



## FY 2017 Recommended Budget Budget Question

**Board Question #: 114**

**BUDGET QUESTION:** Provide the last four years of forecasts.

**RESPONSE:** Following are the General Fund forecast displays that appeared in each budget from FY 2013 through FY 2016. Below each table beginning with the FY 2014 Budget display, staff compares the prior year's forecast for that budget year and what actually ended up being included in the budget for that year. For example, the notes below the table for FY 2014 compare the forecast that appeared in the FY 2013 Budget for FY 2014 and what was actually included in the budget for FY 2014.

**Forecast from FY 2013 Budget –**

Expenditure assumptions:

- Annual adjustments for inflation in materials and supplies (2.4%)
- Annual merit step increases for employees (2.5%)
- Cost of living adjustments (2.0%)
- Debt service based on adopted CIP
- Transfer to Schools based on Schools' CIP, plus a cost per pupil amount adjusted annually for an average 2% step, 2% COLA and 2.4% CPI

### General Fund Forecast

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b><u>General Fund Revenue</u></b>	(\$ in millions)				
Real Property Taxes	\$107.1	\$109.5	\$112.2	\$115.6	\$119.0
Other General Property Taxes	37.7	39.1	40.7	42.3	44.0
Other Local Taxes & Receipts	49.1	49.8	50.9	52.1	53.4
State & Federal Revenues	29.2	29.4	29.6	29.8	29.9
Use of (addition to) Fund Balance	11.7	0.0	0.0	0.0	0.0
Transfer from Other Funds	9.2	3.5	3.6	3.8	4.0
<b>General Fund Revenue Total</b>	<b>\$244.1</b>	<b>\$231.3</b>	<b>\$237.1</b>	<b>\$243.6</b>	<b>\$250.4</b>
<b><u>General Fund Expenditures</u></b>					
Current Programs & Services	\$97.9	\$101.0	\$104.7	\$108.1	\$111.6
School Funding	122.0	116.6	117.8	121.1	126.4
Debt Service	14.7	9.6	10.6	10.5	10.4
New Capital Projects Operating	0.0	0.6	0.7	0.7	0.9
Transfers/Fiscal Policy	9.4	7.3	11.3	12.2	13.8
<b>General Fund Expenditures Total</b>	<b>\$244.1</b>	<b>\$235.1</b>	<b>\$245.0</b>	<b>\$252.6</b>	<b>\$263.0</b>
<b>Budget Surplus/(Deficit)</b>	<b>(\$0.0)</b>	<b>(\$3.8)</b>	<b>(\$7.9)</b>	<b>(\$9.0)</b>	<b>(\$12.6)</b>
Incremental Tax Rate to Balance	\$0.000	\$0.032	\$0.033	\$0.007	\$0.026

## FY 2017 Recommended Budget Budget Question

### Forecast from FY 2014 Budget –

Expenditure assumptions:

- Annual adjustments for inflation in materials and supplies (2.5%)
- Annual merit step increases for employees (2.5%)
- Cost of living adjustments (2.0%)
- Debt service based on adopted CIP
- Transfer to Schools based on Schools' CIP, plus a cost per pupil amount adjusted annually for an average 2% step, 2% COLA and 2.5% CPI

<b>General Fund Forecast</b>					
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b><u>General Fund Revenue</u></b>	(\$ in millions)				
Real Property Taxes	\$107.7	\$109.6	\$112.4	\$115.7	\$119.2
Other General Property Taxes	38.8	40.1	41.7	43.4	45.2
Other Local Taxes & Receipts	49.1	50.2	51.3	52.5	53.8
State & Federal Revenues	30.4	30.5	30.7	30.9	31.1
Use of (addition to) Fund Balance	3.0	0.0	0.0	0.0	0.0
Transfer from Other Funds	<u>3.2</u>	<u>3.4</u>	<u>3.5</u>	<u>3.7</u>	<u>3.8</u>
<b>General Fund Revenue Total</b>	<b>\$232.4</b>	<b>\$233.8</b>	<b>\$239.7</b>	<b>\$246.2</b>	<b>\$253.1</b>
<b><u>General Fund Expenditures</u></b>					
Current Programs & Services	\$98.3	\$104.3	\$108.0	\$111.7	\$115.6
School Funding	114.8	114.8	117.1	121.4	123.3
Debt Service	8.6	10.6	11.5	11.3	11.1
New Capital Projects Operating	0.0	0.7	0.8	0.9	0.9
Transfers/Fiscal Policy	10.7	7.6	8.3	11.6	11.8
<b>General Fund Expenditures Total</b>	<b>\$232.4</b>	<b>\$238.1</b>	<b>\$245.7</b>	<b>\$256.9</b>	<b>\$262.7</b>
<b>Budget Surplus/(Deficit)</b>	<b>\$0.0</b>	<b>(\$4.3)</b>	<b>(\$6.0)</b>	<b>(\$10.7)</b>	<b>(\$9.6)</b>
Incremental Tax Rate to Balance	\$0.000	\$0.037	\$0.014	\$0.037	\$0.000

