# PICA FACT SHEET: FY26 Q4 QCMR

Pennsylvania Intergovernmental Cooperation Authority

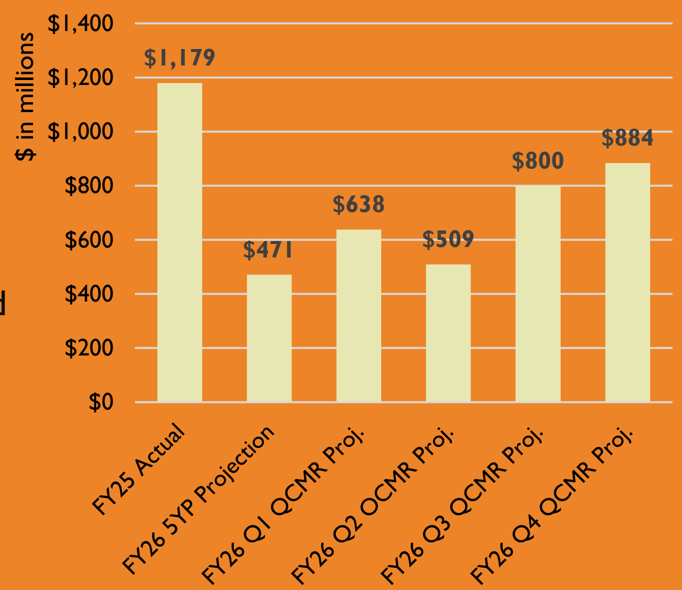
**The Takeaway:**

FY26 Q4 revenue, expenditure, and fund balance projections remain unchanged from the recently approved FY27-31 Plan. The City's projected FY26 General Fund balance of $884.4M (14.0% of revenues) is $84.6M above Q3 projections and $413.4M more than the approved FY26-30 Five-Year Plan. The increase from Q3 largely reflects $91M from the Federal Funding Reserve being unspent. Revenues and expenditures remain close to the PICA-approved FY26-30 Plan estimates, both at 99.4% of original projections, with the higher FY26 fund balance largely driven by a greater than projected FY25 fund balance. Compared to FY25 actuals, FY26 spending is projected to increase by $480M, with 58% of growth in Class 100, while revenues decline primarily due to the expiration of American Rescue Plan funding, despite growth in most other revenue categories. Expenditures are projected to outpace revenues, resulting in a $474.5M operating deficit before prior year adjustments, improved from the $559.1M deficit projected in Q3.

## General Fund

- Revenues: $6.32 Billion
- Obligations: $6.80 Billion
- Fund Balance:
  - 14.0% of revenues
  - Below GFOA-recommended level but above City's target of at least 6-8%.
- Staffing: 86.7% of positions filled
- Performance Measures: 65 out of 98 (66.33%) met year-end target or are on track.

## FY25 – FY26 Fund Balance




**Q4 QCMR projection includes the unused Federal Funding Reserve

## Housing Trust Fund

- Revenues: $49.8M
- Obligations: $69.4M
- Fund Balance: $6.0M
  - 12.0% of revenues

## Transportation Fund

- Revenues: $186.4M
- Obligations: $200.1M
- Fund Balance: $11.5M
  - 6.2% of revenues
- Staffing: 88.8% of positions filled

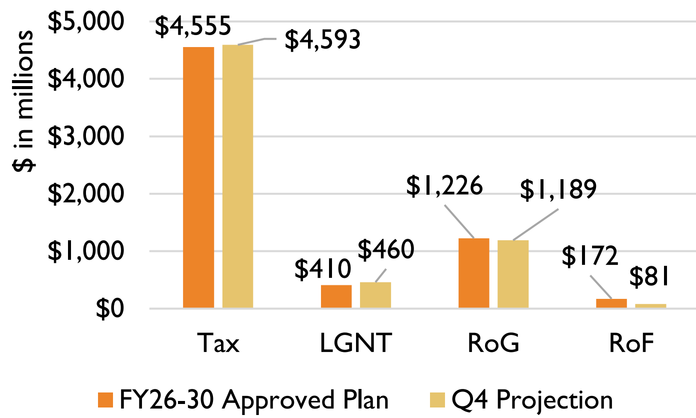
## Capital Fund

- FY26 Appropriations (Adopted + Carryforward + Amended): $3.16B
- FY26 YTD Encumbrances: $374.1M
- FY26 YTD Expenditures: $405.8M
- FY26 Expenditures as % of Appropriations: 12.9%

