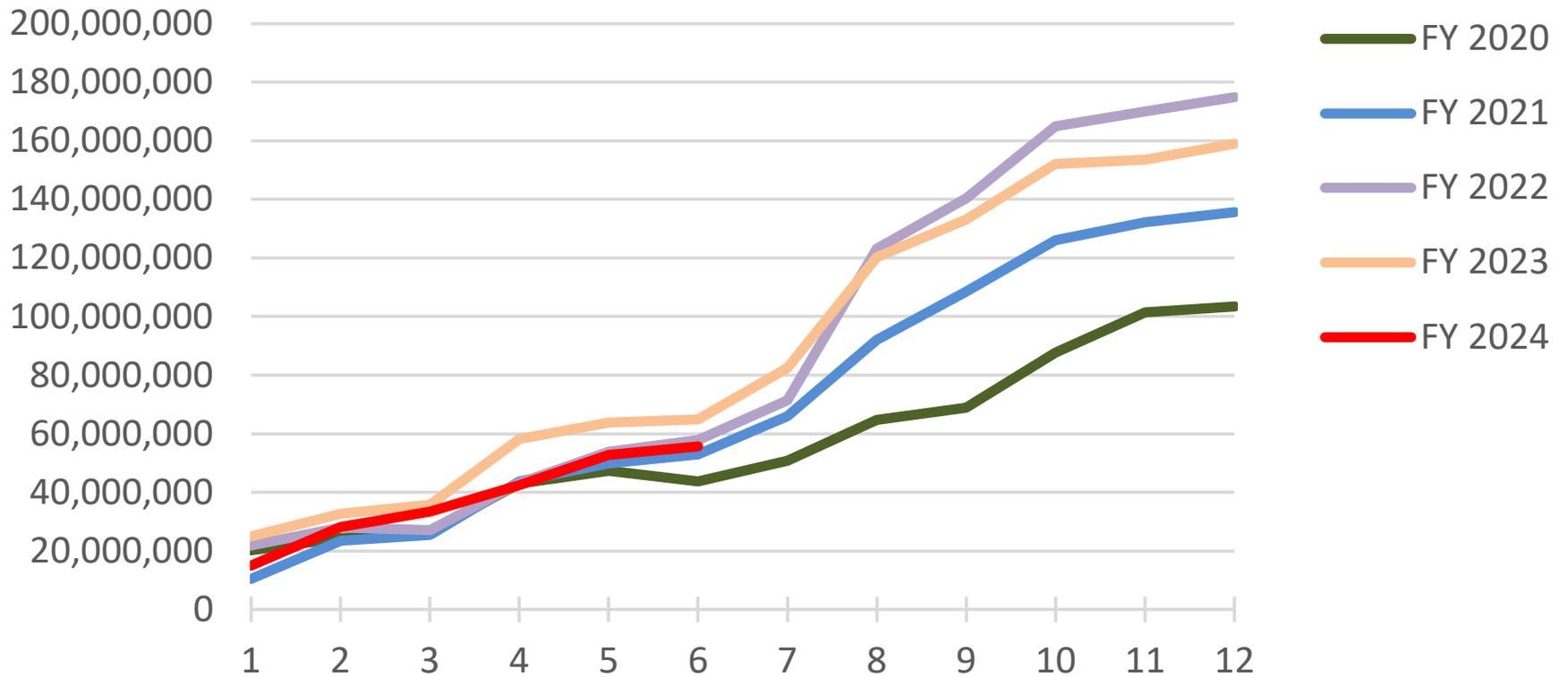
1. Excludes BWC and Tax Title: Affordable Housing but includes Video Lottery.

