



# FY 2027 General Fund Forecast Update

Presented to the Multnomah County  
Board of County Commissioners

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March 17, 2026

Central Budget Office



# Agenda

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Economic Overview

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Revenues

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OTO/Contingency/Risks

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

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	789,081,318	810,270,796	833,987,525	863,736,631	893,740,896
Expenditures	799,616,152	831,903,298	865,841,466	909,365,465	921,590,135
<b>Nov. Forecast Ongoing Surplus/(Deficit)</b>	<b>(10,534,833)</b>	<b>(21,632,502)</b>	<b>(31,853,941)</b>	<b>(45,628,834)</b>	<b>(27,849,239)</b>
<i>Bargaining Impacts*</i>	<i>(4,809,824)</i>	<i>(4,466,716)</i>	<i>(4,645,384)</i>	<i>(4,831,200)</i>	<i>(5,024,448)</i>
<i>USM/Liquor Reduction</i>	<i>(702,757)</i>	<i>(702,757)</i>	<i>(702,757)</i>	<i>(702,757)</i>	<i>(702,757)</i>
<i>DCA ISR Constraint</i>	2,897,000	3,012,880	3,133,395	3,258,731	3,389,080
<i>Post-Submittal Validation</i>	2,036,380	2,117,835	2,202,549	2,290,651	2,382,277
<b>March Forecast Ongoing Deficit</b>	<b>(11,113,853)</b>	<b>(21,671,078)</b>	<b>(31,865,957)</b>	<b>(45,613,227)</b>	<b>(27,804,905)</b>
<b>Expected Deficit After Balancing FY 2027</b>	<b>0</b>	<b>(10,648,172)</b>	<b>(20,402,134)</b>	<b>(33,690,852)</b>	<b>(15,405,635)</b>

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

\*Includes contracts that have been settled or begun mediation since November Forecast Update

# Economic Overview

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1 Weakening Employment Nationally

2 Prices, Tariffs, and Interest Rates

3 Geopolitical Strife

4 Development Picture Unimproved



An aerial photograph of a city skyline, likely Portland, Oregon, featuring a large bridge under construction over a river. The bridge's central tower is a prominent red structure with a white 'X' pattern. The city is filled with various high-rise buildings, including a prominent brick building on the left and a modern glass-fronted building in the center. The sky is blue with scattered white clouds. A semi-transparent white banner is overlaid across the middle of the image, containing the word 'Revenues' in a bold, blue, sans-serif font. A thin green horizontal line is positioned below the text.

# Revenues

# FY 2026 Revenue Review

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

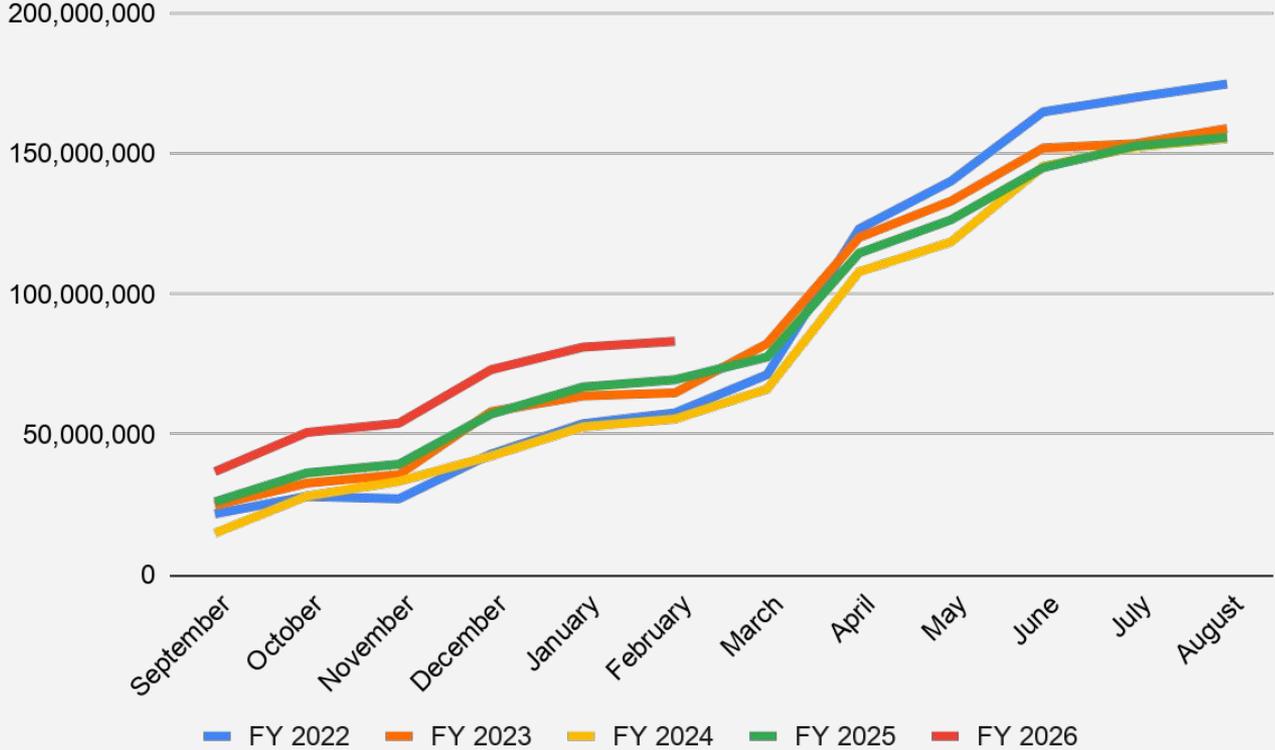
2. State Shared includes Liquor, Cigarette, Marijuana, Video Lottery, and Amusement

