

# Budget Review 2025-26

## Multnomah County

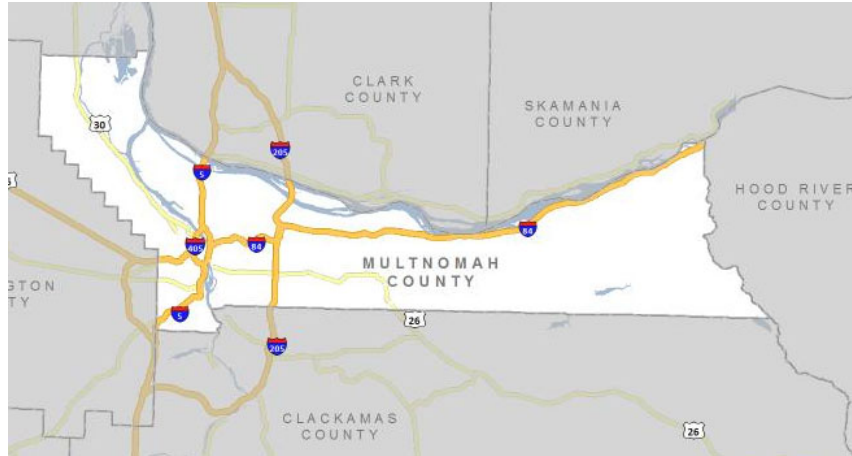


### BUDGET HIGHLIGHTS

- Total FY 2025-26 Approved budget is \$4.0 billion, an increase of \$18.4 million (0.5%) from the FY 25 Adopted. The county's operating budget (not including contingency, transfers, or reserves), totals just under \$3 billion and decreases \$77 million from the FY 25 budget.
- The largest driver of slow budget growth year over year is a decrease of budgeted beginning fund balance (-\$48 million) from last year's budget, due to spending down in the current year of supportive housing funds and library bond dollars.
- The county is experiencing a structural deficit in the General Fund, paired with slowing property tax revenues, a reduction in forecasted supportive housing services dollars, and economic uncertainty with local, state, and federal funds.
- Lower than expected revenues in the supportive housing fund, paired with a planned spend down of prior year funds in the current year, results in a decrease of \$92 million in expenditures. In this budget, the county prioritizes the shelter system and cuts a variety of other programs, such as employment services and navigation teams that connect people with services.
- Library capital projects funded by bond dollars continue to see a high rate of spend as projects are completed, accounting for a reduction of \$112 million in expenditures over last year. Several new libraries and re-openings occurred in the current fiscal year.
- Remaining COVID-19 response dollars are spent down in this budget, with a reduction of \$19 million in spending from last year for those funds. As a result, the county is spending less on one-time rent assistance than in prior years.
- To address deficits in the budget, virtually all departments (with the exception of the Sheriff's Office) see reductions at some level.
- As part of balancing the budget, the county is cutting positions, a decrease of 101.67 full-time equivalents (FTE) across a number of programs. The largest FTE cuts are in the Health department (48 FTE).
- This budget sees another year of fund balance increase in the Preschool for All fund (+\$125 million) as the department saves for an anticipated funding gap in future fiscal years.

### INTRODUCTION & BACKGROUND

Multnomah County is located in the northwestern section of the state. The Columbia River is the northern border of the county. The county operates under a 1967 home rule charter that assigns legislative authority to the Board of County Commissioners and administrative responsibility to the Board Chair. A five-member salaried board governs the county. All are elected to four-year terms on non-partisan ballots: The Board Chair is elected at large and four board members are elected from districts.



Of the 36 counties in Oregon, Multnomah County is both the state’s smallest (in area) and largest (in population). It covers 457 square miles and, as of Portland State’s University’s December 2024 estimates, has a population of just over 800,000.

Multnomah County	2021-22	2022-23	2023-24	2024-25
Assessed Value in Billions	\$85.289	\$89.181	\$96.475	\$100.172
Real Market Value (M-5) in Billions	\$194.226	\$208.981	\$210.677	\$206.698
Property Tax Rate Extended:				
Operations	\$4.3434	\$4.3434	\$4.3434	\$4.3434
Historical Society Local Option	\$0.0500	\$0.0050	\$0.0050	\$0.0050
Debt Service	\$0.5951	\$0.5913	\$0.5758	\$0.5401
Total Property Tax Rate	\$4.9885	\$4.9397	\$4.9242	\$4.8885
Measure 5 Impact	\$-15,414,896	\$-14,430,999	\$-14,783,094	\$-18,039,621
Number of Employees (FTE’s)	5,279	5,732	5,774	5,968

## BUDGET OVERVIEW

The FY 25-26 budget for Multnomah County is \$4.0 billion dollars. The county sees only a slight increase (\$18.4 million, 0.5%) from last year as the county grapples with stagnating revenues and makes cuts to address funding shortages. The county’s operating budget (not including contingency, transfers, or reserves), totals just under \$3 billion and decreases \$77 million from the FY 25 budget.

Last year’s budget increased \$408 million from the prior year, a drastic difference from this year’s \$18 million increase. The county uses this budget to address significant budget constraints, including a \$15.5 million shortfall in the General Fund and an expected deficit in the Homeless Services department. Expenditures are outpacing slowing revenues in most areas, and the county is facing an uncertain

economic climate in the face of potential state and federal cuts, as well as potential impacts from tariffs that could further impact local revenues. To address deficits, virtually all departments (with the exception of the Sheriff's Office) see reductions at some level. The Approved budget sees various programmatic cuts, including a reduction of 102 FTE. The Health Department, by far the largest from an FTE perspective, sees a loss of 48 FTE positions from budget year to budget year.

The Chair's budget guidance prioritized safety and stability for the most vulnerable populations, along with the following:

- 1) Maintaining direct services to the community, particularly focused on homelessness, behavioral health, and substance use,
- 2) Eliminating disparities and prioritizing services that focus on populations adversely affected by racism, and
- 3) Funding a comprehensive, fair, and accountable system of community safety at current levels.

Several programs were fully eliminated from the County's budget:

- **Nurse Family Partnerships:** Starting in 1999, this program provided up to two years of in-home support and healthcare guidance to first-time, low-income mothers. Currently it serves 207 families. The proposed funding for the next fiscal year was \$1.17 million.
- **County Passport Services:** This program allowed residents to apply for passports in person through the county. It cost the county about \$862,000 to operate and processed around 6,500 passport applications last year. Annual revenue is estimated at \$315,000.
- **Campaign Finance Program:** This initiative was in the early stages of development, with work starting in the current fiscal year and \$500,000 earmarked for implementation. The goal was to create a program before the November 2026 election to help candidates secure public funds for campaigning, similar to the City of Portland's.

