

An aerial photograph of a city skyline at dusk. The sky is a mix of orange, pink, and blue. In the foreground, there's a parking lot with several cars and a white bus. A large, modern building with a glass facade is prominent in the center. To the left, there are older, multi-story buildings. The overall scene is a mix of urban architecture and natural light.

FY 2026 State/Federal Rebalance Overview

**Presented to the
Board of County Commissioners
Multnomah County**

September 23, 2025

www.multco.us/budget



Agenda

1

Schedule

2

State of Oregon: Economic Forecast

3

FY 2026 Assumptions for State Funding

4

FY 2026 Multco Adopted Budget Context

5

FY 2026 Recap: Budget Reductions

6

Questions

7

Appendix

State and Federal Rebalance

Schedule

Department Briefings



Sept. 23rd

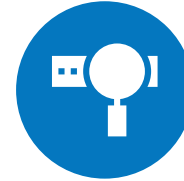
Overview
County Human
Services



Sept. 25th

Sheriff's Office
Community Justice
Health Department
Homeless Services

Board Worksessions



Oct. 2nd/7th

*Agenda to be
determined based on
briefings*



October 16th

Budget Modifications
for Board approval
implementing
State/Federal
changes

State Forecast Overview

Trump's 'Big Beautiful Bill' will slash \$15 billion in federal money to Oregon, Kotek says

Health care and food assistance for low-income Oregonians will take the brunt of the impact.

Aug. 11, 2025

Federal tax cuts could blow a \$373 million hole in Oregon's new budget, economists say

The revenue forecast presents a choice for state leaders: Cut spending or effectively raise taxes.

Aug. 27, 2025

POLITICS

Gov. Kotek tells Oregon state agencies to brace for budget cuts



By **Lauren Dake** (OPB)

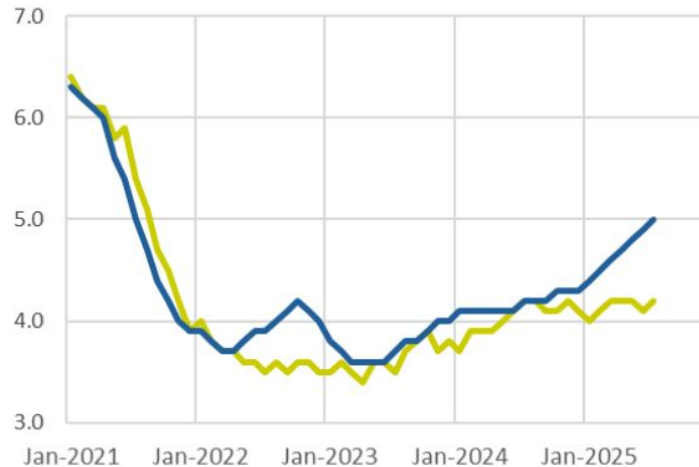
Sept. 16, 2025 3:32 p.m.

State Forecast Overview

Oregon unemployment continues to diverge from national trend

Oregon and U.S. Unemployment Rate

Monthly, Seasonally Adjusted



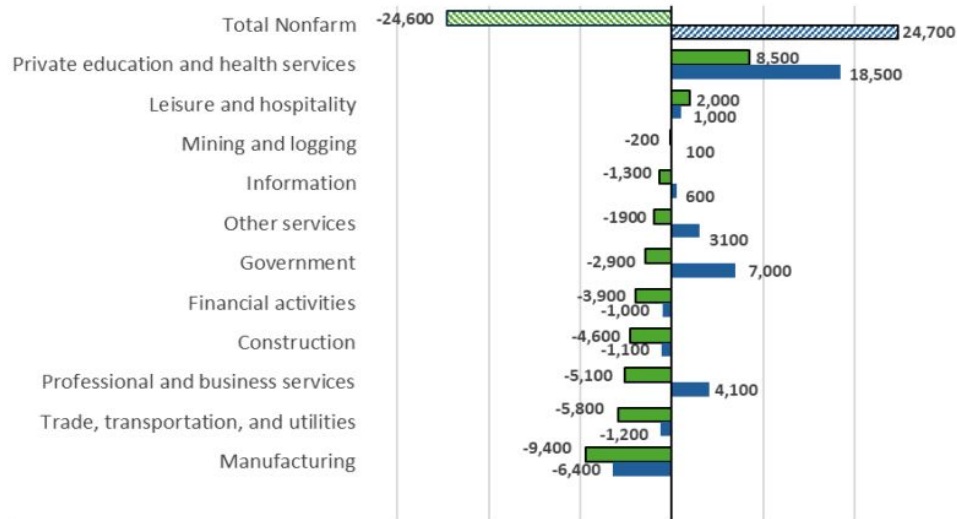
Data: July 2025 | Source: Oregon Employment Department