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

	FY 2026 Adopted <sup>1</sup>	November Forecast Change	March Forecast Update	Net Change from Adopted	Note
Property Taxes	412,946,002	0	0	0	Lower AV, Higher Compression, Less TIF Impact
Business Income Taxes (BIT)	174,730,768	0	0	0	
Motor Vehicle Rental Taxes (MVRT)	41,167,500	0	(1,000,000)	(1,000,000)	Weak Collections but Strong PDX Data
US Marshal/BM 73/BOP	1,172,875	(202,575)	0	(202,575)	Reduce to 12 Beds
State Shared <sup>2</sup>	14,148,034	(628,565)	(500,000)	(1,128,565)	Less Liquor and Cigarette Revenue
Recording Fees/CAFFA Grant	6,353,760	0	0	0	
Indirect					
Departmental	44,011,746	0	0	0	
Central Indirect / Svc Reimburse	11,973,506	0	0	0	
All Other	58,375,696	3,000,000	0	3,000,000	Increased Interest
<b>FY 2026 Revenue Adjustments<sup>3</sup></b>	<b>764,879,887</b>	<b>2,168,860</b>	<b>(1,500,000)</b>	<b>668,860</b>	
<b>% of Revenue</b>		<b>0.28%</b>	<b>-0.20%</b>	<b>0.09%</b>	

# Business Income Tax (BIT)

BIT Collection Year-to-Date



Large payment in September have kept YTD payments higher than last year.

