

## Summary of Fiscal Parameters Update

*For Presentation to Board of County Commissioners 5/18/06*

### Completed review of revenue collections through 3<sup>rd</sup> Quarter of current fiscal year

- ◆ Two major revenue sources due on April 17<sup>th</sup>, collections exceeded expectations
- ◆ BIT – April filings **30% higher** than April, 2005  
Have already collected more in FY 05-06 than we did for entire FY 04-05  
May establish a record for annual BIT collections
- ◆ ITAX – 2006 filings to date **17% higher** than April, 2005 filings  
Increased revenue to schools, actual amount will depend upon total collections  
Increased revenue for County programs (One Time Only)  
Upcoming Supplemental Budget increases payments to Schools in FY 05-06  
Recommend increasing FY 06-07 ITAX by \$5M (\$3.5M for Schools, \$1.5M for County)
- ◆ Other GF revenue sources exceeding previous forecast  
Recording Fees – will exceed \$6M in total revenue, estimated at \$5M  
Lottery Revenue – increase due to addition of Line Games  
Motor Vehicle Rental Tax – estimate 10% growth over FY 04-05

### Impact on FY 06-07 Revenues

- ◆ Recommend **adding \$3.5 million** to ongoing amount currently in purchasing tool  
BIT – increase estimated collections from \$37 - \$40.5 million  
Probably sustainable in short term, concern that economy has peaked  
FY 06-07 revenue forecast to grow by 2% (net of refunds and credits)  
Not recommending an increase to other revenues at this time; will review after first quarter FY 06-07 and update if necessary

- ◆ Recommend **adding \$13.5 million** to OTO funds available, sources include:

Additional revenue forecast to be collected in FY 05-06 (**\$5 million**)

BIT - \$3 M

Recording Fees - \$1 M

Lottery - \$500,000

Motor Vehicle Rental - \$500,000

Additional ITAX to include in FY 06-07 budget (**\$5 million**)

\$3.5M dedicated to local school districts; \$1.5 M available for County programs

Underspending in FY 05 – 06 budget (**\$3.5 million**)

GF savings estimated at 1.25% of discretionary spending, consistent w/ past few years

Actual savings depend on status of items in Contingency

**Other Considerations**

- ◆ Recommend Board **purchase BIT Stabilization Fund** (Offer # 10056)  
 BIT volatility remains a concern  
 Signs that economic activity has peaked, or will peak soon  
 Could be available for other uses in FY 06-07 if economic conditions remain strong
  
- ◆ Recommend Board allocate County share of increased ITAX revenue to Contingency  
 Budget not scheduled to be Adopted until June 22<sup>nd</sup>, programs that are not purchased can not likely be closed out before the start of FY 06-07  
 Additional **\$1.5 million** can be used to mitigate some program impacts and provide adequate time to notice employees, community partners, etc.
  
- ◆ Additional revenue from State of Oregon – **approximately \$3.1 million**  
 Revenue associated with FY 03-05 State Mental Health Grant (SMHG)  
 State says we do not have to repay these funds – associated with programs in DCHS and DCJ  
 Funds will be available for use in FY 06-07, departments will bring forward proposals for the Board’s consideration

**Summary of Available Funding**

	Current	Revised	Difference
Ongoing Revenue	\$ 296,500,000	\$ 300,000,000	\$ 3,500,000
One Time Only (OTO)	33,500,000	47,000,000	13,500,000
State SMHG FY 03-05	-	3,125,000	3,125,000
<b>Total GF Revenue</b>	<b>\$ 330,000,000</b>	<b>\$ 350,125,000</b>	<b>\$ 20,125,000</b>

Sources of OTO Revenue	Current	Revised	Difference
Beginning Working Capital	\$ 20,200,000	\$ 28,700,000	\$ 8,500,000
ITAX	11,500,000	16,500,000	5,000,000
City of Portland (Project 57)	1,800,000	1,800,000	-
<b>Total OTO Sources</b>	<b>\$ 33,500,000</b>	<b>\$ 47,000,000</b>	<b>\$ 13,500,000</b>