Variation of the FY 2014 Budget from the out-year forecast included in the FY 2013 Budget:

- The forecast for FY 2014 projected revenue totaled \$231.3M ... \$1.9M more than what ended up being included in the FY 2014 Adopted Budget when the use of fund balance is excluded.
- The transfer to Schools was budgeted at \$1.8M less than that projected for FY 2014 in the prior year's forecast.
- Debt service was budgeted at \$1.0M less than that projected for FY 2014 in the prior year's forecast. Planned borrowing affecting the General Fund was decreased by \$1.5M in the FY 2014 Budget compared with the prior year's forecast of FY 2014.

## FY 2017 Recommended Budget

### Budget Question

- \$3.4M in one-time money (fund balance) was transferred to the Capital Projects Fund, which hadn't been assumed in the projections made for FY 2014 in the prior year's forecast. This increased the transfers to other funds compared to what had been forecasted.
- The CPI factored into the prior year's forecast for FY 2014 assumed a 2.4% increase. In reality, the overall operating (non-personnel) change in FY 2014 was a decrease of 3.7% from the FY 2013 Budget.
- A 2.5% merit and 2% COLA were assumed in the prior year's forecast of FY 2014 for the County and a 2% step and 2% COLA were assumed for the Schools. The FY 2014 Budget was adopted with a 1% mid-year COLA (the equivalent of 0.5% full-year) for County staff and a \$900 bonus for Schools staff.

#### **Forecast from FY 2015 Budget –**

Expenditure assumptions:

- Annual adjustments for inflation in materials and supplies (2.3%)
- Annual merit step increases for employees (2.5%)
- Cost of living adjustments (2.0%)
- Debt service based on adopted CIP
- Transfer to Schools based on Schools' CIP, plus a cost per pupil amount adjusted annually for an average 2% step, 2% COLA and 2.3% CPI

### General Fund Forecast

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b><u>General Fund Revenue</u></b>	(\$ in millions)				
Real Property Taxes	\$109.6	\$111.5	\$113.7	\$116.3	\$119.2
Other General Property Taxes	41.4	41.9	43.4	44.9	46.5
Other Local Taxes & Receipts	50.4	51.1	51.8	52.6	53.4
State & Federal Revenues	30.2	30.3	30.5	30.7	30.8
Use of (addition to) Fund Balance	2.4	0.0	0.0	0.0	0.0
Transfer from Other Funds	3.4	3.6	3.7	3.9	4.0
<b>General Fund Revenue Total</b>	<b>\$237.4</b>	<b>\$238.4</b>	<b>\$243.1</b>	<b>\$248.4</b>	<b>\$253.9</b>
<b><u>General Fund Expenditures</u></b>					
Current Programs & Services	\$101.7	\$105.1	\$108.7	\$112.3	\$116.2
School Funding	116.4	121.5	127.6	130.4	133.9
Debt Service	9.1	10.5	11.9	11.8	11.4
New Capital Projects Operating	0.0	0.2	0.4	0.5	0.6
Transfers/Fiscal Policy	10.1	8.2	12.3	13.1	13.9
<b>General Fund Expenditures Total</b>	<b>\$237.4</b>	<b>\$245.6</b>	<b>\$260.8</b>	<b>\$268.1</b>	<b>\$276.0</b>
<b>Budget Surplus/(Deficit)</b>	<b>\$0.0</b>	<b>(\$7.2)</b>	<b>(\$17.7)</b>	<b>(\$19.7)</b>	<b>(\$22.0)</b>
Incremental Tax Rate to Balance	\$0.000	\$0.058	\$0.081	\$0.014	\$0.013

## **FY 2017 Recommended Budget**

### Budget Question

Variation of the FY 2015 Budget from the out-year forecast included in the FY 2014 Budget:

- The forecast for FY 2015 projected revenue totaled \$233.8M ... \$1.2M less than what ended up being included in the FY 2015 Adopted Budget when the use of fund balance is excluded.
- The transfer to Schools was budgeted at \$1.6M more than that projected for FY 2015 in the prior year's forecast.
- Debt service was budgeted at \$1.5M less than that projected for FY 2015 in the prior year's forecast. Planned borrowing affecting the General Fund was reduced by \$7M in the FY 2015 Budget compared with the prior year's forecast of FY 2015.
- \$2.0M in one-time money (fund balance) was transferred to the Capital Projects Fund, which hadn't been assumed in the projections made for FY 2015 in the prior year's forecast. This increased the transfers to other funds compared to what had been forecasted.
- The CPI factored into the prior year's forecast for FY 2015 assumed a 2.5% increase. In reality, the overall operating (non-personnel) change in FY 2015 was an increase of 1.2% from the FY 2014 Budget.
- A 2.5% merit and 2% COLA were assumed in the prior year's forecast of FY 2015 for the County and a 2% step and 2% COLA were assumed for the Schools. The FY 2015 Budget was adopted with a 2% COLA for County staff and a step (average 1.43%) and 1% COLA for Schools staff.

## FY 2017 Recommended Budget Budget Question

### Forecast from FY 2016 Budget –

Expenditure assumptions:

- Annual adjustments for inflation in materials and supplies (1.8%)
- Annual merit step increases for employees (2.5%)
- Cost of living adjustments (2.0%)
- Debt service based on adopted CIP
- Transfer to Schools based on Schools' CIP, plus a cost per pupil amount adjusted annually for an average 2% step, 2% COLA and 1.8% CPI

### General Fund Forecast

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b><u>General Fund Revenue</u></b>					
					(\$ in millions)
Real Property Taxes	\$111.7	\$114.0	\$116.6	\$119.5	\$122.5
Other General Property Taxes	40.6	41.5	42.5	43.5	44.5
Other Local Taxes & Receipts	52.5	53.4	54.3	55.4	56.5
State & Federal Revenues	32.1	31.7	31.8	32.0	32.2
Use of (addition to) Fund Balance	3.2	0.0	0.0	0.0	0.0
Transfer from Other Funds	4.0	4.2	4.3	4.5	4.7
<b>General Fund Revenue Total</b>	<b>\$244.2</b>	<b>\$244.8</b>	<b>\$249.6</b>	<b>\$254.9</b>	<b>\$260.4</b>
<b><u>General Fund Expenditures</u></b>					
Current Programs & Services	\$107.3	\$110.9	\$114.7	\$118.7	\$122.8
School Funding	116.4	123.5	129.9	135.4	140.0
Debt Service	9.5	10.1	9.9	9.6	9.2
New Capital Projects Operating	0.0	0.1	0.2	0.3	0.4
Transfers/Fiscal Policy	11.0	8.8	13.7	15.3	17.0
<b>General Fund Expenditures Total</b>	<b>\$244.2</b>	<b>\$253.5</b>	<b>\$268.5</b>	<b>\$279.2</b>	<b>\$289.4</b>
<b>Budget Surplus/(Deficit)</b>	<b>\$0.0</b>	<b>(\$8.7)</b>	<b>(\$18.9)</b>	<b>(\$24.3)</b>	<b>(\$29.0)</b>
Incremental Tax Rate to Balance	\$0.000	\$0.069	\$0.078	\$0.036	\$0.031

Variation of the FY 2016 Budget from the out-year forecast included in the FY 2015 Budget:

- The forecast for FY 2016 projected revenue totaled \$238.4M ... \$2.6M less than what ended up being included in the FY 2016 Adopted Budget when the use of fund balance is excluded.
- The transfer to Schools was budgeted at \$5.1M less than that projected for FY 2016 in the prior year's forecast.
- Debt service was budgeted at \$1.0M less than that projected for FY 2016 in the prior year's forecast. Planned borrowing affecting the General Fund was reduced by \$1.1M in the FY 2016 Budget compared with the prior year's forecast of FY 2016.

## **FY 2017 Recommended Budget**

### Budget Question

- \$2.5M in one-time money (fund balance) was transferred to the Capital Projects Fund, which hadn't been assumed in the projections made for FY 2016 in the prior year's forecast. This increased the transfers to other funds compared to what had been forecasted.
- The CPI factored into the prior year's forecast for FY 2016 assumed a 2.3% increase. In reality, the overall operating (non-personnel) change in FY 2016 was an increase of 4.3% from the FY 2015 Budget.
- A 2.5% merit and 2% COLA were assumed in the prior year's forecast of FY 2016 for the County and a 2% step and 2% COLA were assumed for the Schools. The FY 2016 Budget was adopted with a 1% bonus and a 2% merit-based adjustment for County staff and a 3% COLA for Schools staff.