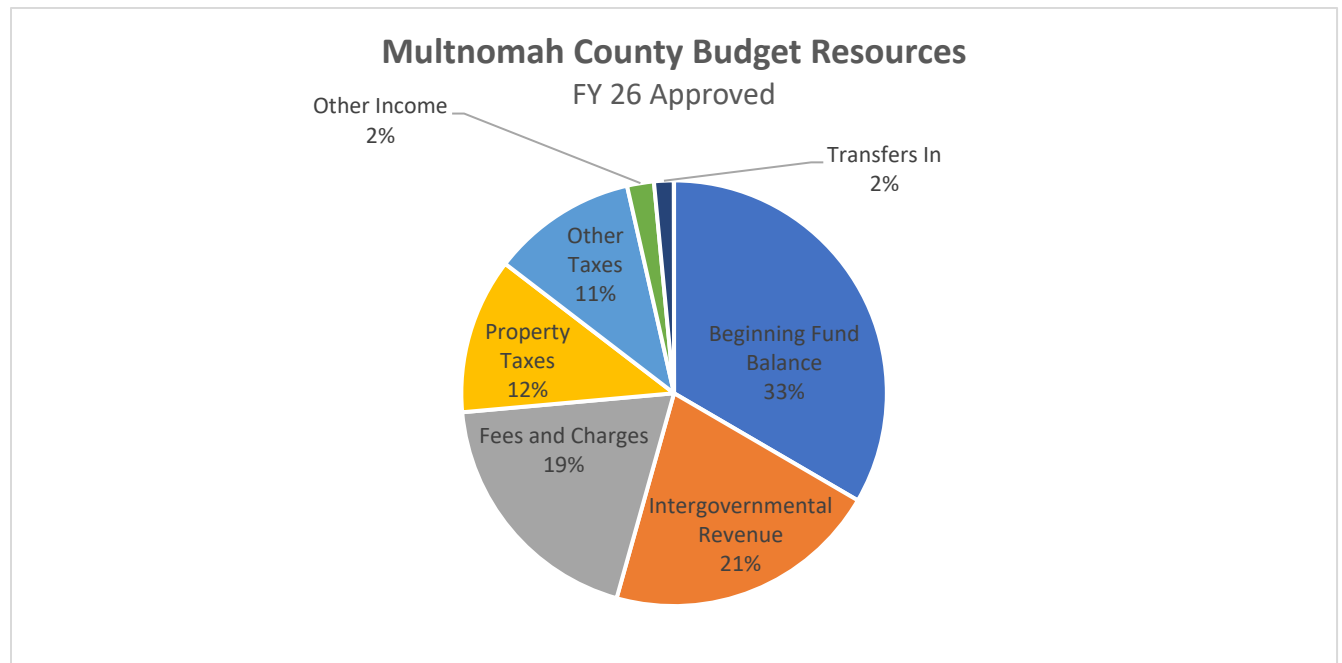
In last year's budget, supportive housing funds were woven into different departments for homeless services, ranging from adult transition services for formerly incarcerated individuals, to behavioral crisis services at shelters. In this year's budget, we see reductions in these services as supportive housing services revenues are projected to only slightly increase over prior years. Some SHS dollars were backfilled with General Fund, and some services were reduced or eliminated.

The county budgets by program offer, with county services broken down into individual "programs" with assigned performance measures and descriptions. The budget distinguishes between one-time and ongoing resources and strives to match expenditures accordingly. The county details \$71.9 million in one-time spending, \$62.3 million of that in the General Fund. \$10.8 million of one-time funds are set aside for capital projects. [The Budget Director's Message](#) (p.57) lists one-time programs.

This budget also includes a number of new or re-prioritized investments, such as \$2 million in ongoing funds for Family Resources Navigators to be located at SUN schools, \$10 million in one-time funds to support City of Portland alternative shelter sites, \$1.3 million backfill for Bridgeview residential program providing housing and supportive services (formerly funded by supportive housing services dollars), and \$908 thousand to expand human resources at the Sheriff's Office.

**RESOURCES**

Revenues by Category	FY 25 Adopted	FY 26 Approved	Change
Property Taxes	460,485,961	473,536,018	3%
Other Taxes	411,798,814	442,190,183	7%
Intergovernmental Revenue	859,378,575	838,554,371	-2%
Fees and Charges	758,392,786	769,299,369	1%
Debt Proceeds	-	402,700	-
Other Income	72,350,459	81,556,028	13%
<i>Subtotal Revenues</i>	<i>2,562,406,595</i>	<i>2,605,538,669</i>	<i>2%</i>
Beginning Fund Balance	1,385,242,137	1,336,559,952	-4%
Transfers In	36,015,845	59,967,266	67%
<b>Total Requirements</b>	<b>3,983,664,577</b>	<b>4,002,065,887</b>	<b>0.46%</b>



The five largest resource categories are Beginning Fund Balance, Intergovernmental Revenue, Fees & Charges, Property Taxes, and Other Taxes. Details on year over year changes:

**Beginning Fund Balance - \$1.3 billion, 4% decrease**

In prior years, the county’s beginning fund balance has grown as Preschool for All and Supportive Housing (SHS) rolled over unspent funds. In contrast, this year sees an overall decrease in beginning fund balance as SHS one-time resources are spent down. SHS beginning fund balance decreases \$102 million from the prior year budget. The Library Capital Construction (GO Bond) fund sees a second year of large decrease (\$111 million) in beginning fund balance as dollars are spent on planned projects. Preschool for All see another year of increase (+\$125 million) in fund balance to a total of \$534 million.

**Intergovernmental Revenue - \$839 million, 2% decrease**

The CARES Act Local Government fund, which in recent years comprised a large share of intergovernmental revenue, decreases by \$21 million as American Rescue Plan (ARP) funds wind down. Only \$889 thousand is budgeted in this fund for FY 26. Decreases in the Burnside Bridget Fund (\$23 million) and the Supportive Housing fund (\$20 million) also contribute to this decrease.

**Fees & Charges - \$769 million, 1% increase**

The majority of fees and charges are budgeted in the Health Department FQHC (federally qualified health center) Fund and the Risk Management Fund, where internal service charges for the county’s self-funded medical and dental plan are budgeted.

**Property Taxes - \$474 million, 3% increase**

The county has three property tax levies:

- A Permanent Rate Levy (\$4.3434) which is receipted into the General Fund to be used for any lawful purpose.
- A Local Option Levy (\$0.0500) which is dedicated to the Oregon Historical Society and is receipted in that special revenue fund.
- A General Obligation Bond Levy for paying the debt service on the Library Facility bonds.

The county provides the following breakdown of estimated property tax levies (note that the table does not include taxes received in FY 26 from prior years, or payments received in lieu of property taxes - the addition of these brings total tax revenue to \$474 million). The rate of growth for the county’s local option levy is estimated at a slower pace than the permanent rate. Constitutional state tax limits cause “compression” and impact local option levies first, accounting for this assumption.

