



# FY 2027 General Fund Forecast Update

Presented to the Multnomah County  
Board of County Commissioners

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May 20, 2026

Central Budget Office



# Agenda

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# Changes to FY 2027 Budget

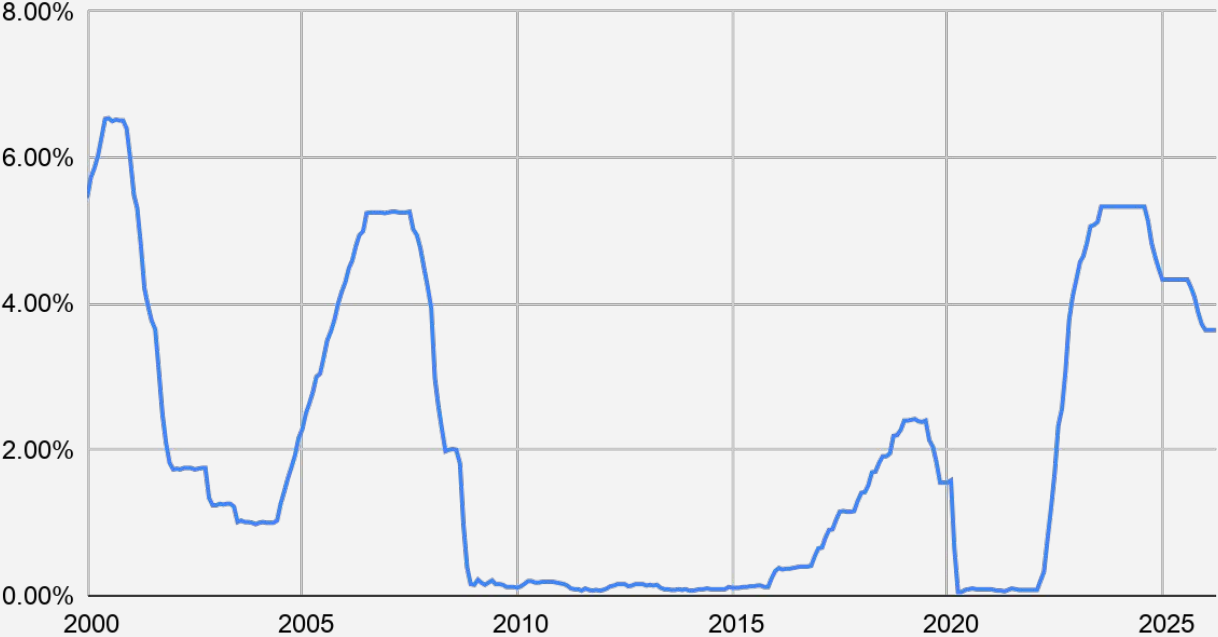
## OTO Available for FY 2027

FY 2027 Interest Increase	3,000,000
Less Amount Needed to Fully Fund FY 2027 Reserves	-360,000
<u>FY 2026 Recording Fees Decrease</u>	<u>-600,000</u>
<b>Total OTO Available for FY 2027</b>	<b>2,040,000</b>

# Economic Overview

## Interest Rates

### Federal Funds Rate



Decline in interest rates stalling or possibly reversing.

Source: St. Louis Federal Reserve (FRED)

# Economic Overview

## Long-Term Unemployment

### Percent of Unemployed Who Have Been Unemployed 27 Weeks or Longer



While Unemployment remains low, long-term unemployment is rising

Source: U.S. Bureau of Labor Statistics, St. Louis Federal Reserve (FRED)

An aerial photograph of a city skyline, likely Portland, Oregon, featuring a large bridge under construction over a river. The bridge's steel truss structure is prominent in the foreground. In the background, several modern high-rise buildings are visible, including a prominent one with a grid-like facade. The sky is blue with scattered white clouds. A semi-transparent white banner is overlaid across the middle of the image, containing the text 'Revenues/Expenses'.

