



FY 2026 General Fund Forecast - May Update

Presented to the Multnomah County
Board of County Commissioners

May 28, 2025

Central Budget Office

A circular inset image on the left side of the slide shows a view of a city skyline with a bridge in the foreground. The bridge has a red and white structure. The city buildings are visible in the background under a blue sky with some clouds.

Agenda

Financial Context

Revenues

Five-Year Forecast

OTO, Contingency, and Risks

Financial Context (FY 2026 New Revenue)

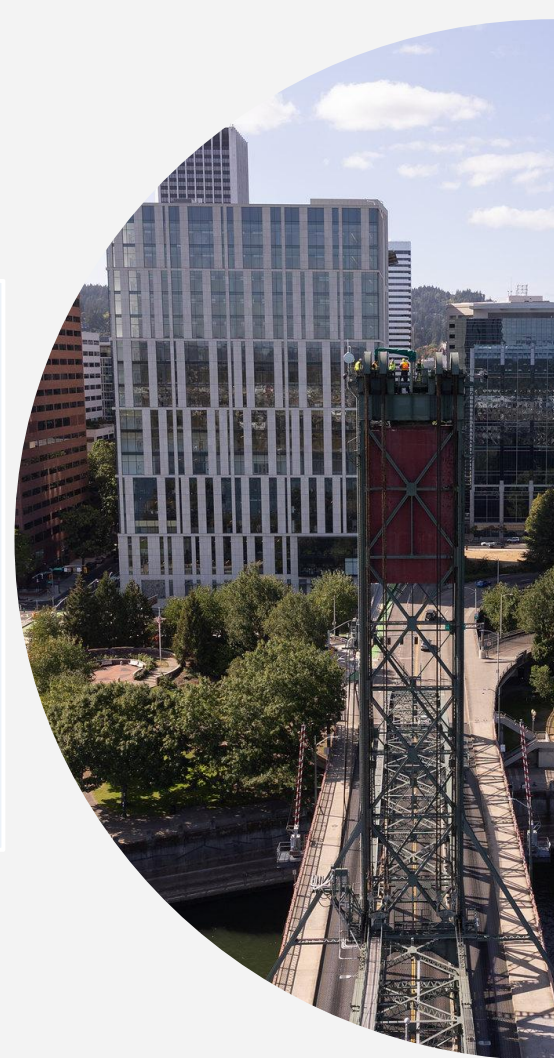
Ongoing Available for FY 2026

New Opioid Settlement Revenue	545,000
Total Ongoing Available for FY 2026	545,000

OTO Available for FY 2026

Unused FY 2025 Public Campaign Finance Contingency	500,000
Rent Assistance Refunds	113,000
New Gun Violence Grant Swap*	495,288
Total OTO Available for FY 2026	1,108,288