- State Revenues more closely tied to overall employment
- Volatility tied to business cycle - big changes in revenue collections between expansions and contractions

State Forecast Overview

Oregon labor revisions reframe economic narrative

July 2024 to July 2025 vs. March 2024 to March 2025, Seasonally Adjusted



Source: Oregon Employment Department

- Data revisions swing small employment growth to small employment contractions
- Recent job declines are broad based

State Forecast Overview

2025-27 General Fund Revenue Statement

	COS 2025 Forecast	September 2025 Forecast	Change from COS Forecast
Revenues (millions)			
Personal Income Tax*	\$30,180.0	\$29,892.5	-\$287.5
Corporate Income Tax*	\$3,290.7	\$2,932.9	-\$357.8
All Other Revenues	\$2,082.2	\$2,106.4	\$24.2
Net General Fund	\$35,552.9	\$34,931.8	-\$621.1
Beginning Balance	\$2,243.1	\$2,018.7	-\$224.4
Appropriations	\$37,323.1	\$37,323.1	\$0.0
Projected Ending Balance*	\$472.8	-\$372.7	-\$845.5

* includes offsets and RDF transfers

- GF Revenues down \$621.1m
 - Economic changes
 - H.R. 1
 - Kicker credit change
- Beginning Balance down \$224.4m
- Projected Ending Balance down \$845.5m to:
- **-\$372.7m**

FY 2026 State Assumptions



- Governor's Recommended Budget (GRB) as a baseline
- Changes from or assumptions about GRB Discussed w/Budget Office
- Be pragmatic about Revenues
- Document Assumptions
- Document Significant Changes

FY 2026 Budget

by the
Numbers

\$4.0
billion

Total
Adopted Budget

+\$42
million

Increase from
FY 2025 Adopted

+1.0%
percent

Increase from
FY 2025 Adopted

5,873
FTE

Decrease of
-95 FTE

\$65.7
million

One-Time-Only
General Fund*

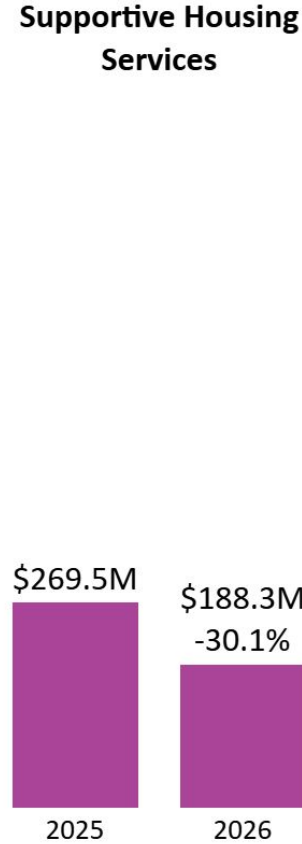
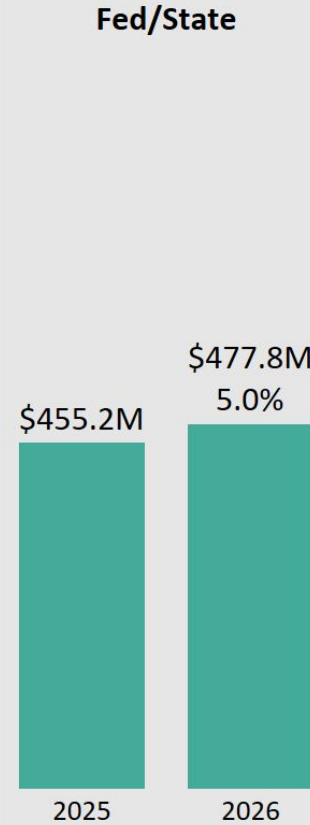
\$98.9
million