2. Not adjusted for revenue adjustments directly offset by expenditure changes.



FY 2024 Revenue Review

Cumulative Business Income Tax (BIT) Collections by Year



FY 2024 Revenue Review

US Corporate Profits (Pre-Tax)



Source: St. Louis Federal Reserve (FRED), Bureau of Economic Analysis



5-Year General Fund Forecast

Table 1: Forecasted Ongoing General Fund Expenditures, Revenues, and Balance

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	721,925,865	744,327,435	770,580,634	802,329,856	829,550,707
Expenditures	726,032,190	760,581,852	790,059,013	827,661,959	858,430,351
Ongoing Surplus/(Deficit)	(4,106,325)	(16,254,417)	(19,478,379)	(25,332,103)	(28,879,644)
SB 1145 Ongoing Funding Gap	(3,584,843)	(3,728,237)	(3,877,366)	(4,032,461)	(4,193,759)
November Forecast with SB 1145 Backfill	(7,691,168)	(19,982,654)	(23,355,745)	(29,364,564)	(33,073,404)
Interest Adjustment	2,000,000	0	0	0	0
PERS HB 4045 Impact	0	(1,600,000)	(1,664,000)	(1,730,560)	(1,799,782)
Actual COLA 3.3% instead of 3.7% (Personnel and Contracted Services)	1,756,724	1,826,993	1,900,073	1,976,076	2,055,119
March Forecast with SB 1145 Backfill	(3,934,444)	(19,755,661)	(23,119,673)	(29,119,048)	(32,818,067)

Note: Revenues/Expenditures include video lottery, but excludes reserves and one-time resources



FY 2025 One-Time-Only (OTO) Funds

General Fund FY 2023 Beginning Working Capital & FY 2025 OTO ^{1, 2}

Year-End as of November 1, 2023

FY 2024 Beginning Balance ³	227,183,730
FY 2024 Budgeted Beginning Balance	177,955,961
Additional FY 2024 BWC (OTO)	49,227,769
Plus Additional FY 2024 Revenues	9,128,985
Less Amount to Maintain FY 2025 Reserves at Board Policy Level	<u>(4,345,458)</u>
OTO Funds for FY 2025 per November Forecast	54,011,296
Plus Additional FY 2025 Interest Revenue	2,000,000
Less Amount to Maintain FY 2025 Reserves at Board Policy Level	<u>(240,000)</u>
OTO Funds for FY 2025 per March Forecast	55,771,296
<i>50% Dedicated to County Facility/IT Projects per Board Policy</i>	<i>27,885,648</i>
<i>Remaining 50% to be Allocated</i>	<i>27,885,648</i>

1. Assumes the FY 2024 General Fund Contingency is fully spent in FY 2024.
2. Assumes departments fully spend their FY 2024 appropriation.
3. Adjusted for additional restricted County Clerk BWC, and Tax Title: Affordable Housing.



FY 2024 Contingency Update

Contingency

General Fund 'Regular' Contingency	2,000,000	
Additional Contingency for Uncertainty	2,201,914	Includes \$327,000 for DCJ PPOs
Ambulance Service Plan Assessment	(167,086)	Approved by Board 2/29/2024
Additional SB 1145 Contingency Request	(345,424)	Approved by Board 8/31/2023
Bybee Lakes Emergency Action	(1,500,000)	Approved by Board 9/7/2023
Remaining Non-Earmarked Contingency	2,189,404	

Earmarked Contingency

Earmark - Body Worn Cameras	137,596	Partial amount approved by Board 11/9/2023
Expanded Support for Shelter Program Partners	405,000	
SB 1145 Contingency Earmark	0	Approved by Board 8/31/2023
Moving DA to Uniformed PERS	859	Partial amount approved by Board 11/9/2023 and 1/4/2024
BM 114	203,826	
LEAD Diversion Pilot Implementation	200,000	
Total Earmarked Contingency	947,281	

Total General Fund Contingency **3,136,685**

BIT Reserve @ 10% (in General Fund Contingency)	<u>18,608,542</u>
Total General Fund Contingency	21,745,227

Note: The forecast assumes the General Fund Contingency will be fully spent, with the exception of the Reserves, which is 'rolled over' to FY 2025