*Requires Board Action at May 29th Board Meeting





Revenues

FY 2025 Revenue Review

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

2. State Shared includes Liquor, Cigarette, Marijuana, Video Lottery, and Amusement

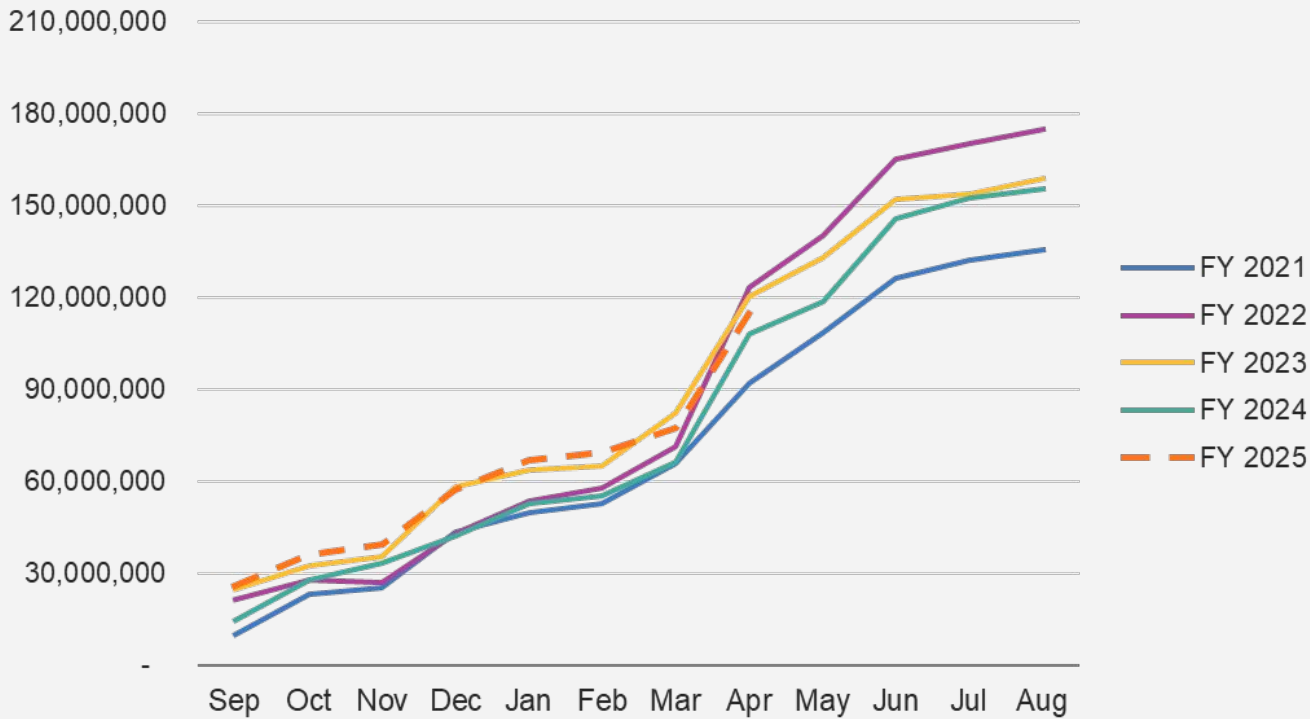
3. Not adjusted for revenue adjustments directly offset by expenditure changes

4. No changes in May forecast update

	FY 2025 Adopted ¹	November Forecast Change	March/May ⁴ Forecast Update	Net Change from Adopted	Note
Property Taxes	403,868,961	1,788,416		1,788,416	Lower compression
Business Income Taxes (BIT)	162,953,555	0	2,000,000	2,000,000	Strong Corp Profits
Motor Vehicle Rental Taxes (MVRT)	36,735,757	1,964,425	1,500,000	3,464,425	Strong PDX Traffic/ UO Football
US Marshal/BM 73/BOP	3,676,250	(2,025,750)	(337,625)	(2,363,375)	Reduce assumption to 15 beds
State Shared ²	14,053,629	0	(184,146)	(184,146)	
Recording Fees/CAFFA Grant	5,534,156	0	0	0	
Indirect					
Departmental	46,146,925	0	0	0	
Central Indirect / Svc Reimburse	11,892,809	0	0	0	
All Other	53,637,156	0			
FY 2025 Revenue Adjustments³	738,499,198	1,727,091	2,978,229	4,705,320	
% of Revenue		0.23%	0.40%	0.64%	

Business Income Tax (BIT) (26.0% of Discretionary CGF)