# Revenues/Expenses

# FY 2026 Revenue Review

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

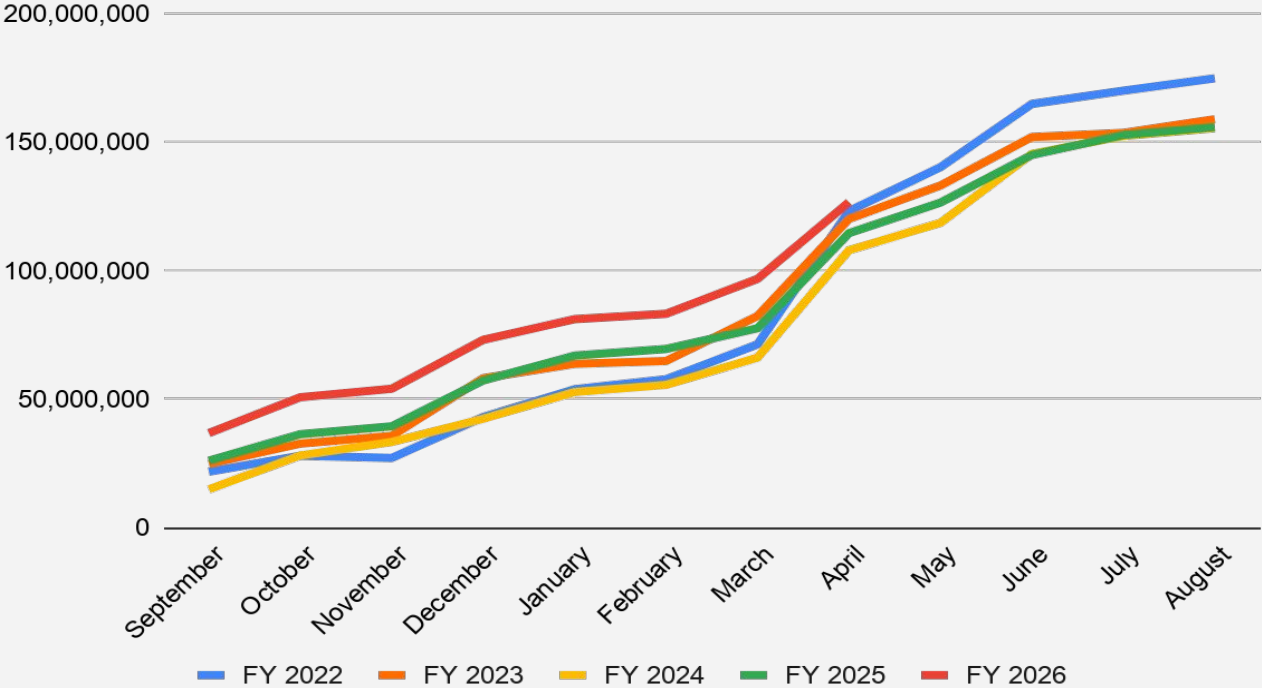
2. State Shared includes Liquor, Cigarette, Marijuana, Video Lottery, and Amusement

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

	FY 2026 Adopted <sup>1</sup>	November/ March Forecast Change	May 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	(1,000,000)	0	(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	(1,128,565)	0	(1,128,565)	Less Liquor and Cigarette Revenue
Recording Fees/CAFFA Grant	6,353,760	0	(600,000)	0	Slow home sale activity
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>668,860</b>	<b>(600,000)</b>	<b>68,860</b>	
<b>% of Revenue</b>		<b>0.09%</b>	<b>-0.07%</b>	<b>0.01%</b>	

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

BIT Collections Year-to-Date



BIT collection data disrupted by City Revenue Division processing issue.