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

US Corporate Profits

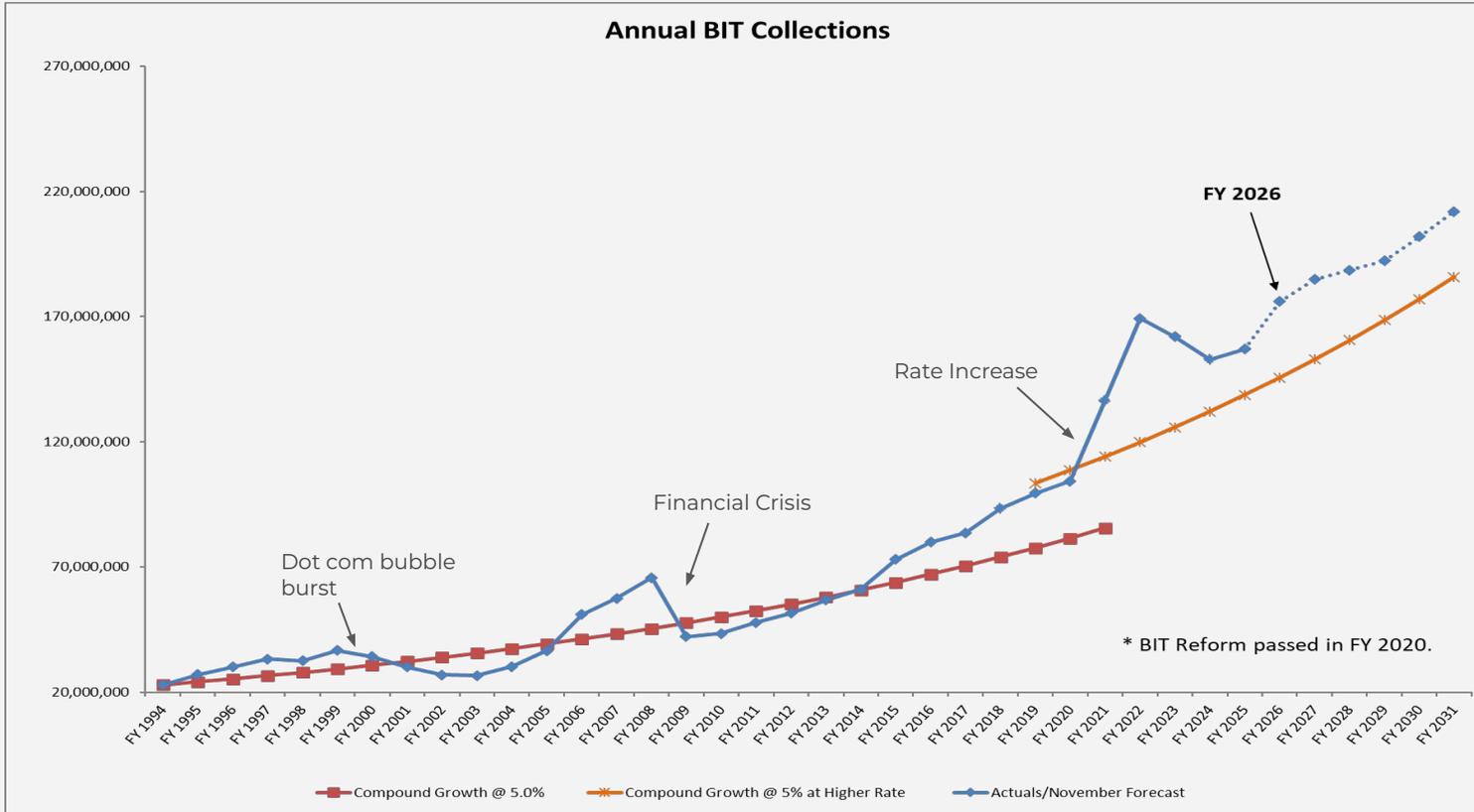


BIT payments are based on Net Income and correlated with US Corporate Profits

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

# Business Income Tax (BIT)

## Annual BIT Collections: History and Forecast



Updated forecast reduces out-year growth expectations

# BIT: Future Considerations

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1 Business Cycle and Corporate Profitability