<b>TAX LEVY ANALYSIS</b>				
	<b>ACTUAL 2022-23</b>	<b>ACTUAL 2023-24</b>	<b>BUDGET 2025-26</b>	<b>BUDGET 2024-25</b>
Permanent Rate Levy - Subject to \$10 Limit	387,399,967	419,050,555	433,600,031	445,540,805
OHS Local Option Levy - Subject to \$10 Limit	4,817,391	5,009,224	5,125,496	5,261,321
General Obligation Bond Levy	54,959,047	56,122,643	54,549,675	58,911,089
<b>Total Proposed Levy</b>	<b>447,176,405</b>	<b>480,182,423</b>	<b>493,275,202</b>	<b>509,713,215</b>
Loss due to 1% limitation	(14,430,999)	(14,783,094)	(18,356,286)	(21,399,033)
Loss in appropriation due to discounts and delinquencies	<u>(18,295,305)</u>	<u>(22,854,127)</u>	<u>(21,371,351)</u>	<u>(22,008,505)</u>
<b>Total Proposed Levy Less Loss</b>	<b>\$414,450,101</b>	<b>\$442,545,202</b>	<b>\$453,547,565</b>	<b>\$466,305,677</b>

**NOTES**

Average property tax discount	2.25%
Property tax delinquency rate	2.25%
Average valuation change (Based on July - January Value Growth)	2.40%
Assumed compression percentage	4.50%

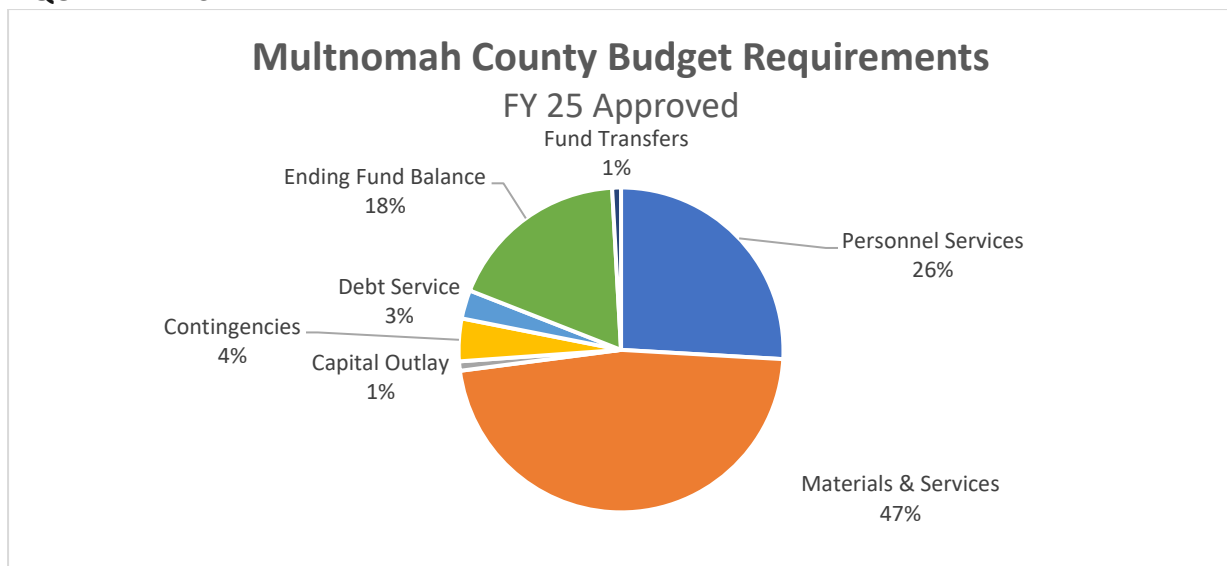
For FY 26, the county expects to see property tax revenue growth slow even further, estimating growth of 2.2% for current year taxes. New development has driven property tax growth above the constitutional limit of 3% growth in years past. The county anticipates a sharp reduction in new development and declining values in property tax revenue in downtown Portland.

**Other Taxes - \$442 million, 7% increase**

The total of the county’s five other taxes continues to increase, primarily due to Preschool for All (PFA) and Business Income Tax (BIT) collection growth.

OTHER TAXES	FY 25 Adopted	FY 26 Approved	Change
Business Income Tax	162,953,555	176,006,343	8%
PFA Personal Income Tax	163,000,000	175,000,000	7%
Rental Car Tax	43,706,375	48,307,255	11%
Transient Lodging Tax	35,698,884	37,136,585	4%
Local Gas Tax	6,440,000	5,740,000	-11%
<b>Total</b>	<b>411,798,814</b>	<b>442,190,183</b>	<b>7%</b>

**REQUIREMENTS**



Expenditures by Category	FY 25 Adopted	FY 26 Approved	\$ change	% change
Personnel Services	1,030,449,668	1,054,800,495	24,350,827	2.36%
Materials & Services	1,881,117,948	1,785,119,086	-95,998,862	-5.10%
Capital Outlay	36,711,998	27,561,179	-9,150,819	-24.93%
Debt Service	112,379,479	115,829,905	3,450,426	3.07%
<b>Subtotal Expenditures</b>	<b>3,060,659,093</b>	<b>2,983,310,665</b>	<b>-77,348,428</b>	<b>-2.53%</b>
Transfers Out	36,015,845	59,967,266	23,951,421	66.50%
Contingencies	168,050,368	134,058,257	-33,992,111	-20.23%
Ending Fund Balance	718,989,271	824,729,699	105,740,428	14.71%
<b>Total Requirements</b>	<b>3,983,714,577</b>	<b>4,002,065,887</b>	<b>18,351,310</b>	<b>0.46%</b>

The largest year over year increase is in **ending fund balance**, a 15% increase. This is driven by carryover dollars in the Preschool for All (\$524 million in EFB) and Risk Management (\$100 million) funds.

**Transfers out** are a budgetary mechanism to show money moving between funds and will vary depending on business needs each year. The year over year increase in this category, 66% for FY 26, is driven by a \$28.6 million transfer from the Willamette River Bridges Fund to the Sellwood and Burnside

Bridge funds as a way to share vehicle registration fee revenue to spend on projects. **Contingencies** decrease 20% with the largest change (-\$29 million) in the Supportive Housing Fund as funds are spent down in the current year, leaving less available for FY 26.

**Personnel Services** increase by just over 2%. For FY 2026, the increase incorporates a 2.40% COLA in FY 2026 and a 2.62% increase in PERS costs. This budget sees a decrease of 101.67 FTE from the FY 25 Adopted. The Health Department, by far the largest from an FTE perspective, sees a loss of 48 FTE positions from budget year to budget year. One of the larger reductions is in the School Based Mental Health Services program for case management services, a cut of nearly 14 FTE from the current year budget.

The county currently has six open labor contracts, including Local 88 which represents 60% of county FTE. The county assumed a COLA of 2.4% for the majority of FTE, however, the results of bargaining may result in additional increases not included in the budget.

The largest expenditure category for the county is **materials and services** (total of \$1.7 billion) which includes contracted services, the primary mechanism the district uses to fund many of the services they provide. Contracted services make up \$1.1 billion of budget requirements, with the largest amounts budgeted in County Assets (\$300 million, mostly due to Library Bond funded projects), the Homeless Services Department (\$252 million, for services to address homelessness), and County Human Services (\$250 million, for services to community members, including Preschool for All). The budget gives a 3.3% General Fund cost of living increase for all Health and Human Services contracts.