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

Stock Market

## Dow Jones Industrial Average

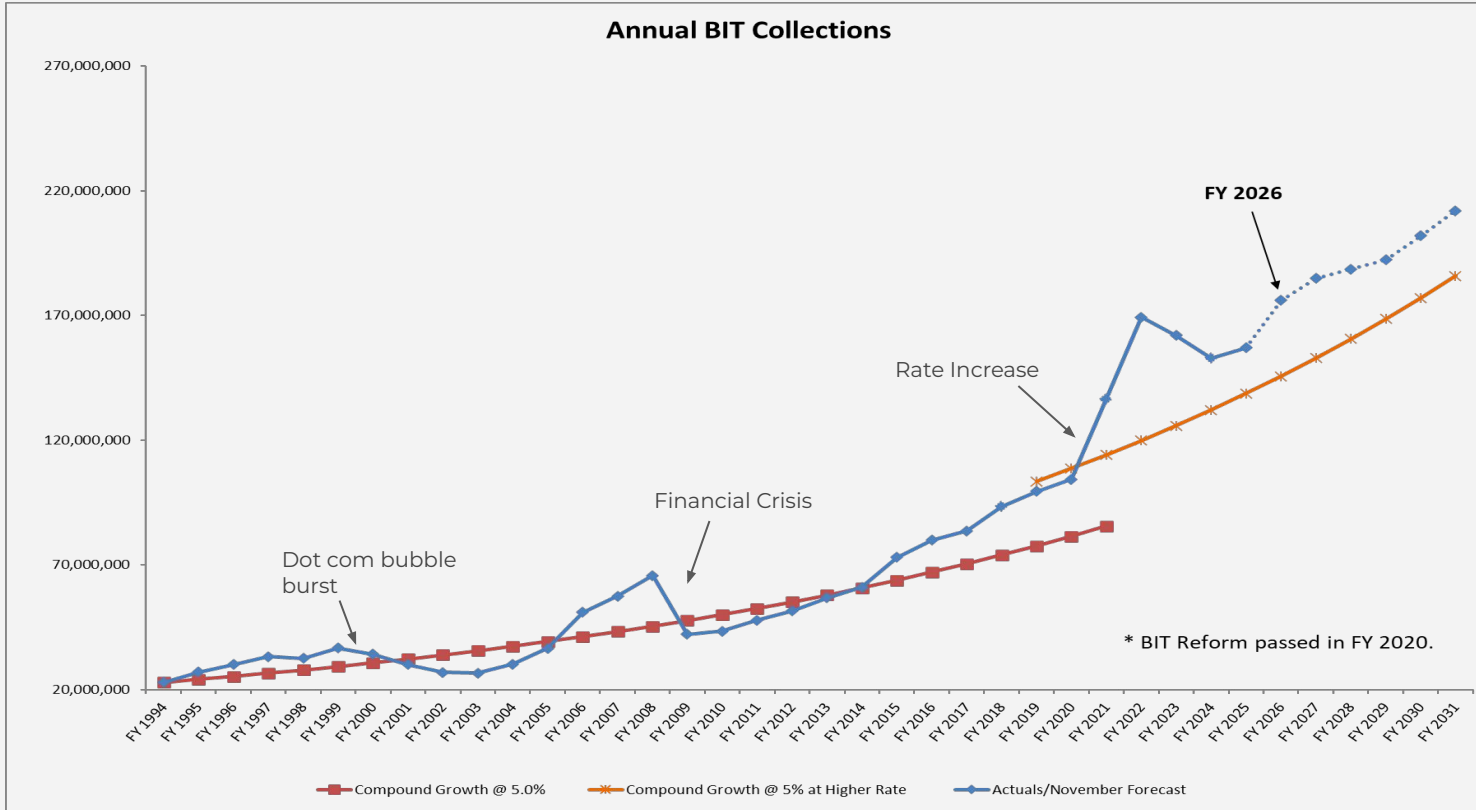


BIT collections and Stock Market values correlated over time (but it's complicated)

Source: St. Louis Federal Reserve (FRED), S&P Dow Jones Indices

# Business Income Tax (BIT)

## Annual BIT Collections: History and Forecast



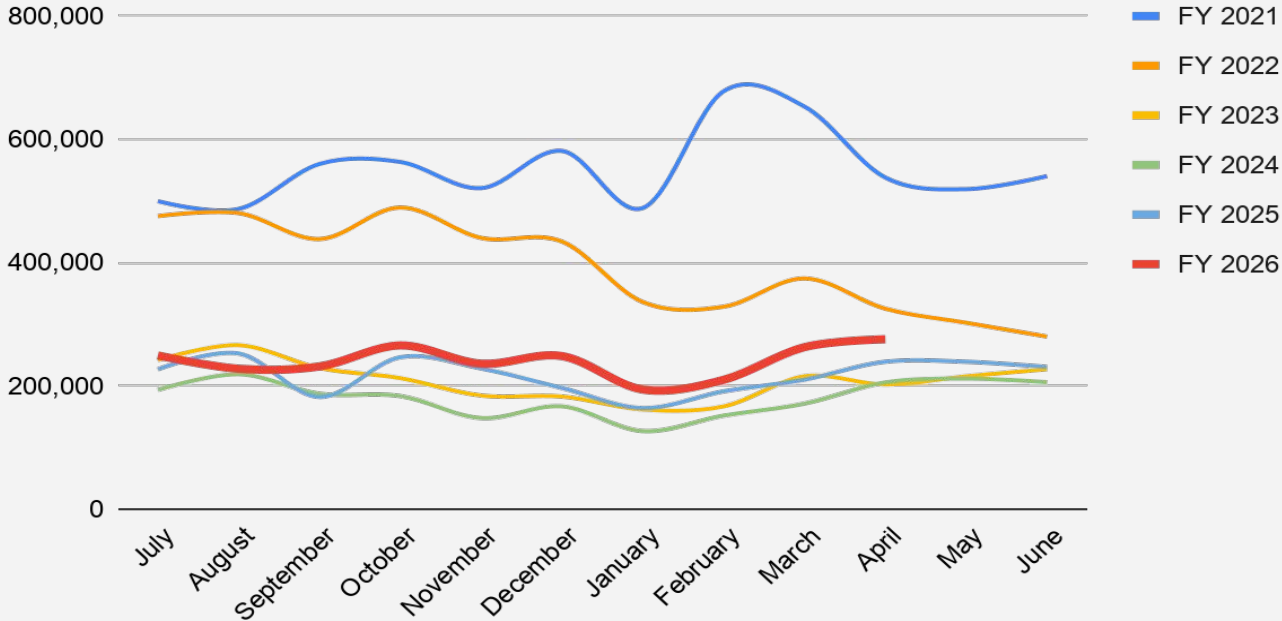
Forecast assumes that growth slows in the out years.