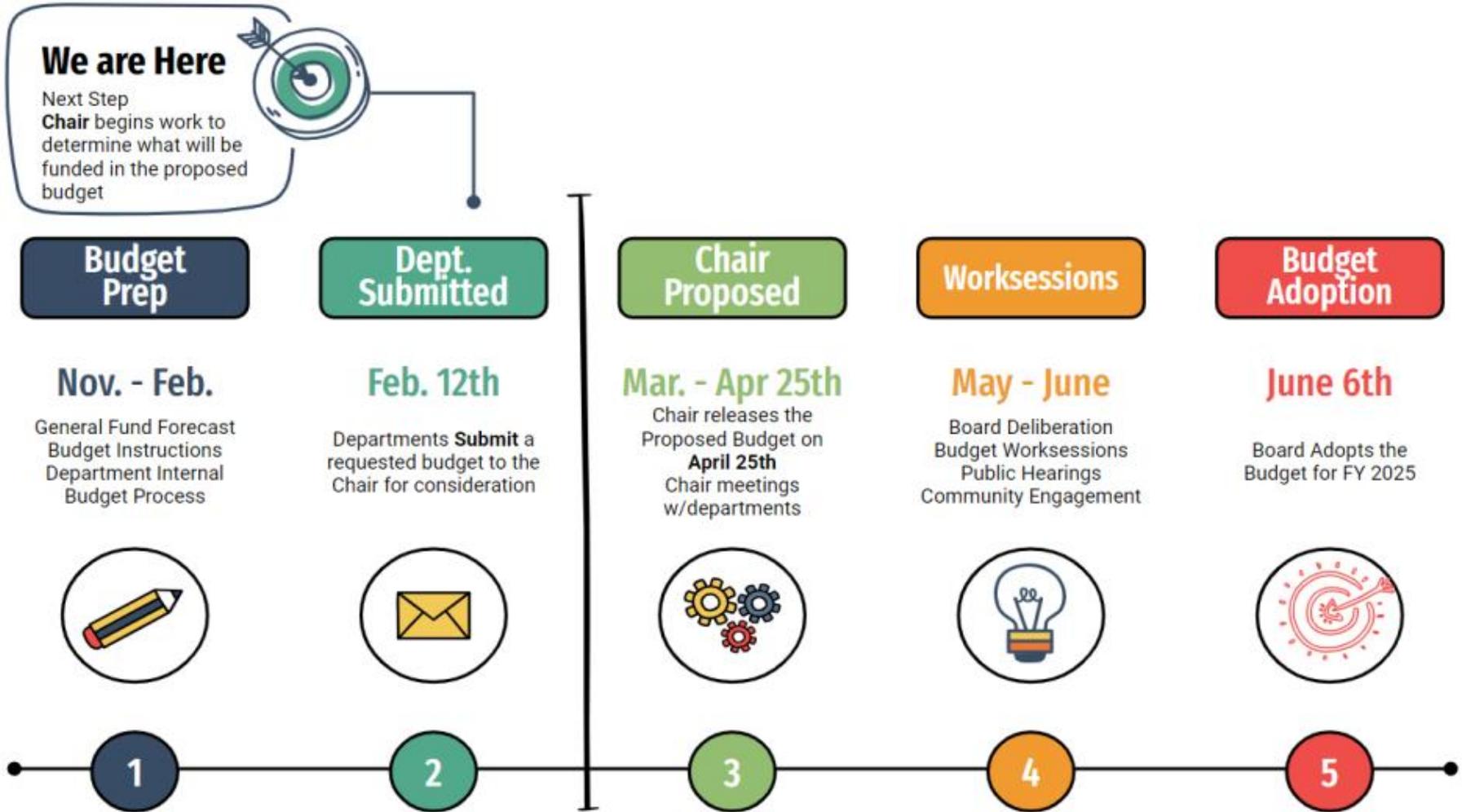


Summary

- No net FY 2024 General Fund revenue forecast change
- FY 2024 General Fund contingency balance of \$1.9 million (unallocated)
- Deficit of \$4.2 million forecast for FY 2025
 - Includes SB 1145 ongoing funding gaps
 - Becomes deficit of \$32.8 million by FY 2029
- FY 2025 General Fund OTO resources of \$55.8 million
 - \$27.9 million for facility/IT projects (per Board policy)
 - \$27.9 million to be allocated
- Major risks, uncertainties, and issues include:
 - Property Values
 - Inflation