GF Reserves &
Un-earmarked
Contingency

*For more information on One-Time-Only Resources and a further breakdown into categories, see page 58 of the Budget Director's Message and the appendix

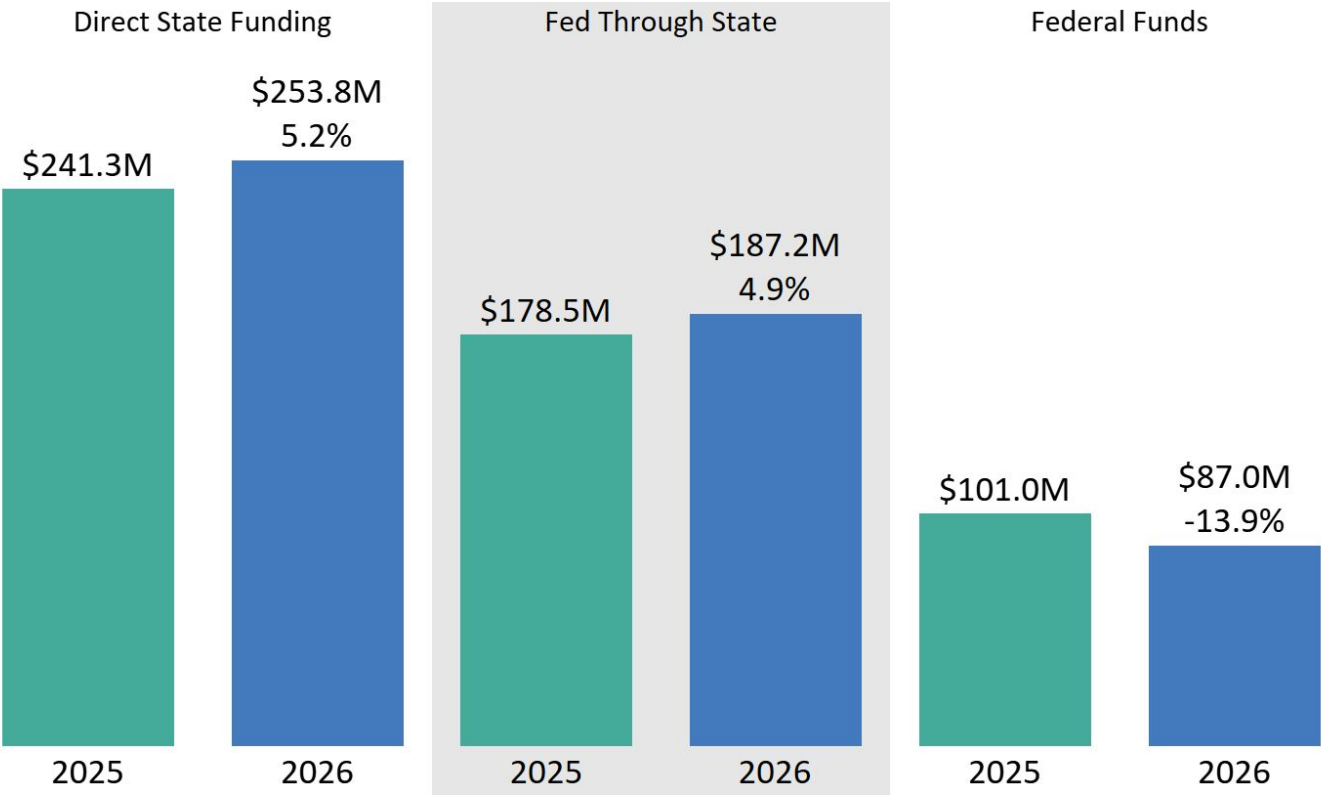
Significant Operating Funds

26.1% of County's total budget is General Fund

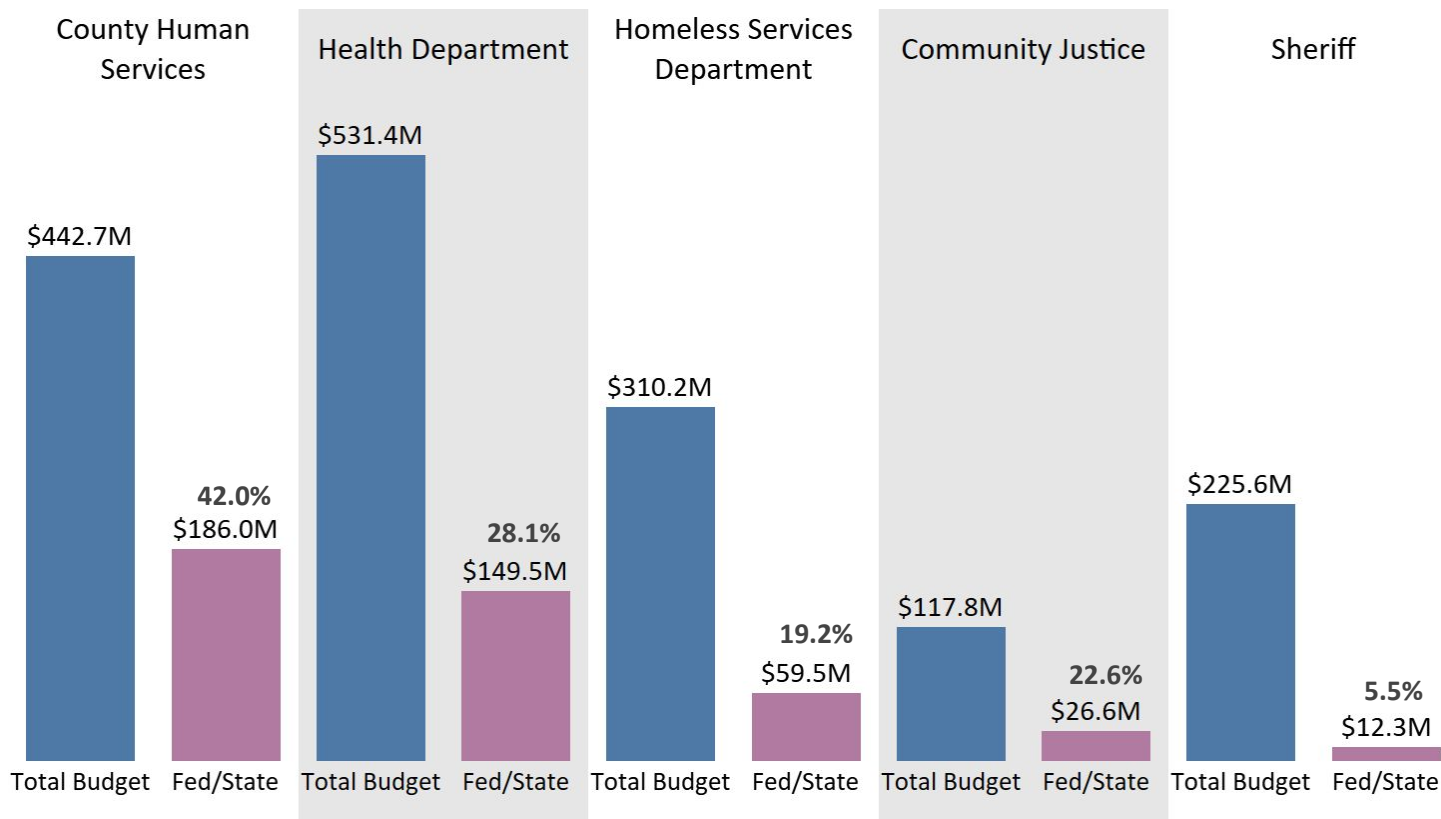


FY 2026 Operating Budget: State/Fed Revenue

14.6% of the County budget is funded by State & Fed thru State Funding

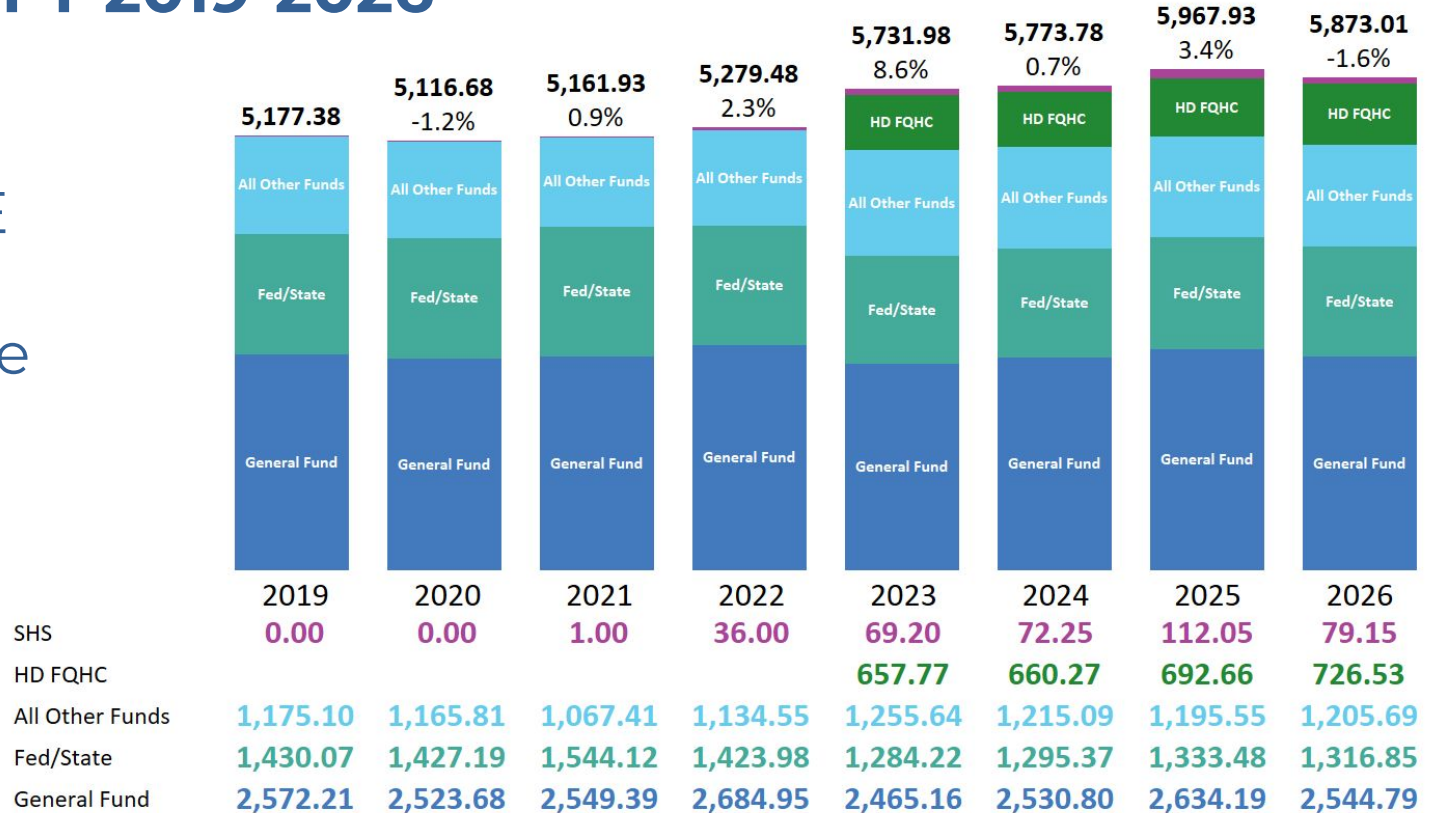


Operating Budget: State/Federal Funding



FTE Trend FY 2019-2026

34.7% of
County FTE
are funded
through the
**Fed/State
Fund** and
FQHC



FY 2026 Adopted Budget Reductions: Recap

Department	General Fund Reductions	Other Funds Reductions	SHS Reductions	Total Reductions	FTE Reductions
Department of County Assets	(562,698)	(4,142,857)	0	(4,705,555)	(7.00)