2 HR 1 and Oregon State Connection

3 Concentration of Profits

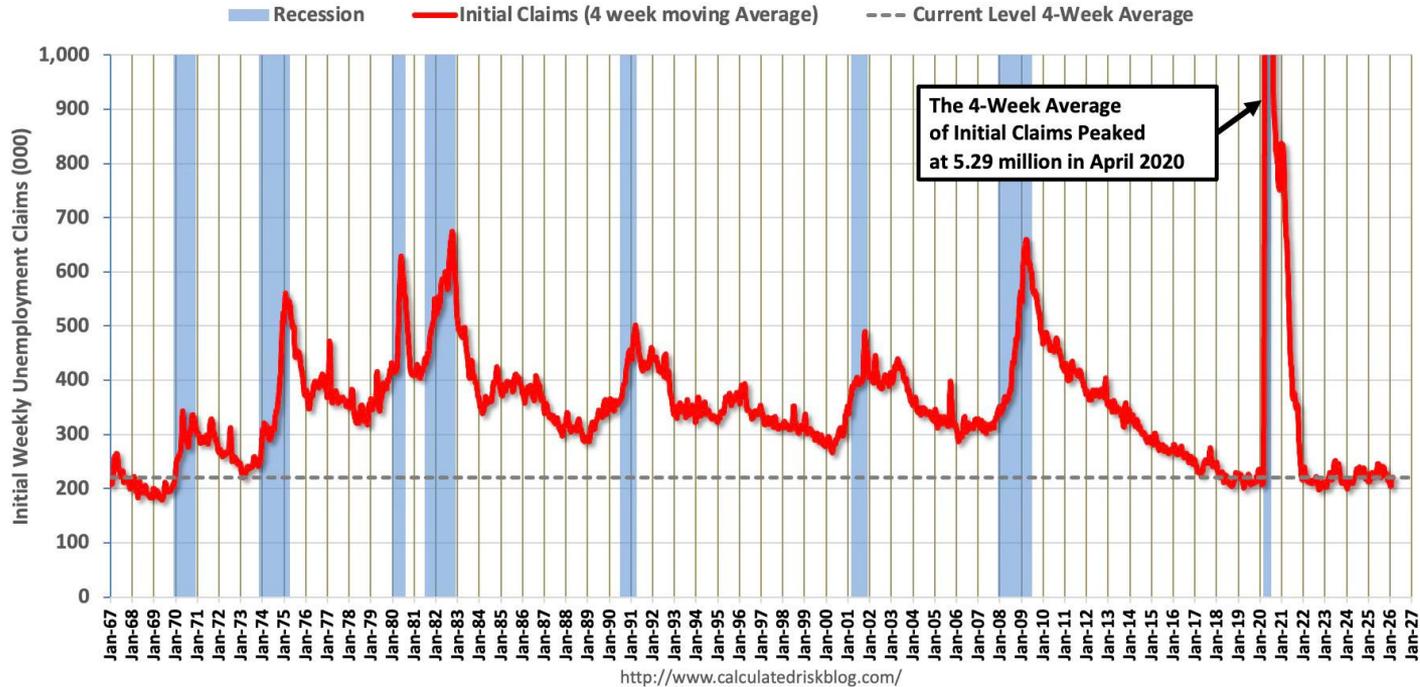
4 Economic Uncertainty and Timing



# Economic Overview

## Initial Weekly Unemployment Claims

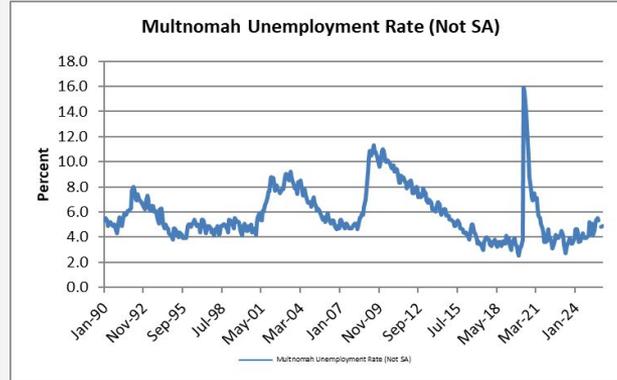
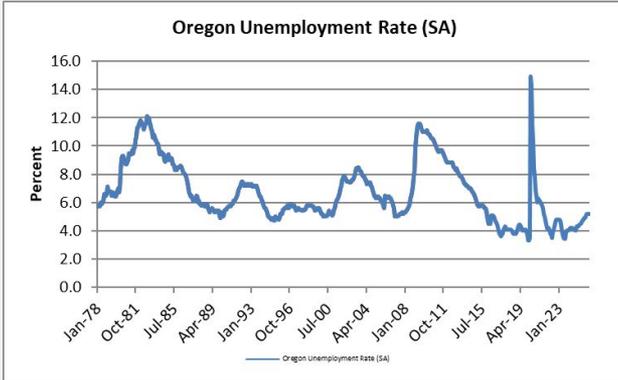
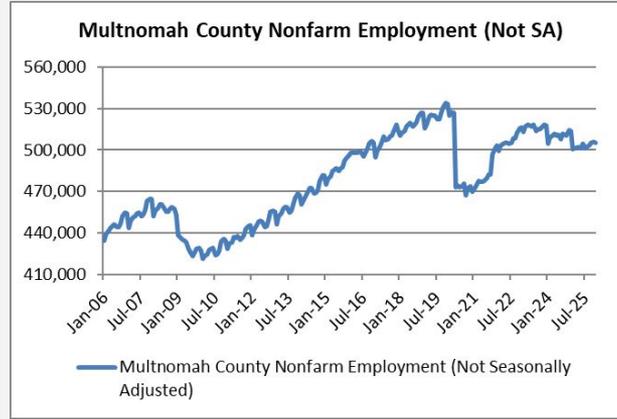
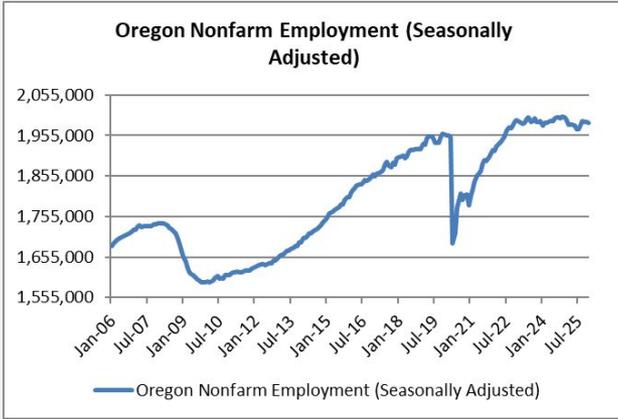
### Initial Weekly Unemployment Claims



Nationally, layoffs remain low but hiring has slowed and job listings have declined.