# GENERAL FUND REVENUE

- **Q4 revenue projections match FY27-31 Plan estimates and align with FY26-30 Five-Year Plan projections:** Q4 revenue projections are substantially similar to projections in the FY26-30 Plan, at 99.4% of projections. Revenue projections between Q3 and Q4 fell by 0.6%.
- **LGNT revenue growth and mid-year changes:** LGNT revenue projections grew by 12% from the FY26-30 Plan to Q4, largely due to higher-than-projected interest earnings. LGNT projections fell by 4.9% between Q3 and Q4, primarily due to the delayed sale of a City building.

## FY26 Revenues




- Tax revenues are projected to be $37.8M (0.8%) higher than the FY26-30 Approved Plan. Taxes tied to the Real Estate market were reduced, while the volatile BIRT revenues are projected to have come in higher than FY26-30 Plan projections. Compared to FY25, total tax revenue is projected to increase by over $180M.
- LGNT revenues are projected to be $49.9M (12.2%) higher than the FY26-30 Plan, but $23.7M lower than Q3 projections. Compared to FY25, total LGNT revenues are projected to decrease by $6.1M, driven largely by decreased interest earnings due to having less cash on hand.
- Revenues from Other Governments are projected to decrease by $36.3M (3%) compared to the FY26-30 Plan but remains relatively unchanged from Q3 projections.
- Revenues from other Funds are projected to decrease by $91M (53.0%) compared to the FY26-30 Plan due to deferred spending of ARP interest earnings until FY29 but are projected to grow by $1.1M (1.4%) between Q3 and Q4.

## FY26 Taxes

| Class | FY26-30 Approved Plan | Current Projection | Change |
|---|---|---|---|
| Wage* | $2,072.0M | $2,086.9M | 0.7% |
| Real Estate | $940.4M | $922.1M | -2.0% |
| BIRT | $725.9M | $779.3M | 7.4% |
| Realty Transfer | $372.7M | $356.4M | -4.4% |
| Sales | $324.0M | $323.2M | -0.3% |
| Beverage | $64.4M | $71.0M | 10.1% |
| Other | $55.7M | $54.1M | -2.9% |

*Wage includes Earnings and Net Profits

Tax revenue changes From Q3 to Q4:

- The Real Estate Tax saw the only change in projections between Q3 and Q4. Projected revenues dropped by $14M due to the appeal process reducing the collection rate for billed taxes to 95%, down from 96.5%.

# GENERAL FUND OBLIGATIONS & PERFORMANCE

## FY26 GENERAL FUND BALANCE: $884.4M

## FY26 GENERAL FUND STAFFING: 86.7% OF FULL-TIME POSITIONS FILLED

- General Fund obligations are projected $44M (0.6%) below the FY26-30 approved Plan. There is variance from lower Class 200 and 700 spending due to delayed/reduced borrowing. Shifts from the Labor Reserve in Class 900 to Class 100 following new contracts is reflected.
- From Q3 to Q4, projected spending fell $123M (1.8%), driven by the $91M Federal Funding Reserve non-utilization and a $23M reduction in Class 700 debt service, with smaller declines in Classes 100 and 800.
- Compared to FY25 actuals, projected spending increased by $480.3M, concentrated in Class 100 and Class 200.

