

# Multnomah County Library District Proposed Budget FISCAL YEAR 2026–2027



*Library patrons inside the new Northwest Library in January 2026.  
Photo credit: Motoya Nakamura/Multnomah County*

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## Budget Message

April 16, 2026

It is my privilege to propose the Fiscal Year 2027 budget for the Multnomah County Library District. This is the fourteenth Library District budget since the adoption of Measure 26-143 in November 2012, which created the Library District with a permanent tax rate, limited to \$1.24 per \$1,000 of assessed property value.

The District tax is expected to generate \$120.5 million in Fiscal Year 2027. Combined with other revenues (e.g. grants, interest), the District's total ongoing revenues are projected at \$122.7 million. The Library's ongoing expense forecast exceeded \$122.7 million, and the Library reduced ongoing expenses by \$2.0 million in order to balance the library budget for Fiscal Year 2027.

A total of \$127.0 million is budgeted for transfer to the County Library Fund to support library operations, which includes a \$4.3 million draw on District fund balance to support several time-limited operating projects and limited duration positions. The District budget includes a \$6.1 million set-aside for planned operating projects in Fiscal Year 2028 and beyond.

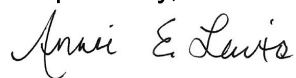
The Library proposes to continue the levy rate of \$1.22 per \$1,000 of assessed value in Fiscal Year 2027. The Multnomah County Budget Office forecast showed a deficit for the Library District at this rate, but slowing property tax revenue growth and uncertainty about the Library's post-bond expense outlook warrant a cautious approach to raising the levy rate to its maximum level.

In accordance with prior year updates to District financial policies, \$1.0 million is placed in contingency, and \$19.1 million in unappropriated fund balance is held in reserve to address future structural operating deficit issues.

The Multnomah County Library District Capital Fund totals \$94.8 million, which will support future infrastructure needs and the long-term financial health of the District. Fiscal Year 2027 totals include a return transfer of \$5.0 million in unspent and unneeded Library District resources that were previously held by the Multnomah County Library Capital Construction Fund.

Fiscal Year 2027 represents the culmination of many years of exciting growth for the Library District, with the final major bond projects scheduled for completion in the coming months. At the same time, slowing revenue growth and rising costs mean the Library District will continue to face financial challenges in the coming years. Through strong financial management, the District is strategically positioning itself to address these challenges while continuing to meet the evolving needs of our diverse and vibrant community.

Respectfully,



Annie Lewis, District Librarian, Multnomah County Library District

## **A Time of Celebration, Reflection, and Continued Progress**

The Library will reach an incredible turning point in Fiscal Year 2027, as it concludes all major projects in the voter-approved 2020 capital bond program. This work to modernize library spaces and services has been a driving force behind library planning and operations for nearly a decade, and the Library is proud to deliver on the promises of the 2020 bond by bringing an improved library experience to Multnomah County residents.

In FY 2027, we will see the operationalization of the Library's updated staffing and service models as well as the introduction of the brand new 95,000 square foot East County Library. New services, like the 200 person auditorium and the audiovisual studio at East County Library, will require time and patron input to fully develop the vision for how the community will use those spaces. Transitioning from planning to operating in a post-bond landscape will require continuous monitoring and flexibility, and the ability to adjust staffing and resources as needed.

Also of significant note, the FY 2027 fiscal environment is vastly different from when the 2020 bond planning initially took place in 2017. Impacts to assessed value for commercial property values in the downtown core are limiting overall property tax revenue growth, and new construction activity levels are very low. A set of newly-established urban renewal areas will further divert property tax revenue from the District in the coming years. At the same time, multiple years of sustained inflation and rapid personnel cost growth since 2020 have set a higher cost baseline for the Library's current level of service.

These financial conditions required reductions to balance the FY 2027 budget. Reductions were developed while prioritizing patron and community needs in alignment with the [MCL Service Statement and Priorities](#). Changes include staffing reallocations to meet high-priority public services needs, operational adjustments to security and substitute staffing spending plans, capturing continued cost-savings from prior year changes to e-book holds limits, eliminating storage space, and limiting materials and supplies spending where possible.

District budget planning remains focused on long-term financial sustainability. This includes the strategic use of fund balance to meet time-limited needs, aligning resources with strategic goals and priorities, planning for long-term capital needs, and ensuring sufficient resources are available in FY 2028 and beyond to address future operating needs.