\* BIT Reform passed in FY 2020.

# FY 2026 Revenue Review

## Recording Fees

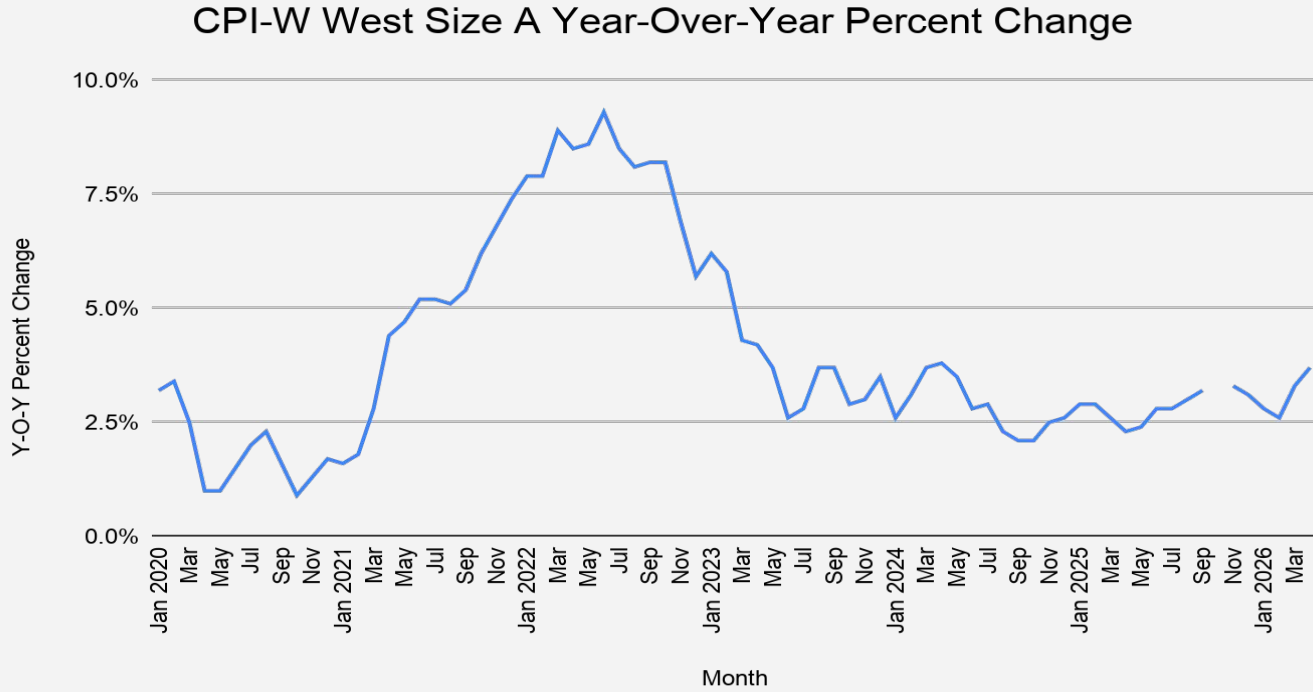
### Monthly Recording Fees (through April)



Recording Fees have declined significantly during period of high interest rates.