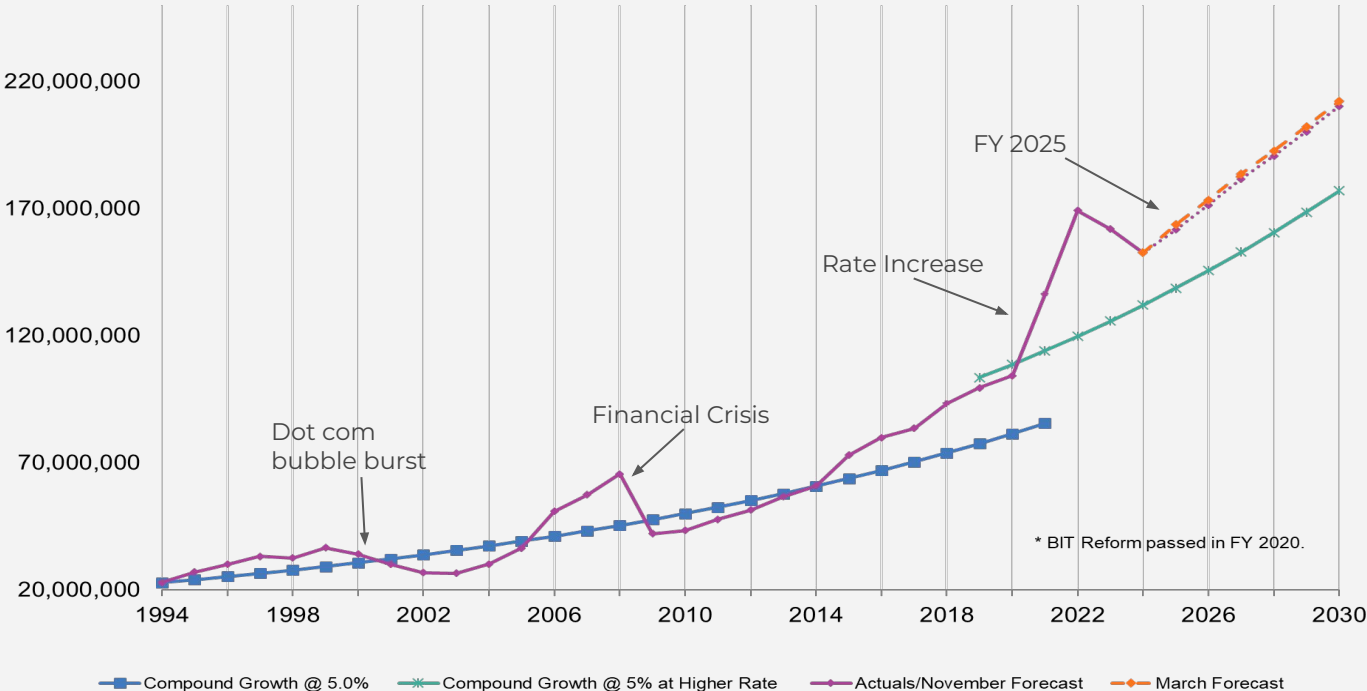
Cumulative BIT Collections by Year



Collections
converging back
to expectation.

Business Income Tax (BIT)

Annual BIT Collections: History and Forecast



No change to forecast assumptions.

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Significant uncertainty going forward.

Business Income Tax (BIT)

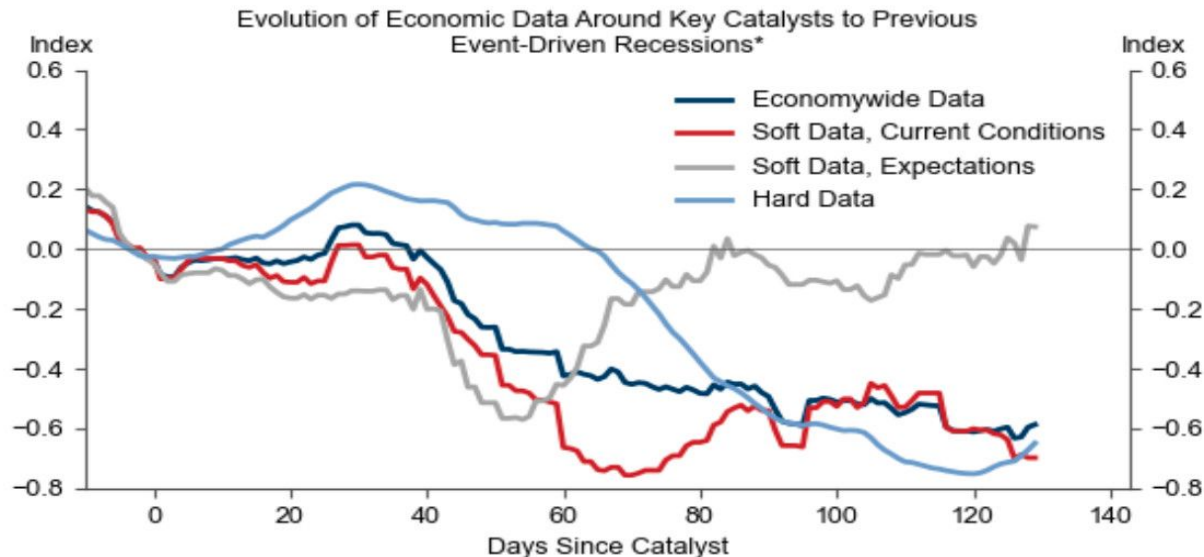
Consumer Sentiment

Vibes can change
before the hard
data

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Expectations for
inflation and
economic output
moving in wrong
direction

Exhibit 3: In Past Recessions With a Clear Precipitating Event, Survey Expectations Components Declined First, and Hard Data Showing Clear Weakness Only Became Available a Few Months Later



* Includes the 1973 oil spike, the 1979-1980 interest rate increases, the 1990 oil price spike at the start of the invasion of Kuwait, and the 2001 dot-com crash.