**Capital Outlay** spending decreases by \$9 million to a total of \$28 million and **debt service** increases by \$3 million.

## SIGNIFICANT BUDGET AREAS

### General Fund

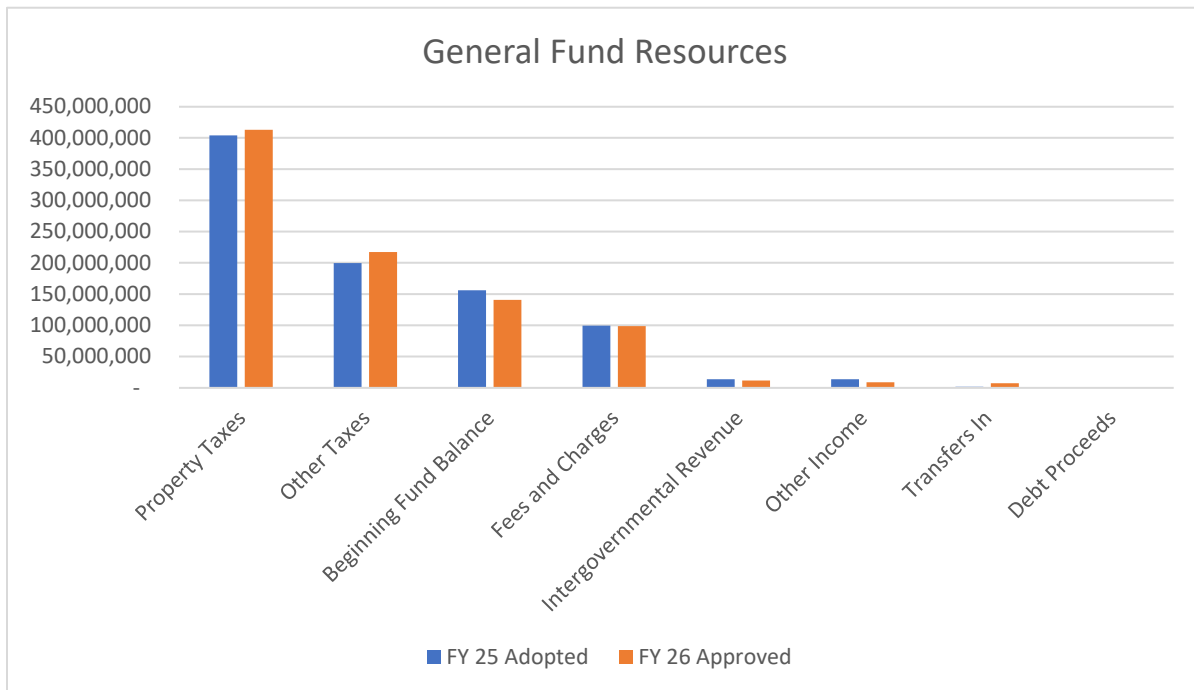
The FY 2025-26 General Fund budget is \$824 million, a \$9 million (1%) increase from the FY 25 Adopted budget. The General Fund comprises 22% of the county's budget and is the largest pool of discretionary funds for the district. The county was aware of a structural deficit anticipated in the General Fund beginning in FY 2025, that deficit is now here. In November 2024, the county announced an estimated \$21.2 million General Fund shortfall, adjusted to \$15.5 million in the March forecast. As a result, general

fund programs (with some exceptions for public safety and other areas) were asked to prepare packages with cuts of 12%, although restorations were made through the budget process for some departments. For details by department of additions, reduction, and reallocations, see p.20 of [the Budget Director’s Message](#).

Additionally, the county identified \$15 million in additional program needs. To balance the General Fund, the county combined programmatic reductions with reallocation and revenue changes (see chart to the right from the county’s budget document).

<b>How We Balanced the General Fund</b>	
<b>Budget Gap</b>	
Deficit from March 2025 Forecast	(15,544,514)
Additional Programmatic Needs	(14,996,137)
<b>Total Budget Gap</b>	<b>(\$30,540,651)</b>
<b>Actions Taken to Close the Gap</b>	
<i>Programmatic Reductions</i>	25,676,976
<i>Revenue Changes</i>	
Restaurant Inspection Fees	1,923,173
Land Use Fees	198,517
Additional Indirect	313,250
Passports Program Reduction	(314,500)
<i>Reallocations</i>	
HB 4002 Implementation	1,598,553
Public Campaign Finance	520,000
DCA COLA Reduction to Actual	90,000
Additional Adjustments from Department Submittals	534,682
<b>Total Actions Taken to Close the Gap</b>	<b>\$30,540,651</b>

General Fund Resources



For FY 26, overall resources are estimated to increase over the current year. Various revenue streams see different rates of growth:

- Property Tax – \$412 million, 2% increase from prior year
- Business Income Tax – \$176 million, 8% increase from prior year
- Motor Vehicle Rental Tax – \$41 million, 12% increase from prior year



The budget director’s message notes the uncertainty for business income tax in particular: “Looking ahead, new tariffs are creating an immense amount of uncertainty for these revenues. BIT is the General Fund revenue with the most exposure to the business cycle and could decline rapidly in the event of an economic downturn.”

### General Fund Requirements

The county has ten departments that can be categorized into three service areas: Health and Human Services, Public Safety, and General Government. Public Safety (the majority of which is the Sheriff’s Office) has the largest share of General Fund expenses, followed by Health and Human Services and General Government.

REQUIREMENTS BY FUNCTION	FY 25 Adopted	FY 26 Approved	Change
Public Safety	320,903,620	331,373,693	3%
Health & Human Services	271,968,052	289,748,671	7%
General Government	167,583,130	161,778,741	-3%
<i>Subtotal Expenditures</i>	<i>760,454,802</i>	<i>782,901,105</i>	<i>3%</i>
Transfers Out	28,983,321	9,075,000	-69%
Contingencies	23,413,403	27,624,886	18%
Ending Fund Balance	75,073,406	77,788,126	4%
<b>Total Requirements</b>	<b>887,924,932</b>	<b>897,389,117</b>	<b>1%</b>

Transfers see the largest year over year percentage change as fewer one-time dollars are available to transfer out to other funds for programs.

## Highlights from Service Areas, Homeless Services, and Preschool for All

### General Government

- Animal Services: The animal services division sees new investments and reallocations as it changes its operations, based on their strategic plan. Last year, the division added \$921 thousand and 4 FTE. Changes for FY 26 include eliminating emergency response services due to lack of utilization and costs and shifting to external spay and neuter services. This budget includes \$3.4 million for planning and designing a new animal shelter (\$3 million was included last year for the same purpose).
- Passport Services – Eliminates a budget of \$861,780 and 7.10 FTE.
- Public Campaign Finance – Eliminates a budget of \$504,869 and 1.0 FTE.
- Budget Process: In October 2023 the Auditor’s office published a report on the budget process with identified areas of concern. In response, this year’s budget process was adjusted to include more time between the Proposed and Approved budgets, and the county has shared plans for redesigning the Community Budget Advisory Committees. A 1.00 FTE CBAC Coordinator is added to support both the countywide and departments CBACs in this budget.