## FY26 Obligations

| Class | FY26-30 Approved Plan | Current Projection | Change |
|---|---|---|---|
| 100: Wages & Benefits | $4,091.8M | $4,128.9M | ↑ 0.9% |
| 200: Contracts | $1,608.2M | $1,578.7M | ↓ -1.8% |
| 300/400: Materials & Equipment | $177.4M | $171.2M | ↓ -3.5% |
| 500: Contributions, Indemnities, etc. | $477.0M | $494.3M | ↑ 3.6% |
| 700: Debt Service | $231.5M | $199.5M | ↓ -13.8% |
| 800: Transfers to Other Funds* | $155.1M | $210.1M | ↑ 35.5% |
| 900: Advances & Misc. | $101.6M | $15.5M | ↓ -84.7% |

*Class 800 includes payment into the Budget Stabilization Reserve

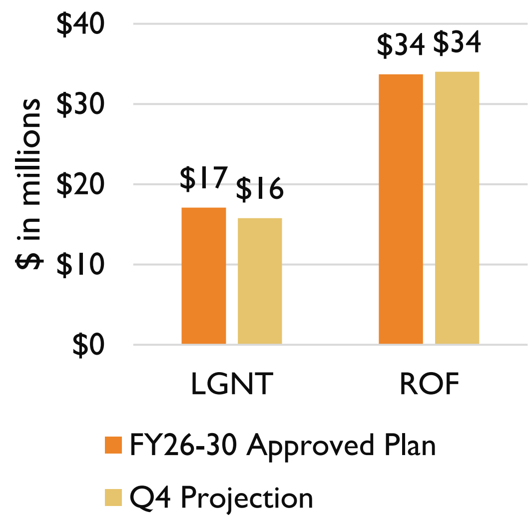
## Critical Performance Measures

| Department | Measure | Target Met/On Track? | Explanation |
|---|---|---|---|
| Police | Number of shooting victims | ✓ | Down 24.3% from FY25 |
| Police | Number of homicides | ✓ | Down 25.0% from FY25 |
| Fire | Number of civilian fire-related deaths | ✓ | Down 0.05% from FY25 |
| Fire | Percent of EMS calls responded to under 9 mins | N/A | Q4 was the first quarter in FY26 to report using updated data pulling methods |
| Licenses + Inspections | Number of building, electrical, plumbing, and zoning permits issued | ✓ | Target: Meet demand; FY26 issuance was < FY25 |
| Behavioral Health | Percent of readmission within 30 days to inpatient psychiatric facility (adults) | ✗ | 17.2%, above target of ≤ 11.8% ; performance affected by system-level constraints such as housing supply and clients leaving treatment prior to discharge |
| Office of Sustainability | City of Philadelphia facility energy consumption, including General, Aviation, & Water funds (British Therman Units: millions) | ✗ | Target: ≤3.5: An unseasonably cold January resulted in higher energy usage and costs in Q3 |
| Public Health | Children 19-35 months with complete immunizations | ✗ | 68%, short of 70% target but improved from FY25 |

# HOUSING TRUST FUND

- **Continued unchanged revenue projections:** HTF Revenue projections remain unchanged between Q3 and Q4. Total HTF revenues are projected at $49.8M, 2% lower than revenues projected in the FY26-30 Plan.
- **Continued impact of staff vacancies:** HTF spending projections were unchanged from Q3 to Q4 and remain $2.7M (3.7%) below the FY26-30 Plan projections, due to lower Class 100 spending.
- **Fund Balance:** The projected HTF balance is also unchanged from Q3, remaining $676,000 lower than the FY26-30 Plan due to reductions in estimated liquidations of prior-year encumbrances.

## FY26 HTF Revenues




- Revenue projections remain unchanged from Q3 to Q4.
- Lower projected revenues from the FY26-30 Plan are due to decreased interest earnings.
- Compared to FY25, FY26 Q4 projected revenues are $1.1M higher due to an increase in revenues from the General Fund owing to a charter-mandated funding formula.