Source: Goldman Sachs Global Investment Research

Business Income Tax (BIT) (26.0% of Discretionary CGF)

US Corporate Profits

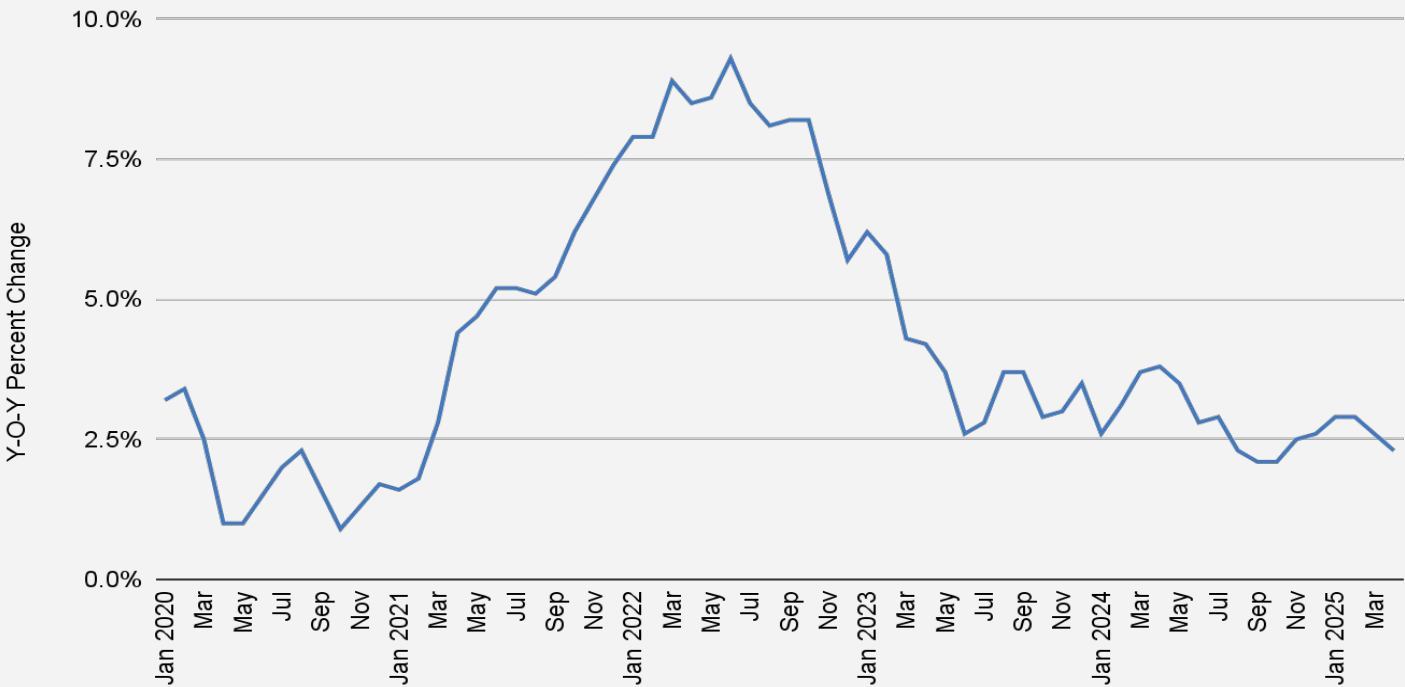


BIT payments are based on Net Income and correlated with US Corporate Profits.