# Inflation

CPI-W West Size A

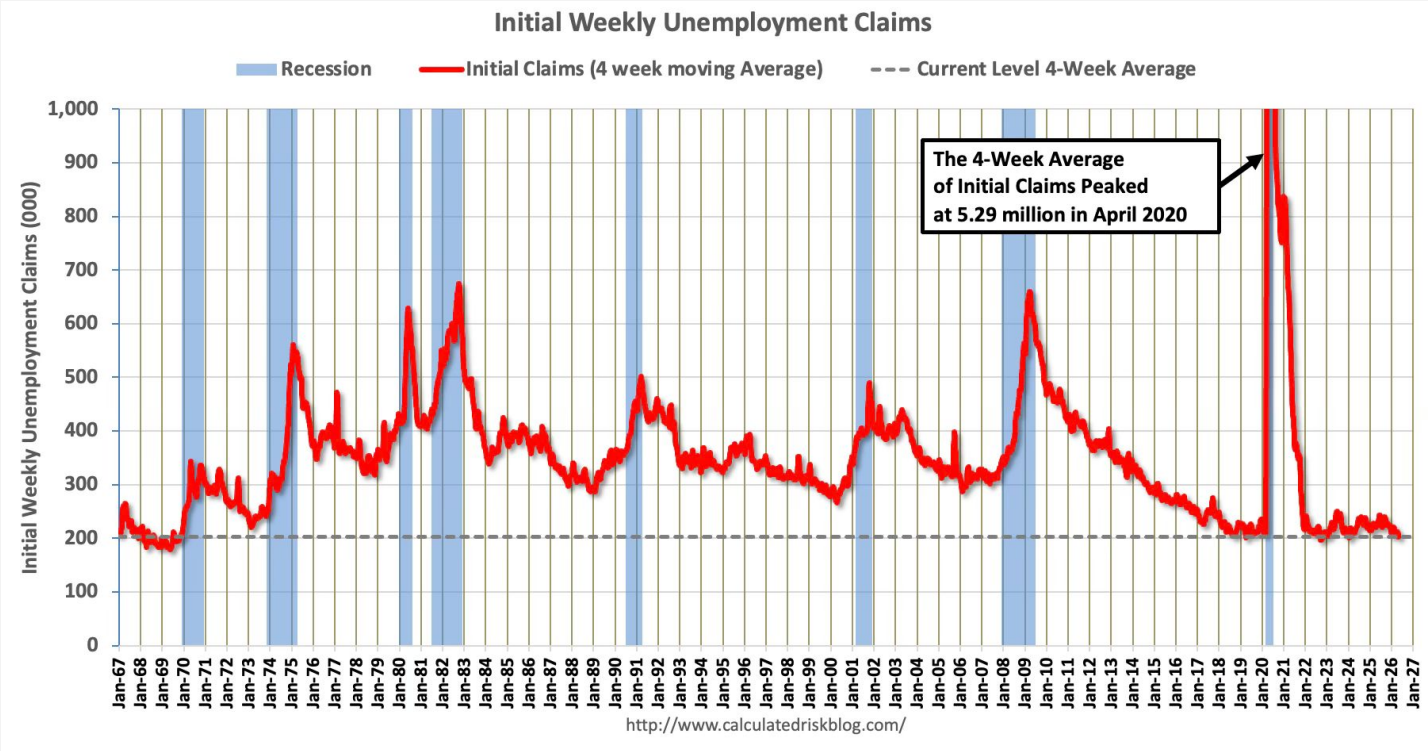


Increasing Oil prices are starting to show up in inflation data.

Source: Bureau of Labor Statistics

# Economic Overview

## Initial Weekly Unemployment Claims



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

## 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/May 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



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

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# FY 2026 Contingency Update

## Contingency

General Fund “Regular” Contingency	1,204,850
Additional Contingency for Uncertainty	0
<b>Remaining Non-Earmarked Contingency</b>	<b>1,204,850</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** **1,304,850**

BIT Reserve @ 12% (in General Fund Contingency)	21,120,761
<b>Total General Fund Contingency</b>	<b>22,425,611</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 Inflation

2 Slowing Economy Locally and Nationally, Geopolitical Strife

3 Partner Budget Trouble



# Questions?