

FY2027 Fiscal Update & Proposed Budget

Board Meeting
March 25, 2026



Budget Balancing Scorecard

What made the \$300M Financial Deficit?

- Target was premised on a Financial Forecast from Spring 2025
- Includes a 15-Year Outlook [FY2026-40]
- Spring 2025 Forecast included such things as:
 - ❑ Forward Together Service Plan
 - ❑ Full Discretionary Budget Additions of \$15M/Year
 - ❑ Full Ramp-Up of State of Good Repair to \$134M per year and growing.
- Inclusive of the above points and the 15-year projection of revenues and expenditures identified the \$300M gap. The goal was to solve over three years (FY2026-29).

New updates to the Forecast

- Revenues are coming under projections – **negative** impact
- Personnel Expenses are coming in over projections – **negative** impact
- Service – Forward Together Removed/Service Reductions – **positive** impact
- Discretionary Budget Additions Removed/Reduced – **positive** impact
- Capital Ramp Up – pulling back significantly, but still growth – **positive** impact
- Non-Operating [Debt] – lower revenues = lower borrowing capacity – **positive/negative** impact

Budget Balancing Scorecard

Original Balance Budget Scorecard		
	15-Year Total	Annual Average
Target	\$4,500M	\$300M
New Revenue	\$720M	\$48M
Service Cuts	\$2,385M	\$159M
Spend Reduction	\$1,395M	\$93M

Deficit 		\$174M
Revenues 	Annual Average	
Passenger Fares	\$26M	
STIF	\$17M	
Payroll Taxes	\$125M	
Operating Grants	\$17M	
Other	(\$11M)	

Deficit 		\$52M
Expenditures 	Annual Average	
Hydrogen Fuel	\$2M	
Safety & Security	\$6M	
ATP	\$5M	
Personnel*	\$53M	
Non-Operating	(\$14M)	

Deficit 		(\$281M)
Executed	Annual Average	
Discretionary Bgt. Additions	(\$56M)	
Service Reductions	(\$129M)	
SOGR – Capital	(\$96M)	

Updated Balance Budget Scorecard		
	15-Year Total	Annual Average
Target	\$3,675M	\$245M
New Revenue	\$675M	\$45M
Service Cuts	\$405M	\$27M
Spend Reduction**	\$1,920M	\$128M
Remaining Gap	\$675M	\$45M

*Personnel costs in previous forecast were under valued.
 - Adjusted vacancy factor.
 - Per FTE costs were recalibrated to reflect actual.
 **Includes \$106M w/ inflation.

FY2027 Budget Investments

- ▶ **Fiscal Sustainability**

Focus on essential services and operations to ensure efficient use of available resources

- ▶ **Service**

Maintaining core service to the region across our 533 square mile district.

- ▶ **Safety & Security**

Created Emergency Management Department to improve accountability and operational focus