# Economic Overview

## County and State Employment

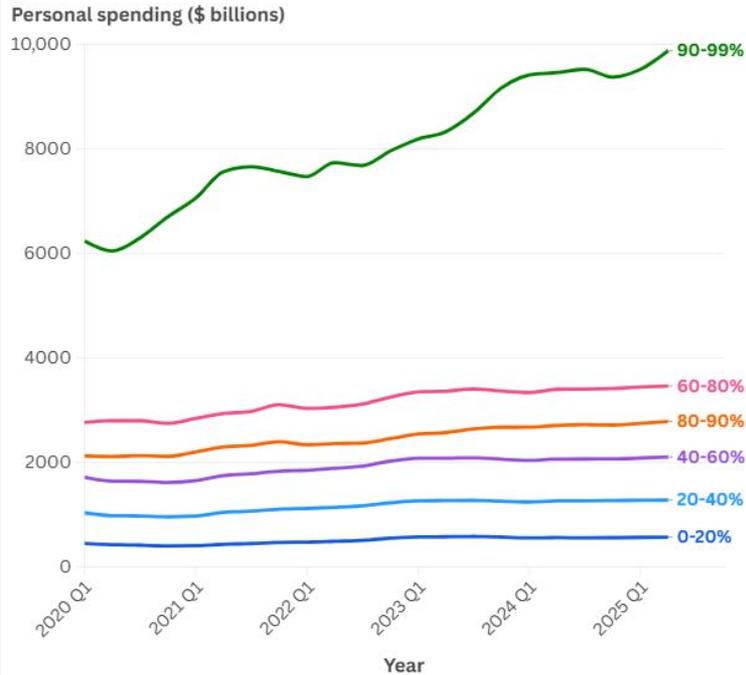


# Economic Overview

## Share of Consumption by High-Income Households

### The top 10% of earners do half of the spending

Personal spending by income percentile



Source: Federal Reserve Board, Bureau of Economic Analysis, U.S. Census, Moody's Analytics

Total Consumption  
(primary driver of  
economy)  
increasingly reliant on  
a smaller group of  
households.

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No Change to FY 2027 COLA



# One-Time-Only (OTO) Contingency, and Risks

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## Table 2: General Fund FY 2026 Beginning Working Capital & FY 2027 OTO <sup>1, 2</sup>

Year-End as of November 5, 2025

FY 2026 Actual Beginning Balance <sup>3</sup>	166,307,602
FY 2026 Budgeted Beginning Balance	137,688,220
<b>Additional FY 2025 BWC (OTO)</b>	<b>27,619,382</b>
<i>Plus</i> Additional FY 2026 Revenues	2,168,860
Less Amount to Maintain FY 2027 Reserves at Board Policy Level	<u>(4,368,943)</u>
<b>OTO Funds for FY 2027 per Nov. Forecast</b>	<b>25,419,299</b>
Less March Forecast Changes	(1,500,000)
Less FY 2026 Bargaining Impacts	(3,617,110)
<i>Plus</i> Remaining Tax Title	<u>1,000,000</u>
<b>OTO Funds for FY 2027 with Bargaining Impacts per March Forecast</b>	<b>21,302,189</b>
50% Dedicated to County Facility/IT Projects per Board Policy	10,651,094
Remaining 50% to be Allocated	10,651,094

Includes **\$31.0 million** (4.2%) of departmental underspending offset by actual revenues coming in below forecast

1. Assumes the FY 2026 General Fund Contingency is fully spent in FY 2026.

2. Assumes departments fully spend their FY 2026 appropriation.

3. Adjusted for additional restricted County Clerk BWC and Tax Title: Affordable Housing.

# FY 2026 Contingency Update

## Contingency

General Fund “Regular” Contingency	1,644,496
Additional Contingency for Uncertainty	893,437
<b>Remaining Non-Earmarked Contingency</b>	<b>2,537,933</b>

## Earmarked Contingency

Earmark - Flex Dorm	0
Earmark - Lobbying Transparency	100,000
Earmark - Contracted Security Services	0
<b>Total Earmarked Contingency</b>	<b>100,000</b>

## **Total General Fund Contingency** **2,637,933**

BIT Reserve @ 12% (in General Fund Contingency)	21,120,761
<b>Total General Fund Contingency</b>	<b>23,758,694</b>

**Note:** The forecast assumes the General Fund Contingency will be fully spent, with the exception of the Reserves, which is “rolled over” to FY 2027.

# Risks

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1 Open Labor Contracts

2 Slowing Economy Locally and Nationally, Geopolitical Strife

3 Partner Budget Trouble



# Questions?