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

Inflation

CPI-W West Size A Y-O-Y Percent Change

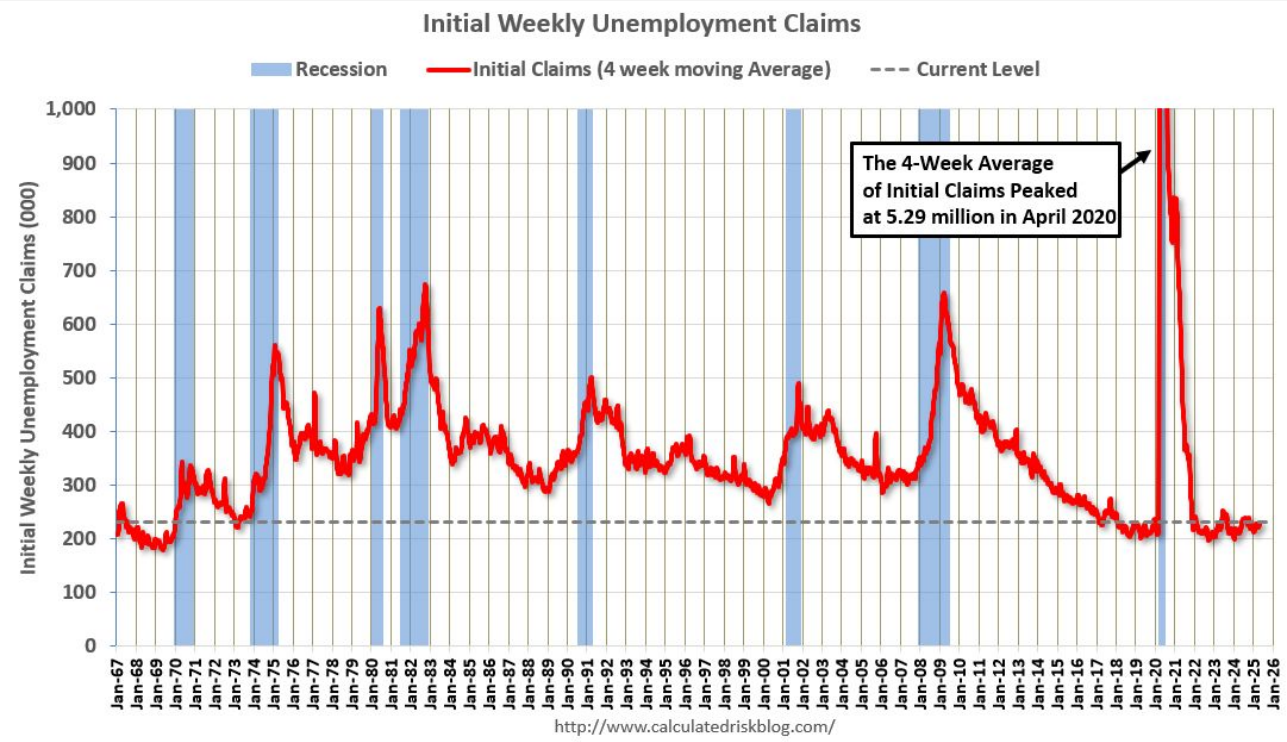


Inflation moderating but expected to rise due to tariffs.

Source: Bureau of Labor Statistics, Consumer Price Index

Economic Overview

Initial Weekly Unemployment Claims



Early indicator
of economic
weakness.

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Still at historically
low levels.



Five-Year Forecast

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

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	753,001,418	781,171,978	814,986,507	843,236,951	872,625,422
Expenditures	773,464,287	805,319,921	848,615,296	881,002,260	919,034,619
Ongoing Surplus/(Deficit)	(20,462,869)	(24,147,942)	(33,628,789)	(37,765,309)	(46,409,196)
TIF District Foregone Revenue	(763,707)	(1,890,325)	(3,445,179)	(4,663,154)	(6,012,770)
Nov. Forecast with TIF Impact	(21,226,576)	(26,038,267)	(37,073,968)	(42,428,463)	(52,421,966)
Returning TIF Schedule Change	0	5,700,000	0	0	0
Motor Vehicle Rental Tax Increase	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Business Income Tax (BIT) Increase	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net COLA Change	1,219,687	186,212	193,661	201,407	209,464
USM Decrease	(337,625)	(337,625)	(337,625)	(337,625)	(337,625)
Post-Submittal Validation	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
March/May Forecast	(15,544,514)	(15,689,680)	(32,417,932)	(37,764,681)	(47,750,128)
Expected Deficit After Balancing FY 2026	0	476,615	(15,604,986)	(20,279,216)	(29,565,245)



Contingency and Risks

FY 2025 Contingency Update

Contingency

General Fund “Regular” Contingency	446,346
Additional Contingency	32,019
Remaining Non-Earmarked Contingency	478,365

Earmarked Contingency

Earmark - Public Campaign Finance Earmark (Fund 10050)*	500,000
Earmark - Hansen Deconstruction	0
Total Earmarked Contingency	500,000

Total General Fund Contingency	978,365
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BIT Reserve @ 12% (in General Fund Contingency)	19,554,427
Total General Fund Contingency	20,532,792

Note: The forecast assumes the General Fund Contingency will be fully spent, with the exception of the Reserves, which is “rolled over” to FY 2026.

**FY 2026 Amendment to roll this over*

Risks

Open Labor Contracts

State and Federal Changes

Economic Uncertainty





Questions?