Department of County Human Services	(2,718,267)	(876,099)	(4,460,492)	(8,054,858)	(16.00)
Department of Community Justice	(5,022,654)	0	(2,152,042)	(7,174,696)	(36.30)
Department of County Management	(3,151,717)	0	0	(3,151,717)	(16.50)
Department of Community Services	(712,852)	0	0	(712,852)	(2.00)
Health Department	(12,248,958)	(10,172,025)	(3,129,853)	(25,550,836)	(94.03)
Homeless Services Department	0	0	(58,521,636)	(58,521,636)	(6.00)
Library	0	(1,375,046)	(191,000)	(1,566,046)	0.00
District Attorney's Office	(600,825)	0	(283,869)	(884,694)	(3.13)
Nondepartmental	(3,105,409)	0	(2,123,041)	(5,228,450)	(13.25)
Sheriff's Office (no reductions)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Grand Total	(28,123,380)	(16,566,027)	(70,861,933)	(115,551,340)	(194.21)

Questions?



Appendix:

FY 2026 Reductions by Department



FY 2026 Adopted Budget Recap by Department

Department & Division	General Fund Reductions	Other Funds Reductions	SHS Reductions	Total Reductions	FTE Reductions
Department of County Assets					
Business Services	(562,698)	0	0	(562,698)	(3.00)
Facilities & Property Management	0	(962,714)	0	(962,714)	(2.00)
Fleet, Records, Distribution Services & Motor Pool	0	(1,755)	0	(1,755)	0.00
Information Technology	<u>0</u>	<u>(3,178,388)</u>	<u>0</u>	<u>(3,178,388)</u>	<u>(2.00)</u>
Total DCA	(562,698)	(4,142,857)	0	(4,705,555)	(7.00)
Department of County Human Services					
Aging, Disability & Veterans Services	(666,007)	(876,099)	(992,295)	(2,534,401)	(5.50)
DCHS Administration	(30,000)	0	(198,440)	(228,440)	(1.00)
Youth & Family Services	<u>(2,022,260)</u>	<u>0</u>	<u>(3,269,757)</u>	<u>(5,292,017)</u>	<u>(9.50)</u>
Total DCHS	(2,718,267)	(876,099)	(4,460,492)	(8,054,858)	(16.00)

FY 2026 Adopted Budget Recap by Department

Department & Division	General Fund Reductions	Other Funds Reductions	SHS Reductions	Total Reductions	FTE Reductions
Department of Community Justice					
Adult Services Division	(1,872,883)	0	(2,152,042)	(4,024,925)	(14.50)
Director's Office	(499,922)	0	0	(499,922)	(2.00)
Juvenile Services Division	<u>(2,649,849)</u>	<u>0</u>	<u>0</u>	<u>(2,649,849)</u>	<u>(19.80)</u>
Total DCJ	(5,022,654)	0	(2,152,042)	(7,174,696)	(36.30)
Department of County Management					
Central Human Resources	(698,177)	0	0	(698,177)	(3.50)
DCM Director's Office	(1,224,120)	0	0	(1,224,120)	(3.00)
Division Of Assessment, Recording And Taxation	(819,058)	0	0	(819,058)	(8.00)
Finance & Risk Management	<u>(410,362)</u>	<u>0</u>	<u>0</u>	<u>(410,362)</u>	<u>(2.00)</u>
Total DCM	(3,151,717)	0	0	(3,151,717)	(16.50)