FY 2025 Budget Milestones



FY 2025 Budget Info and Dashboard

[Multco.us/budget/fy-2025-budget](https://multco.us/budget/fy-2025-budget)



Multnomah County Budget Dashboard

Submitted Budget for FY 2025 (July 1, 2024 - June 30, 2025)

Questions? Suggestions? Email multco.budget.office@multco.us



FY 2025 Submitted Budget Summary

Department	Division	Expense Type (Operating by Default)	In/Out of Target?
(All)	(All)	Operating Expenses	In Target

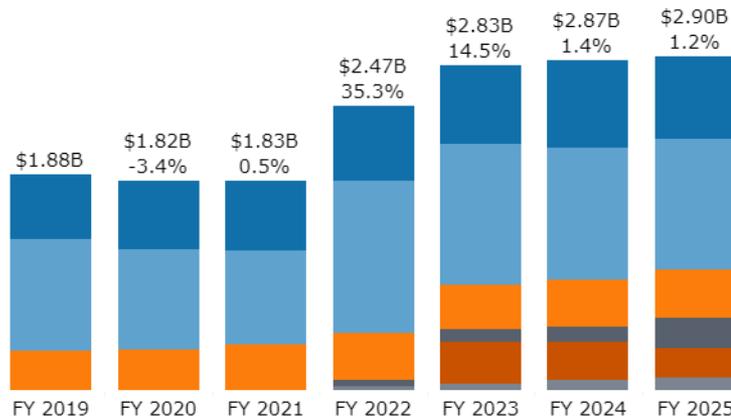
FY 2025 Fund Summary

Click on a fund to filter the charts below

General Fund	Other Funds	Fed/State Fund	Supportive Housing Services (SHS) Fund	Library Capital Construction (GO Bond) Fund	Preschool for All Fund	Grand Total
\$713,830,556 2,495.52 FTE	\$1,145,039,250 1,811.48 FTE	\$410,044,757 1,287.25 FTE	\$270,031,938 111.05 FTE	\$253,425,980 14.00 FTE	\$110,271,296 53.98 FTE	\$2,902,643,777 5,773.28 FTE

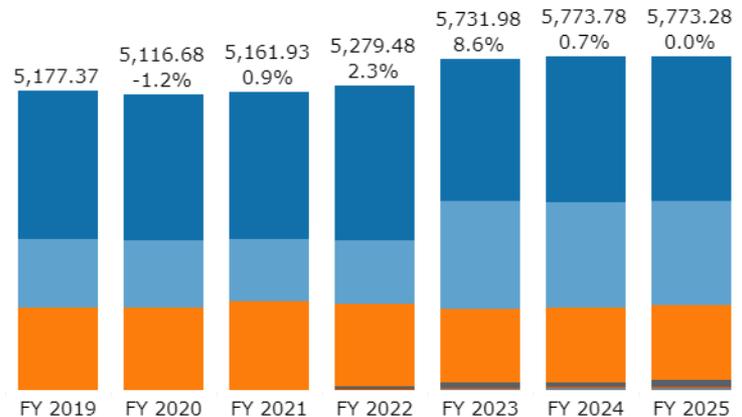
Annual Budget Trend

FY 2019-2024 Adopted Budget; FY 2025 Submitted Budget (Expenses and Percent Change)



Annual Staffing Levels

FY 2019-2024 Adopted Budget; FY 2025 Submitted Budget (FTE and Annual Change)



Questions