In the next fiscal year, the Library will continue to focus resources on meeting the goals articulated in the [MCL Strategic Plan](#) across a modernized library system, and has plans to engage the public in the development of its next strategic plan to help shape and guide the future. Additionally, the Library is embarking on an effort to determine whether and how to pursue additional capital funding to update and complete the outstanding work that was outlined in the [2017 Framework for Future Library Spaces](#) to expand and modernize Library spaces to meet the evolving needs of Multnomah County Library patrons.

The role of the Library continues to change with community needs, and that evolution will continue with purpose and intention, driven by community voices. Multnomah County Library is proud to continue its long tradition of service to our community, and will continue to provide world-class library services to this diverse and growing community for years to come.

## **Structural Operating Deficit**

The Library Department faces a structural operating deficit, and the pace of expenses, especially personnel costs, are expected to exceed the stable but constrained growth of dedicated property taxes over a long period. When the Library District was first established in 2012, it was envisioned to provide stable funding for the Library for 10 years.

Library financial policies and budget practices are geared toward fiscal prudence and long-term management, but eventually the Library will experience an inflection point where year-over-year service level reductions will be required to balance the budget.

Multiple years of higher-than-typical inflation and cost of living adjustments in recent history have combined with slowing property tax revenues which has created a challenging financial landscape for the Library and other local governments.

These factors were not foreseeable at the time of the 2020 Capital Bond passage, but have coincided with the modernization program and associated additional operating costs, which has put additional pressure on the Library budget.

The Library has not yet reached its maximum tax levy rate of \$1.24, and recommends delaying a proposed tax levy increase until FY 2028. This timeframe will allow for a clearer understanding of post-bond operating costs.

There is no imminent risk to overall library services in the near term, but discussions about the long-term funding strategy for the Library Department are warranted, especially if property tax revenue growth is expected to remain slow.

## **Long Term Capital Needs**

Last year, the Library developed a more robust analysis of its long-term capital maintenance needs for its portfolio of buildings. This work was deemed critical as the footprint of the Library is expanding, and as the overall average condition of buildings is changing as a result of 2020 capital bond investments.

Facility Condition Assessments were performed on seven owned properties totalling 200,000 square feet: Central, Hillsdale, Rockwood, Woodstock, Hollywood, Capitol Hill, and Gregory Heights libraries. These buildings were not part of major chapter renovations within the 2020 capital bond program, and require both corrective actions and predicted renewal cycles of capital investment. Separately, newly renovated chapter buildings have an estimated capital asset reinvestment benchmark of \$2-\$3 per square foot.

Combined, this analysis indicates that the Library building portfolio will need over \$85 million (in today's dollars) in capital improvement investments over the next 20 years. Over half of these investments are needed at Central Library, a historic landmark over 100 years old. The structural operating deficit will begin to erode the District's ability to maintain a pay-as-you-go approach to capital maintenance, underscoring the importance of maintaining a Capital Fund balance that will be used for these known future costs.

## **About the Budget**

By charter, members of the Multnomah County Board of County Commissioners serve as the governing body of the District. The Budget Committee consists of the members of the Board, convening as the Multnomah County Library District Board.

The Multnomah County Library District was approved by voters in 2012 in order to fund library services on an ongoing basis for the use of the people of Multnomah County. The Multnomah County Library Fund budget is adopted each year by the Multnomah County Board of County Commissioners, and library services are provided via an intergovernmental agreement with the Multnomah County Library District.

The Fiscal Year 2027 budget is proposed at a tax rate of \$1.22 per \$1,000 of assessed value. That rate is a continuation of the level set for the current fiscal year. This rate will generate enough revenue to maintain current hours and services. The current five-year forecast for the Library District assumes that the levy rate will be raised to its maximum, \$1.24 per \$1,000 of assessed value, in Fiscal Year 2028.

This budget continues a practice of maintaining the Library Department budget in the current County Library Fund and using the Library District Fund to receive the Library District tax as well as non-tax revenues for Fiscal Year 2027. This will ensure that the District's taxes and revenues are received and accounted for separately. As in previous years, resources for one-time spending within the Library Department budget is matched with a sub-fund in the Library District Fund to improve communication and transparency around District fund balance utilization.

The Library District budget is based on the intergovernmental agreement between Multnomah County and the Library District. The District contracts with Multnomah County to provide library services. The District regularly reimburses the County from the Library District Fund as expenses are incurred and services are provided.

## **Multnomah County Library District's Financial Policies**

On June 12, 2025, the Multnomah County Library District Board passed Resolution 2025-035, adopting Multnomah County Library District financial and budget policies. Updated financial policies will be presented to the District Board for approval in June of 2026.