## Public Safety

- Department of Community Justice: Reduced ongoing general fund dollars by \$4.9 million, including the elimination of the Juvenile Behavioral Rehabilitation Assessment & Evaluation Program, including a reduction of 18 FTE. This is driven by the loss of Washington County juvenile detention contract, they will now be providing juvenile detention beds themselves.
- DA's Office: Cut \$1 million and 4.13 FTE in various programs.
- Sheriff's Office: \$908 thousand to expand human resources at the sheriff's office. No reductions.

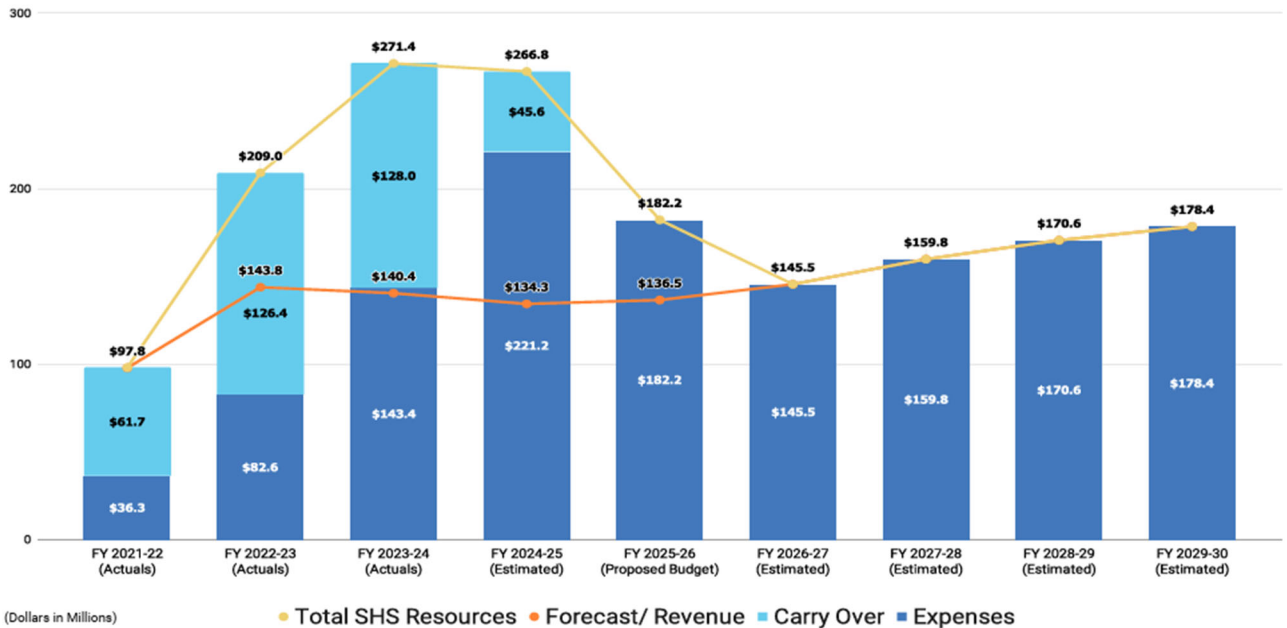
## Health and Human Services

- Deflection Services: In the FY 25 budget the Health Department added a new deflection and addiction recovery program to coordinate implementation of HB 4002, passed by the legislature in 2024. HB 4002 and related appropriation bill HB 5204 made changes to Measure 110, the voter-approved measure that decriminalized the possession of some drugs. The county received \$25 million from the state in FY 25 and spent \$3.8 million for a temporary Coordinated Care Pathway Center. Per the County, 13 sobering stations will be added in spring 2025. In FY 2026, \$13.4 million is budgeted to construct a permanent 24/7 Sobering & Crisis Stabilization Center; services will be transferred from the temporary space once construction is complete. Total estimated project costs are \$29.8 million.
- Health Department: Overall reductions of \$24.5 million. School based mental health sees a decrease of \$2.4 million and 13.67 FTE per the budget message. Supportive housing services funds across a variety of programs related to homeless services reduce by \$3 million. The largest of these reductions is \$1.9 million in behavioral health crisis services.

## Homeless Services Department (formerly Joint Office of Homeless Services)

- New Name: The Joint Office was formed in 2016 by Multnomah County and the City of Portland to streamline the region's response to homelessness. The administrative functions are housed within Multnomah County and partially funded by the City of Portland. New in FY 26, this function is now called the Homeless Services Department (HSD). The department also receives funds from state and federal resources, and a large portion of income from the regional supportive housing services (SHS) income tax, passed by voters in 2020.
- Operating budget: The HSD operating budget is \$304.2 million, a decrease of 11% from last year. An additional \$4.2 million is budgeted in contingency.
  - Available resources in this fund decrease as beginning fund balance falls by 7% to a total of \$45.5 million, and expected revenue from local sources funds falls 9% to \$166 million. The largest ongoing revenue source for this department is the SHS funds, which account for 49% of the total budget. Other major sources include the county General Fund (22%), City of Portland (10%), and federal and state funds (19%). Countywide, \$137 million in ongoing supportive housing funds are expected for FY 26, only a slight increase from the year prior, see chart on next page.

- Cuts include a \$29 million reduction for reserves and contingency and decreases of \$29 million and 6.00 FTE across a variety of programs. This includes a decrease of \$4 million in support services at newly developed supporting housing units, \$1.2 million in employment programs. Supportive \$10 million in other departments providing services to the houseless population.



- City of Portland contribution: (\$29.6 million for FY 26 in the county’s budget) will primarily fund short term shelter options, navigation services, and supportive housing services.
- Spend Rate: The last several years have been focused on ramping up spending of available funds. In FY 24, the third year of implementation of Metro’s SHS Measure, Multnomah County reports surpassing most goals set by Metro for spending (see [FY 2024 SHS Annual Report](#)). The county’s SHS target spending rate is 75% of their program budget, and in FY 2024, they spent \$135 million of our \$170 million, a spending rate of 80%. In [their most recent quarterly report](#), the county states they expect to meet the minimum spending rate goal of 80% again this year.
- Capital: The FY 25 budget included \$31.5 million set aside for strategic housing related capital investments in the acquisition and renovation of buildings and other real property for emergency shelter capacity as well as to support additional temporary/seasonal shelters. This year’s budget includes \$9.5 million for the HSD capital program.