- ▶ **State of Good Repair**

\$118.9M of CIP budget dedicated to maintaining and modernizing existing assets

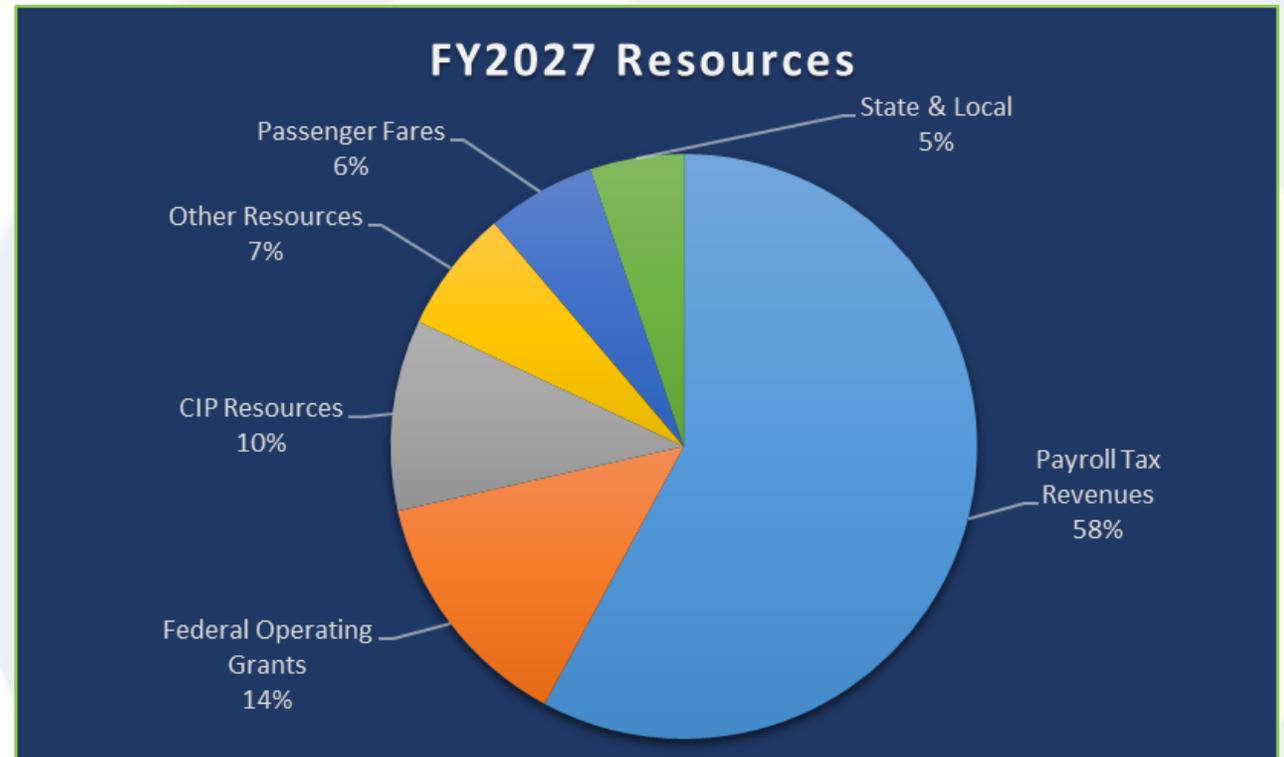
FY2027 Proposed Budget - Resources

FY2027 TOTAL *BUDGETED* RESOURCES **\$947.7M** vs.

FY2026 TOTAL *ESTIMATED ACTUAL* RESOURCES **\$1,072.0M**

Difference = \$124.3M less

Resource	Est Actual FY2026	Budget FY2027
Payroll Tax Revenues	\$535.2M	\$548.6M
Federal Operating Grants	\$139.1M	\$128.6M
CIP Resources	\$41.6M	\$100.1M
Other Revenues	\$67.0M	\$64.4M
Passenger Fares	\$60.2M	\$57.0M
State & Local Revenue	\$78.8M	\$49.0M
Bond Proceeds	\$150M	\$0.0M
Total Resources	\$1,072.0M	\$947.7M