**FORM  
LB-20**

**RESOURCES  
General Fund  
(Fund)**

**Multnomah County Library District**

(Name of Municipal Corporation)

	Historical Data			RESOURCE DESCRIPTION	Budget for Next Year 2026-2027			
	Actual		Adopted Budget This Year 2025 - 2026		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2023 - 2024	First Preceding Year 2024 - 2025						
1				1. Available cash on hand* (cash basis) or				1
2	\$31,292,670	\$48,847,863	\$40,074,272	2. Beginning working capital (accrual basis)	\$43,703,681			2
3	\$1,283,557	\$1,962,906	\$1,071,126	3. Previously levied taxes estimated to be received	\$1,103,260			3
4	\$173,845	\$152,661	\$204,000	4. Interest	\$208,080			4
5				5. Transferred IN, from other funds				5
6				<b>6 OTHER RESOURCES</b>				6
7	\$20,369	\$20,375	\$15,000	7 Fines & Fees	\$39,500			7
8	\$2,386,273	\$2,730,198	\$900,000	8 Interest	\$1,200,000			8
9	\$3,830,091	\$2,948,956	\$2,946,220	9 Grants & Gifts	\$991,207			9
10	\$756	\$1,620	\$2,500	10 Sales To The Public				10
11	\$89,233	\$86,203		11 Heavy Equipment Rental Tax				11
12		\$3,500,000		Proceeds from Capital Asset Sales				12
13	\$28			13 Miscellaneous				13
14								14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	\$39,076,821	\$60,250,782	\$45,213,118	29. Total resources, except taxes to be levied	\$47,245,728			29
30			\$114,117,545	30. Taxes estimated to be received	\$119,204,653			30
31	\$108,191,772	\$111,524,862		31. Taxes collected in year levied				31
<b>32</b>	<b>\$147,268,593</b>	<b>\$171,775,644</b>	<b>\$159,330,663</b>	<b>32. TOTAL RESOURCES</b>	<b>\$166,450,381</b>			<b>32</b>

\*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

**FORM  
LB-30**

**REQUIREMENTS SUMMARY**  
**NOT ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM**  
 Multnomah County Library District General Fund  
 (name of fund)

	Actual			REQUIREMENTS DESCRIPTION	Budget For Next Year 2026 - 2027		
	Second Preceding Year 2023 - 2024	First Preceding Year 2024 - 2025	Adopted Budget This Year 2025 - 2026		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
				PERSONNEL SERVICES NOT ALLOCATED			
1				1			
2				2			
<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3 TOTAL PERSONNEL SERVICES</b>			
<b>4</b>				<b>Total Full-Time Equivalent (FTE)</b>			
				MATERIALS AND SERVICES NOT ALLOCATED			
5	96,109,474	108,980,494	118,892,291	Contract with Multnomah County	122,746,700		
6	54	88,138	6,296,298	Library District 1520 subfund	4,252,926		
<b>7</b>	<b>96,109,528</b>	<b>109,068,632</b>	<b>125,188,589</b>	<b>7 TOTAL MATERIALS AND SERVICES</b>	<b>126,999,626</b>		
				CAPITAL OUTLAY NOT ALLOCATED			
8				8			
9				9			
<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10 TOTAL CAPITAL OUTLAY</b>			
				DEBT SERVICE			
11				11			
12				12			
<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13 TOTAL DEBT SERVICE</b>			
				SPECIAL PAYMENTS			
14				14			
15				15			
<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16 TOTAL SPECIAL PAYMENTS</b>			
				INTERFUND TRANSFERS			
17	2,311,202	16,141,902	4,850,050	17 Multnomah County Library District Capital Fund	13,211,712		
18				18			
19				19			
20				20			
21				21			
<b>22</b>	<b>2,311,202</b>	<b>16,141,902</b>	<b>4,850,050</b>	<b>22 TOTAL INTERFUND TRANSFERS</b>	<b>13,211,712</b>		
				OPERATING CONTINGENCY			
23			1,000,000	<b>23 TOTAL OPERATING CONTINGENCY</b>	1,000,000		
24	98,420,730	125,210,534	131,038,639	<b>24 Total Requirements Not Allocated</b>	141,211,338		
25				<b>25 Total Org./Prog. Requirements</b>			
26			6,253,645	<b>26 Reserved for future expenditure</b>	6,139,813		
27	48,847,863	46,565,110		27 Ending balance (prior years)			
28			22,038,379	<b>28 UNAPPROPRIATED ENDING FUND BALANCE</b>	19,099,230		
<b>29</b>	<b>147,268,593</b>	<b>171,775,644</b>	<b>159,330,663</b>	<b>29 TOTAL REQUIREMENTS</b>	<b>166,450,381</b>		