### Preschool for All Implementation

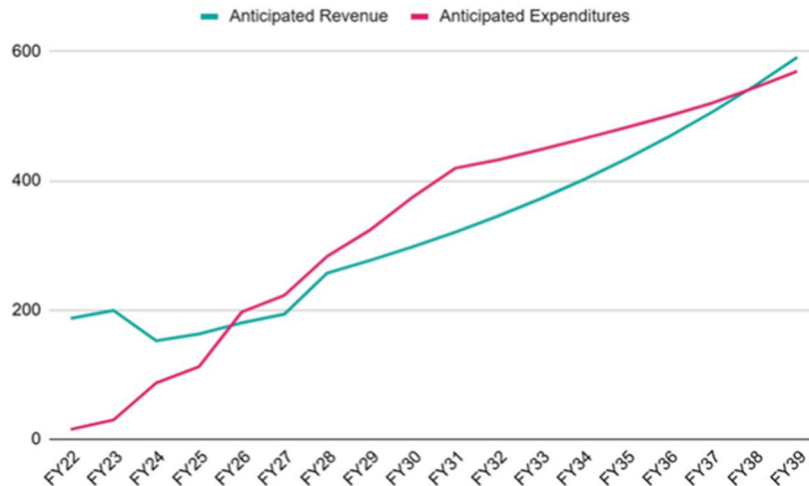
- Fund Growth Continues: On November 3, 2020, Multnomah County voters approved a measure to establish a tuition-free preschool program, funded by a personal income tax, which went into effect in 2021. The Preschool for All Program Fund is \$714 million for FY 2026, an increase of \$142 million (25%) from the prior year adopted budget. This fund has grown rapidly in recent years as the county continues to see a growing beginning fund balance.

- Saving for future deficit:** Beginning fund balance accounts for \$125 million of the year over year increase as funds from previous years remain unspent. Total anticipated tax revenue for 2025 is \$175 million, an increase of 7% from the year prior. The county cites projected shortfalls in future years as the reason for building a substantial fund balance (see graph on the next page from an April 2025 presentation to the county board, assumptions have been adjusted slightly since last year’s presentation for the same graph). They plan to save money during the early years to have available when the gap appears.

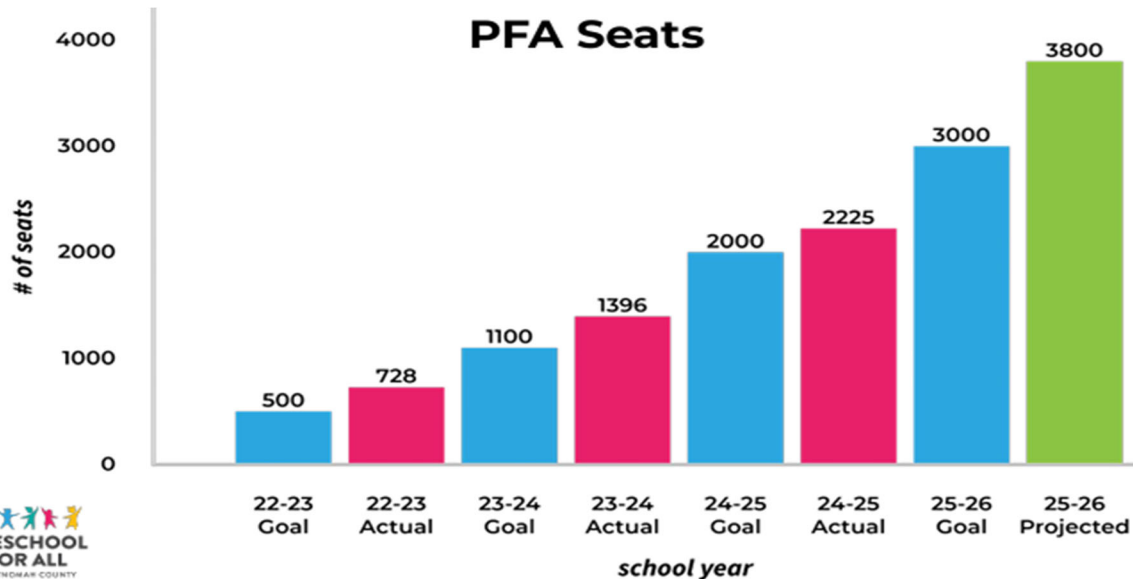
### PFA Revenue & Expenditures

Revenues and Expenses are matched over the full implementation of the program.

Earlier surpluses are saved to offset expected future deficits.



More details available here: [4.15.25 PFA Board Briefing Slides Updated.pdf](#). Yearly goals have been revised from when the measure was passed in November 2020, (initially 12,000 slots, now 11,000) although the county still expects to meet the initial timeline of full implementation by 2030-31.



### Library & Library Capital Bond

- **Library operations:** will see a \$1.6 million reduction as the library prioritizes operating library spaces and reduces other programming, including \$551,000 in reductions for substitute staffing and funding for contractors.
- **Capital Bond:** County voters approved a \$387 million bond measure for new and remodeled library facilities in 2020. Bond projects continue to progress. Midland, Holgate, and North Portland Libraries opened in the current FY as planned; Albina Library is expected to open this summer. For FY 26 Construction will continue on the East County Library and begin on expanded and new buildings for Belmont and St. Johns libraries, among other projects. The East County Library is currently slated to open in spring 2026.

The TSCC FY 25-26 Multnomah County Library Budget Review includes additional information.

### Capital Projects

Major capital projects with budgeted allocations in the FY 26 budget are as follows:

#### Infrastructure for Social Services Programs

- *Homeless Services Capital Fund* - \$9.5 million
- *Sobering and Crisis Intervention Capital Fund* - \$13.4 million, new for this year

#### Transportation

- *Burnside Bridge Fund:* \$33 million to create a seismically resilient Burnside Bridge

#### Facilities

- *Facilities Capital Improvement and Asset Preservation Programs:* \$92 million for projects to maintain buildings designated for long-term retention.
- *Library Capital Bond Construction:* \$143 million to update seven branch libraries and build a library in East County, add gigabit speed internet to all libraries, and create a central materials handling and distribution center (operations center). Reduced from budget of \$226 million current year as projects are completed.

### DEBT STATUS

The table to the right from the budget document summarizes the county's debt portfolio. The majority of debt is for the Library Projects general obligation bonds. Amounts are shown in thousands