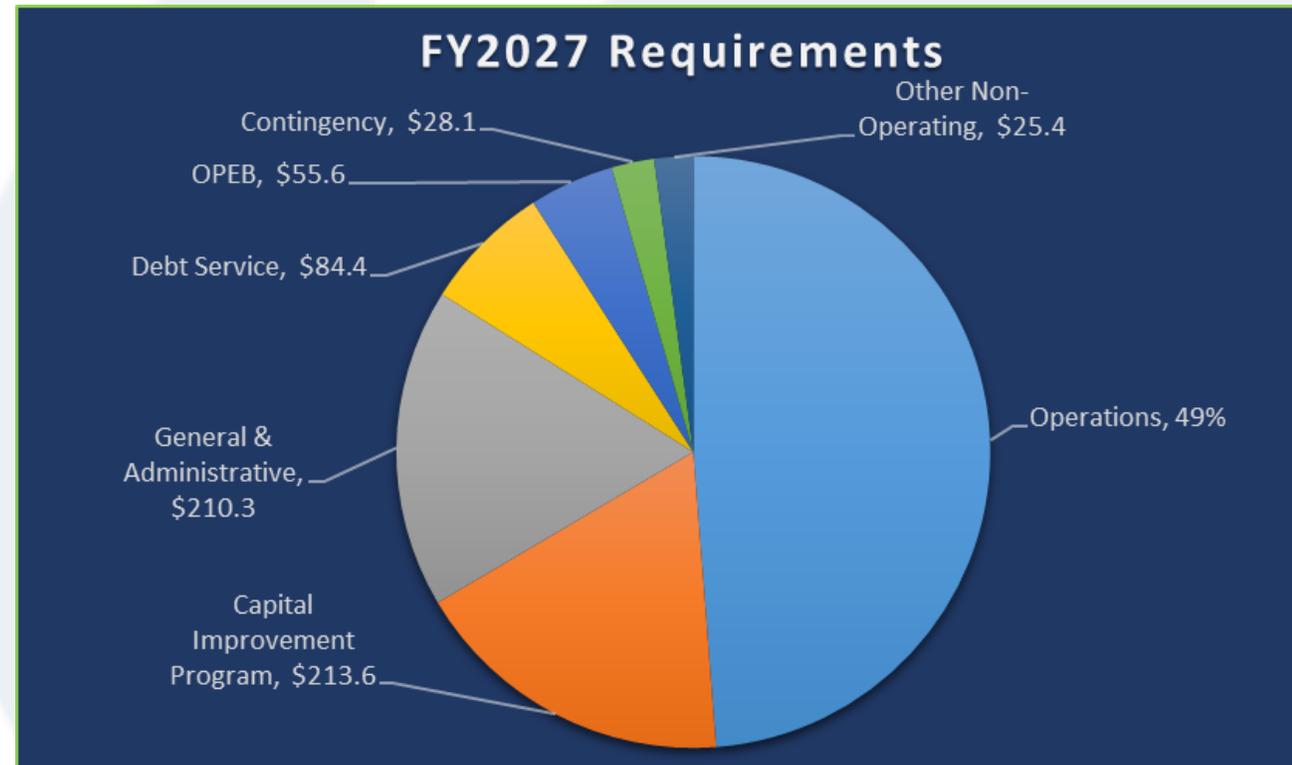
FY2027 Proposed Budget - Requirements

FY2027 TOTAL *BUDGETED* REQUIREMENTS **\$1,205.1M** vs.