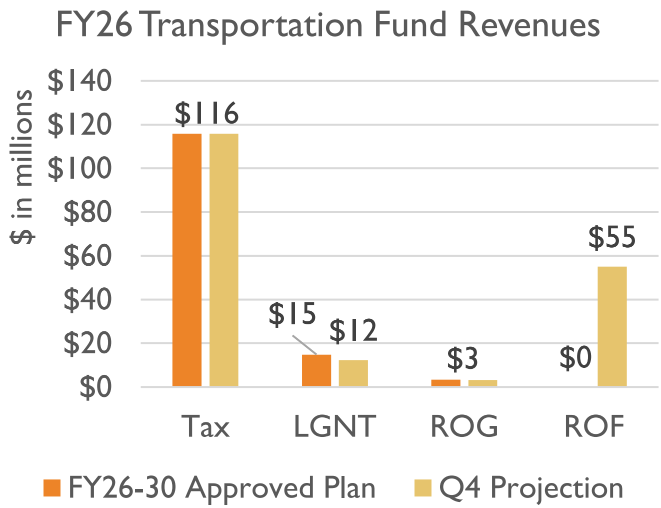
## FY26 HTF Obligations

| Class | FY26-30 Approved Plan | Current Projection | Change |
|---|---|---|---|
| 100: Wages & Benefits | $6.7M | $4.0M | -40.2% |
| 200: Contracts | $65.2M | $65.2M | — |
| 300/400: Materials & Equipment | $0.2M | $0.2M | — |

- Q4 spending projections remain 3.7% lower than projections in the Approved Plan due to lower than anticipated wages and associated fringe benefit costs.
- Compared to FY25, HTF spending projections are $12.0M higher in Q4 of FY26, due to an increase of just under $12.0M in Class 200 obligations.

# TRANSPORTATION FUND

- **Revenue:** Like the Q3 projections, Transportation Fund revenue increased by $52.4M compared to the FY26-30 Plan due to a transfer from the General Fund for snow removal costs. Revenue projections fell by $2.7M between Q3 and Q4, with lower fee revenue expected.
- **Obligations:** Projected Transportation Fund obligations remain unchanged from Q3 to Q4, showing an increase of $54.3M from the FY26-30 Plan due to increased snow removal costs
- **Fund Balance:** Projected at $11.5M, or 6.2% of revenues




- Between Q3 and Q4, LGNT revenues fell due to lower than anticipated survey and right of way fees and street permits.
- Compared to the FY26-30 Plan, revenue projections increased by $52M (39.1%), driven by General Fund transfers for increased snow removal costs.
- Q4 revenue projections are $56.8M higher than FY25 actuals, driven by the ROF increase as well as an increase in tax collections, partially offset by a decrease in LGNT revenues.

## FY26 Transp. Fund Obligations

| Class | FY26-30 Approved Plan | Current Projection | Change |
|---|---|---|---|
| 100: Wages & Benefits | $102.7M | $108.1M | ↑ 5.2% |
| 200: Contracts | $14.0M | $65.4M | ↑ 367.4% |
| 300/400: Materials & Equipment | $11.6M | $12.9M | ↑ 11.1% |
| 500: Contributions & Indemnities | $15.0M | $13.0M | ↓ -13.3% |
| 800: Transfers to Other Funds | $2.1M | $0.7M | ↓ -65.8% |
| 900: Labor Reserve | $0.4M | $0 | ↓ -100% |

- Q4 spending projections remain the same as Q3 projections:
- Class 200 spending is projected to be $51.4M higher than the FY26-30 approved Plan due to snow response costs.
- Class 100 spending is projected to be $5.4M higher than the approved Plan due to contracted increases and snow removal costs in Q3.

# CAPITAL FUND

At the end of FY26Q4, the largest capital expenditures have been in:

- Streets: $145.5M
- Parks and Recreation: $62.4M
- Fleet Services: $35.3M
- Police: $30.7M
- Office of Innovation and Technology: $26.8M

| Revenue Source | FY26 Adopted + Carryforward + Amended Appropriations per QCMR | FY26 Year-End Encumbrances | FY26 Year-End Expenditures |
|---|---|---|---|
| GO Bonds | $1.15B | $251.8M | $256.7M |
| PAYGO | $562.4M | $29.3M | $80.0M |
| Federal | $839.7M | $50.9M | $35.4M |
| State | $423.0M | $32.5M | $23.5M |
| Private | $132.2M | $1.4M | $1.9M |
| Other Government Sources | $34.8M | $7,072 | $8,985 |
| PICA | $10.6M | $8.3M | $8.3M |
| **Total** | **$3.16B** | **$374.1M** | **$405.8M** |