Debt Description	Dated	Maturity Date	Avg Annual Interest	Amount Issued	Principal Outstanding 6/30/2025	Principal Outstanding 6/30/2026	2025-26 Interest	2025-26 Principal
<b>PERS Pension Revenue Bonds:</b>								
Limited Tax Pension Obligation Revenue Bonds	12/01/99	06/01/30	7.67%	\$184,548,000	\$22,323,616	\$17,653,909	\$30,215,293	\$4,669,707
<b>General Obligation Bonds:</b>								
Series 2021 A&B - Library Projects GO Bonds	01/26/21	06/15/29	3.14%	\$387,000,000	\$214,120,000	\$165,250,000	\$8,220,090	\$48,870,000
<b>Full Faith and Credit Obligations:</b>								
Series 2010B - Full Faith and Credit	12/14/10	06/01/30	2.74%	15,000,000	7,945,000	6,435,000	401,223	1,510,000
Series 2017 - Full Faith and Credit	12/14/17	06/01/47	3.09%	164,110,000	102,530,000	98,465,000	4,111,731	4,065,000
Series 2019 - Full Faith and Credit	09/12/19	06/01/29	1.74%	16,075,000	6,942,248	5,251,333	120,795	1,690,915
Series 2021 - Full Faith and Credit	01/21/21	06/01/33	1.33%	89,580,000	64,495,000	56,755,000	842,523	7,740,000
Series 2022 - Full Faith and Credit	09/20/22	06/01/32	3.13%	25,095,000	19,100,538	16,617,589	597,847	2,482,949
<b>Total Full Faith and Credit</b>				<b>\$309,860,000</b>	<b>\$201,012,786</b>	<b>\$183,523,922</b>	<b>\$6,074,119</b>	<b>\$17,488,864</b>
<b>Loans</b>								
Oregon Transportation Infrastructure Bank	09/01/08	09/01/25	3.98%	\$3,200,000	\$280,661	\$0	\$11,170	\$280,661

of dollars. Budgeted GO bond debt payments match the debt schedule reported by the county (table below).

**BUDGET PROCESS & COMPLIANCE**

Yes	No	Compliance Issue
X		Did the district meet publication requirements?
X		Do resources equal requirements in every fund?
X		Does the G.O. Debt Service Fund show only principal and interest payments?
X		Are contingencies shown only in operating funds?
X		Did the budget committee approve the budget?
X		Did the budget committee set the levy?
	X	Does the audit show the district was in compliance with budget law? – <i>over expenditures</i>

**LOCAL BUDGET LAW COMPLIANCE**

The FY 2024-25 budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purposes shown.

The FY 23-24 audit gave the following exception: “For the year ended June 30, 2024 there was one fund, the Facilities Management Fund, that had expenditures in excess of appropriations of \$388,000 for the Department of County Assets.” The county also had two prior audit findings on over expenditures: FY 2020-21, \$216,000 in the Federal/State Program fund and \$91 million in the Capital Debt Retirement Fund, and FY 2022-23, \$1.4 million in the Facilities Management Fund.

TSCC policy is to consider a recommendation on over expenditures if they occur three or more times within five years. TSCC staff has discussed the over expenditures with Multnomah County staff, and they have provided a written response for the Commissioners. The response lists specific corrective actions taken by the Department of County Assets to rectify these over expenditures.

**CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS**

TSCC staff notes no deficiencies in the district’s FY 2024-25 budget development process with the exception of repeated over expenditures. Staff suggest the commission consider the following recommendation:

RECOMMENDATION: On review of Multnomah County’s FY 2023-24 audit, the TSCC found that the district had expenditures or fund transfers that exceed appropriation limits in the Facilities Management Fund. We have noticed that over expenditures are a recurring challenge with three occurrences in the last five years. County staff have been very responsive to our inquiries in this area, and the county has outlined a comprehensive list of corrective actions. We encourage the district to implement these enhanced policies to mitigate these issues going forward in order to avoid violation of Oregon Local Budget Law.

## Multnomah County

### Budget Summary

	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	%
<b>SUMMARY OF ALL FUNDS</b>	Actual	Actual	Revised	Approved	Change
<b>PROPERTY TAX BREAKDOWN:</b>					
Permanent Rate Property Taxes	358,122,877	385,401,259	397,524,509	406,277,166	2.2%
Local Option Levy Property Taxes	3,763,797	3,854,595	3,928,116	3,768,421	-4.1%
GO Debt Property Taxes	52,563,427	53,289,348	52,094,940	56,260,090	8.0%
Prior Years Property Taxes	5,269,900	8,130,078	6,724,452	7,015,341	4.3%
Payments in Lieu of Property Taxes	359,548	402,405	213,944	215,000	0.5%
<b>TOTAL PROPERTY TAX</b>	<b>420,079,548</b>	<b>451,077,685</b>	<b>460,485,961</b>	<b>473,536,018</b>	<b>2.8%</b>
<b>RESOURCES:</b>					
Beginning Fund Balance	1,202,582,226	1,486,175,156	1,385,242,137	1,336,559,952	-3.5%
Property Taxes	420,079,548	451,077,685	460,485,961	473,536,018	2.8%
Other Taxes	441,842,849	421,893,093	411,798,814	442,190,183	7.4%
Intergovernmental Revenue	825,013,168	768,826,882	859,378,575	838,554,371	-2.4%
Fees and Charges	687,159,591	707,537,583	758,392,786	769,299,369	1.4%
Other Income	48,875,635	67,039,802	72,350,459	81,556,028	12.7%
Debt Proceeds	28,292,732	1,005,308	0	402,700	0.0%
Transfers In	48,757,594	26,115,715	36,015,845	59,967,266	66.5%
<b>TOTAL RESOURCES</b>	<b>3,702,603,343</b>	<b>3,929,671,225</b>	<b>3,983,664,577</b>	<b>4,002,065,887</b>	<b>0.5%</b>
<b>REQUIREMENTS BY OBJECT:</b>					
Personnel Services	827,052,519	899,190,568	1,030,449,668	1,054,800,495	2.4%
Materials & Services	1,200,319,197	1,374,847,862	1,881,117,948	1,785,119,086	-5.1%
Capital Outlay	22,071,282	7,712,559	36,711,998	27,561,179	-24.9%
Debt Service	118,229,586	115,837,044	112,379,479	115,829,905	3.1%
Fund Transfers	48,757,594	26,115,715	36,015,845	59,967,266	66.5%
Contingencies	0	0	168,050,368	134,058,257	-20.2%
Ending Fund Balance	1,486,169,168	1,505,967,474	718,939,271	824,729,699	14.7%
<b>TOTAL REQUIREMENTS BY OBJECT</b>	<b>3,702,599,346</b>	<b>3,929,671,222</b>	<b>3,983,664,577</b>	<b>4,002,065,887</b>	<b>0.5%</b>
<b>SUMMARY OF BUDGET - BY FUND</b>					
General Fund	918,575,048	940,570,454	887,924,932	897,389,117	1.1%
Road Fund	72,297,896	80,968,088	78,685,092	76,740,692	-2.5%
Bicycle Path Construction Fund	122,070	233,764	342,398	462,551	35.1%
Recreation Fund	36,067	34,794	40,000	40,000	0.0%
Federal/State Program Fund	358,668,835	407,669,503	455,985,013	481,845,641	5.7%
County School Fund	51,506	52,492	70,025	70,025	0.0%
Animal Control Fund	3,924,730	3,722,228	3,525,800	3,244,800	-8.0%