FY2026 TOTAL *ESTIMATED ACTUAL* REQUIREMENTS **\$1,071.0M**

Difference = \$134.1M MORE

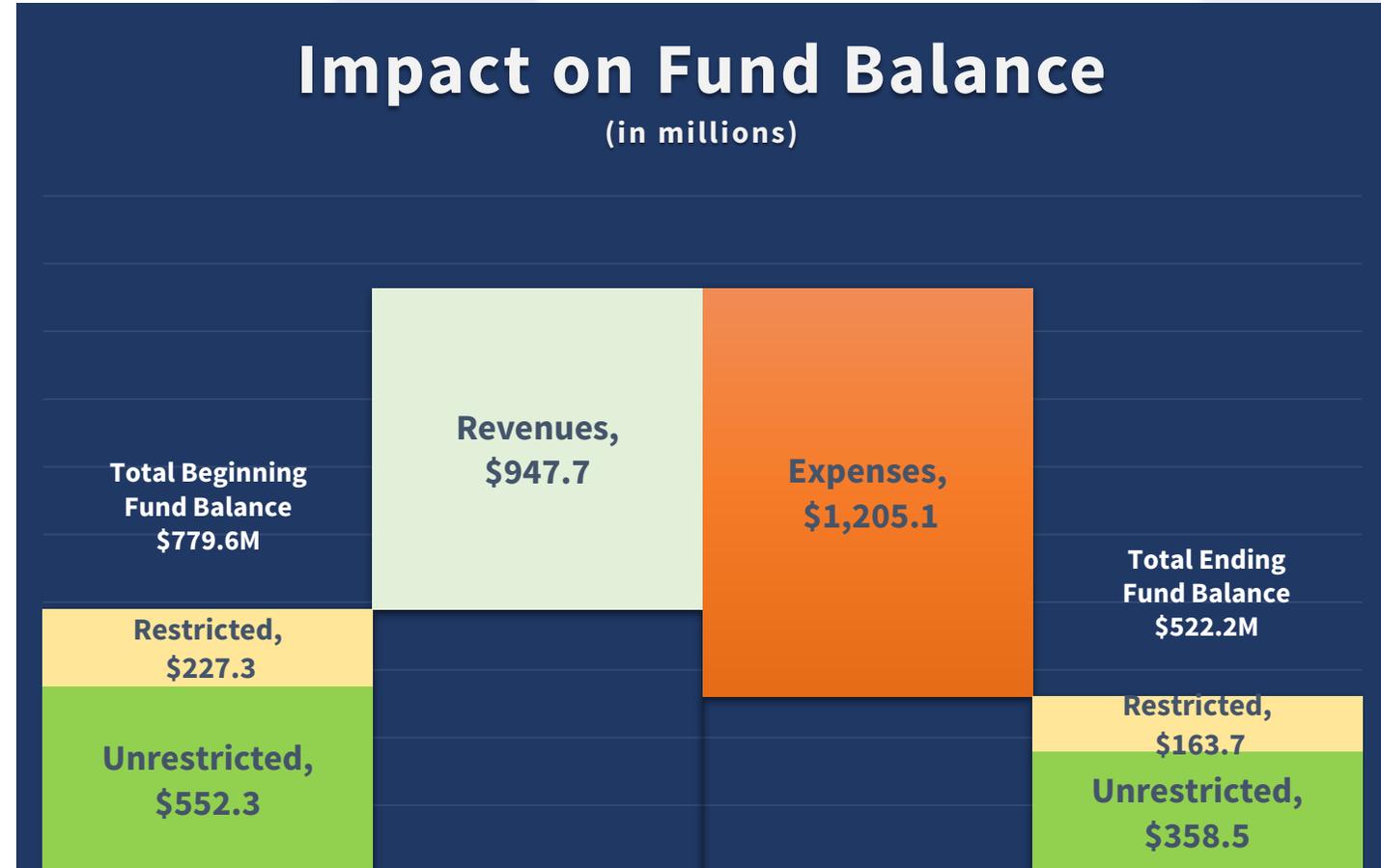
Resource	Est. Actual FY2026	Budget FY2027
Operations	\$569.8M	\$587.8M
Capital Improvement Program	\$148.7M	\$213.6M
General & Administration	\$203.3M	\$210.3M
Debt Service	\$70.8M	\$84.4M
OPEB	\$54.3M	\$55.6M
Other Non-Operating	\$24.1M	\$25.3M
Contingency	\$0	\$28.1M
Total Requirements	\$1,071.0M	\$1,205.1M



FY2027 Proposed Budget - Fund Balance

Unrestricted Fund Balance

- ▶ Beginning the year with 7.1 months of operating reserves – ending the year with 4.6 months of reserves.
- ▶ Planned expenditures exceed forecasted revenues by \$257M.
- ▶ Unrestricted Fund Balance expected to decrease by \$194M.



FY2027 Proposed Budget

FUND BALANCE BREAKDOWN

+	\$779.6M	Beginning Fund Balance
+	\$947.7M	Resources
-	\$1,205.1M	Requirements
=	\$522.2M	Ending Fund Balance
	\$(257.4M)	Increase (Decrease) in Fund Balance
	\$163.7M	Restricted Fund Balance
	\$358.5M	Unrestricted Fund Balance*

*Historically, only 65% (or \$233M) of this is available at a given time

FY2027 Proposed Budget

UNRESTRICTED FUND BALANCE BREAKDOWN

\$358.5M Unrestricted Fund Balance

\$156.3M 2.0 months operating reserves

\$106.6M Receivables

\$49.9M Materials & Inventory and Prepaid Assets

\$(35.5M) Payables & Unearned Revenue

\$81.2M Actual Unrestricted Fund Balance Available

Budget Timeline

Key Dates

- ▶ 3/11/26 - Budget document released
- ▶ 3/25/26 – Budget Committee Meeting/ Budget approval
- ▶ 4/22/26 – TSCC Budget Hearing
- ▶ 5/27/26 – Budget adoption*
- ▶ 7/1/26 – Adopted Budget release and implementation

*Impact of service and administrative reductions will be reflected in the adopted budget.



Questions?



Proposed Budget

Fiscal Year 2027 (July 2026–June 2027)

Tri-County Metropolitan Transportation District of Oregon
Budget & Forecasting Department