**FORM  
LB-20**

**RESOURCES  
Capital Fund  
(Fund)**

**Multnomah County Library District**

(Name of Municipal Corporation)

	Historical Data			RESOURCE DESCRIPTION	Budget for Next Year 2026-2027			
	Actual		Adopted Budget This Year 2025 - 2026		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2023 - 2024	First Preceding Year 2024 - 2025						
1				1. Available cash on hand* (cash basis) or				1
2	\$52,721,320	\$56,031,066	\$71,841,035	2. Beginning working capital (accrual basis)	\$76,592,505			2
3				3. Previously levied taxes estimated to be received				3
4				4. Interest				4
5	\$2,311,202	\$16,141,902	\$4,850,050	5. Transferred IN, from other funds	\$18,231,712			5
6				<b>6 OTHER RESOURCES</b>				6
7				7 Fines & Fees				7
8	\$2,068,544	\$2,373,097		8 Interest				8
9		\$150,000		9 Grants & Gifts				9
10				10 Sales To The Public				10
11				11				11
12				12				12
13				13				13
14								14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	\$57,101,066	\$74,696,065	\$76,691,085	29. Total resources, except taxes to be levied	\$94,824,217			29
30				30. Taxes estimated to be received				30
31				31. Taxes collected in year levied				31
<b>32</b>	<b>\$57,101,066</b>	<b>\$74,696,065</b>	<b>\$76,691,085</b>	<b>32. TOTAL RESOURCES</b>	<b>\$94,824,217</b>			<b>32</b>

\*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

**FORM  
LB-30**

**REQUIREMENTS SUMMARY  
NOT ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM**

Multnomah County Library District Capital Fund

(name of fund)

	Actual			REQUIREMENTS DESCRIPTION	Budget For Next Year 2026 - 2027		
	Second Preceding Year 2023 - 2024	First Preceding Year 2024 - 2025	Adopted Budget This Year 2025 - 2026		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
				PERSONNEL SERVICES NOT ALLOCATED			
1				1			
2				2			
<b>3</b>			<b>0</b>	<b>3 TOTAL PERSONNEL SERVICES</b>	<b>0</b>		
<b>4</b>		<b>0</b>		<b>Total Full-Time Equivalent (FTE)</b>			
				MATERIALS AND SERVICES NOT ALLOCATED			
5				Contract with Multnomah County			
6	1,070,000	2,300,000	3,530,000	6 Multnomah County Library Capital Construction Fund			
<b>7</b>	<b>1,070,000</b>	<b>2,300,000</b>	<b>3,530,000</b>	<b>7 TOTAL MATERIALS AND SERVICES</b>	<b>0</b>		
				CAPITAL OUTLAY NOT ALLOCATED			
8				8			
9				9			
<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10 TOTAL CAPITAL OUTLAY</b>			
				DEBT SERVICE			
11				11			
12				12			
<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13 TOTAL DEBT SERVICE</b>	<b>0</b>		
				SPECIAL PAYMENTS			
14				14			
15				15			
<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16 TOTAL SPECIAL PAYMENTS</b>	<b>0</b>		
				INTERFUND TRANSFERS			
17							
18				18			
19				19			
20				20			
21				21			
<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22 TOTAL INTERFUND TRANSFERS</b>	<b>0</b>		
				OPERATING CONTINGENCY			
<b>23</b>			73,161,085	<b>23 TOTAL OPERATING CONTINGENCY</b>	94,824,217		
<b>24</b>	1,070,000	2,300,000	76,691,085	<b>24 Total Requirements Not Allocated</b>	94,824,217		
<b>25</b>				<b>25 Total Org./Prog. Requirements</b>			
<b>26</b>				<b>26 Reserved for future expenditure</b>			
<b>27</b>	56,031,066	72,396,065		<b>27 Ending balance (prior years)</b>			
<b>28</b>				<b>28 UNAPPROPRIATED ENDING FUND BALANCE</b>			
<b>29</b>	<b>57,101,066</b>	<b>74,696,065</b>	<b>76,691,085</b>	<b>29 TOTAL REQUIREMENTS</b>	<b>94,824,217</b>		