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Willamette River Bridges Fund	39,604,540	44,971,870	67,553,007	99,126,991	46.7%
Library Fund	95,324,810	98,377,412	118,527,915	123,282,529	4.0%
Special Excise Tax Fund	39,314,902	39,321,300	42,811,008	44,421,215	3.8%
Land Corner Preservation Fund	5,087,999	4,852,638	4,287,000	4,102,000	-4.3%
Inmate Welfare Fund	1,613,944	1,562,689	1,719,355	1,786,000	3.9%
Coronavirus (COVID-19) Response Fund	127,260,237	53,106,395	22,281,980	3,372,367	-84.9%
Justice Services Special Operations Fund	7,492,332	8,758,941	10,910,722	12,646,658	15.9%
Oregon Historical Soc Local Option Fund	3,857,350	3,959,847	4,004,337	3,844,422	-4.0%
Video Lottery Fund	7,287,557	8,038,360	7,678,022	7,445,438	-3.0%
Supportive Housing Fund	214,482,591	274,137,471	304,809,539	182,165,732	-40.2%
Preschool for All Program Fund	374,189,325	545,412,667	572,272,919	714,663,503	24.9%
Capital Debt Retirement Fund	31,622,931	31,658,149	24,673,729	25,000,035	1.3%
General Obligation Bond Fund	54,824,716	58,103,242	57,378,147	59,462,586	3.6%
PERS Bond Sinking Fund	96,114,531	77,398,676	83,689,165	80,961,291	-3.3%
Downtown Courthouse Capital Fund	6,258,483	245,808	65,000	14,020	-78.4%
Asset Replacement Revolving Fund	535,874	556,840	556,886	580,027	4.2%
Financed Projects Fund	4,000	3,617	0	0	0.0%
Library Capital Construction Fund	11,334,486	10,244,725	10,103,981	13,024,698	28.9%
Capital Improvement Fund	26,204,815	28,481,019	40,155,271	46,338,117	15.4%
Information Technology Capital Fund	13,356,003	14,346,323	17,233,302	13,958,309	-19.0%
Asset Preservation Fund	38,432,359	42,666,271	44,786,779	46,409,241	3.6%
Health Headquarters Capital Fund	319,571	521,313	0	0	0.0%
Sellwood Bridge Replacement Fund	8,830,453	8,838,951	8,585,173	8,583,523	0.0%
Hansen Building Replacement Fund	998,913	0	0	0	0.0%
Burnside Bridge Fund	48,754,917	42,109,106	51,269,398	33,025,016	-35.6%
Behavioral Health Resource Ctr Capital Fund	19,320,784	1,257,514	880,000	900,000	2.3%
MultCo Library Capital Const (GO Bond) Fund	412,740,384	359,012,708	254,975,980	142,915,708	-43.9%
Justice Ctr Capital Fund	1,954,544	3,318,463	10,699,169	12,601,441	17.8%
JOHS Capital Fund	8,618,170	11,631,973	24,299,890	15,431,525	-36.5%
Animal Services Facility Capital Fund	0	0	3,535,421	3,446,128	-2.5%
Sobering and Crisis Intervention Capital Fund	0	0	0	13,400,000	0.0%
Behavioral Health Managed Care Fund	3,800,547	1,631,065	0	637,000	0.0%
Health Dept FQHC Fund	220,595,973	267,595,858	266,708,241	300,430,237	12.6%
Risk Management Fund	253,010,662	271,907,142	303,168,336	317,028,836	4.6%
Fleet Management Fund	8,368,587	9,587,661	8,791,591	8,415,600	-4.3%
Fleet Asset Replacement Fund	11,116,102	12,198,185	13,935,093	16,695,365	19.8%
Information Technology Fund	74,171,900	71,000,345	79,981,932	84,948,907	6.2%
Mail Distribution Fund	4,630,101	4,588,261	5,324,911	5,407,097	1.5%
Facilities Management Fund	77,491,796	85,017,093	89,438,118	95,801,499	7.1%
<b>GRAND TOTAL ALL FUNDS</b>	<b>3,702,603,345</b>	<b>3,929,671,223</b>	<b>3,983,664,577</b>	<b>4,002,065,887</b>	<b>0.5%</b>

DETAIL OF GENERAL FUND



**RESOURCES:**

Beginning Fund Balance	246,847,109	239,720,154	155,956,484	140,559,321	-9.9%
Property Tax	363,191,276	393,203,829	403,928,961	412,972,507	2.2%
Other Taxes	197,046,537	189,984,318	199,689,130	217,173,843	8.8%
Federal Revenue	(706,955)	51,742	58,066	0	n/a
State Revenue	9,762,196	9,526,416	10,330,035	10,343,325	0.1%
Local Revenue	3,703,754	4,738,110	3,138,718	1,276,336	-59.3%
Fees and Charges	74,884,259	79,233,498	99,527,993	98,711,581	-0.8%
Other Income	18,268,169	20,128,176	13,759,600	8,668,065	-37.0%
Debt Proceeds	3,197,732	1,002,808	0	402,700	0.0%
Transfers In	2,380,968	2,981,401	1,535,945	7,281,439	374.1%
<b>TOTAL FUND RESOURCES</b>	<b>918,575,047</b>	<b>940,570,454</b>	<b>887,924,932</b>	<b>897,389,117</b>	<b>1.1%</b>

**REQUIREMENTS:**

Administrative Services	122,417,630	136,449,287	137,578,269	134,285,188	-2.4%
Community Development	20,991,922	24,399,744	30,004,861	27,493,553	-8.4%
Social Services	184,256,187	197,734,468	236,036,473	225,447,070	-4.5%
Housing	36,507,483	63,408,840	35,931,579	64,301,601	79.0%
Public Safety	271,960,608	301,274,453	320,903,620	331,373,693	3.3%
Transfers Out	42,668,621	19,935,285	28,983,321	9,075,000	-68.7%
Contingencies	0	0	23,413,403	27,624,886	18.0%
Ending Fund Balance	239,772,598	197,368,376	75,073,406	77,788,126	3.6%
<b>TOTAL FUND REQUIREMENTS</b>	<b>918,575,048</b>	<b>940,570,454</b>	<b>887,924,932</b>	<b>897,389,117</b>	<b>1.1%</b>

**DETAIL OF GENERAL OBLIGATION DEBT SERVICE FUND**

**RESOURCES:**

Beginning Fund Balance	977,295	2,906,322	4,653,207	2,572,496	-44.7%
GO Debt Property Taxes	52,563,427	53,289,348	52,094,940	56,260,090	8.0%
Prior Years Property Taxes	373,873	536,698	330,000	330,000	0.0%
Interest on Investments	853,047	1,326,958	300,000	300,000	0.0%
<b>TOTAL FUND RESOURCES</b>	<b>54,767,641</b>	<b>58,059,326</b>	<b>57,378,147</b>	<b>59,462,586</b>	<b>3.6%</b>

**REQUIREMENTS:**

Debt Services	51,974,193	53,808,115	55,424,940	57,090,090	3.0%
Ending Fund Balance	2,850,524	4,295,127	1,953,207	2,372,496	21.5%
<b>TOTAL FUND RESOURCES</b>	<b>54,824,716</b>	<b>58,103,242</b>	<b>57,378,147</b>	<b>59,462,586</b>	<b>3.6%</b>