FY 2026 Adopted Budget Recap by Department

Department & Division	General Fund Reductions	Other Funds Reductions	SHS Reductions	Total Reductions	FTE Reductions
Department of Community Services					
DCS Director's Office	(311,365)	0	0	(311,365)	(1.00)
Elections	(256,600)	0	0	(256,600)	(1.00)
Land Use Planning	<u>(144,887)</u>	<u>0</u>	<u>0</u>	<u>(144,887)</u>	<u>0.00</u>
Total DCS	(712,852)	0	0	(712,852)	(2.00)

FY 2026 Adopted Budget Recap by Department

Department & Division	General Fund Reductions	Other Funds Reductions	SHS Reductions	Total Reductions	FTE Reductions
Health Department					
Behavioral Health	(2,748,675)	(2,193,393)	(2,639,703)	(7,581,771)	(24.00)
Corrections Health	(41,103)	0	0	(41,103)	0.00
Director's Office	(2,169,945)	0	0	(2,169,945)	(10.00)
Financial & Business Management	(1,743,869)	0	0	(1,743,869)	(8.00)
Health Officer	(202,554)	0	0	(202,554)	0.00
Operations	(1,016,840)	0	(182,050)	(1,198,890)	(6.00)
Public Health	<u>(4,325,972)</u>	<u>(7,978,632)</u>	<u>(308,100)</u>	<u>(12,612,704)</u>	<u>(46.03)</u>
Total HD	(12,248,958)	(10,172,025)	(3,129,853)	(25,550,836)	(94.03)

FY 2026 Adopted Budget Recap by Department

Department & Division	General Fund Reductions	Other Funds Reductions	SHS Reductions	Total Reductions	FTE Reductions
Homeless Services Department					
Administration & Operations	0	0	(177,994)	(177,994)	(1.00)
Housing Placement & Retention	0	0	(2,409,920)	(2,409,920)	0.00
Safety off and on the Streets	0	0	(4,701,520)	(4,701,520)	(3.00)
Supportive Housing	0	0	(18,604,892)	(18,604,892)	0.00
System Support, Access, & Coordination	<u>0</u>	<u>0</u>	<u>(32,627,310)</u>	<u>(32,627,310)</u>	<u>(2.00)</u>
Total HSD	0	0	(58,521,636)	(58,521,636)	(6.00)
Library					
Department Administration	0	(100,000)	0	(100,000)	0.00
Public Services	<u>0</u>	<u>(1,275,046)</u>	<u>(191,000)</u>	<u>(1,466,046)</u>	<u>0.00</u>
Total Library	0	(1,375,046)	(191,000)	(1,566,046)	0.00

FY 2026 Adopted Budget Recap by Department

Department & Division	General Fund Reductions	Other Funds Reductions	SHS Reductions	Total Reductions	FTE Reductions
District Attorney's Office					
Admin	(111,936)	0	(18,867)	(130,803)	(0.13)
Division 1	(198,000)	0	0	(198,000)	(1.00)
Division 2	<u>(290,889)</u>	<u>0</u>	<u>(265,002)</u>	<u>(555,891)</u>	<u>(2.00)</u>
Total MCDA	(600,825)	0	(283,869)	(884,694)	(3.13)
Nondepartmental					
Chair	(790,656)	0	(215,000)	(1,005,656)	(3.00)
Local Public Safety Coordinating Council	(79,810)	0	0	(79,810)	0.00
Nondepartmental	<u>(2,234,943)</u>	<u>0</u>	<u>(1,908,041)</u>	<u>(4,142,984)</u>	<u>(10.25)</u>
Total NOND	(3,105,409)	0	(2,123,041)	(5,228,450)	(13.25)
Sheriff's Office	0	0	0	0	0
Grand Total	(28,123,380)	(16,566,027)	(70,861,933)	(115,551,340)	(194.21)