



Program #25200B - PEL - Contingency and Reserves **FY 2024 Department Requested**

Department: County Human Services **Program Contact:** Leslee Barnes
Program Offer Type: Administration **Program Offer Stage:** Department Requested
Related Programs: 40099B, 72052A, 72052B, 78335
Program Characteristics: In Target

Executive Summary

The revenue source for Measure 26-214, “Preschool for All,” is a personal income tax on the highest income earners who live or work in Multnomah County. Personal income tax revenue can vary between fiscal years. Reserve and contingency funds have been established to provide fiscal stability for Preschool for All and a consistent level of service, despite year-to-year variability

Program Description

ISSUE: The Preschool for All personal income tax revenue will fluctuate from year to year.

PROGRAM GOAL: Reserve and contingency funds will help to provide ongoing fiscal stability for the initiative.

PROGRAM ACTIVITY: Preschool for All (PFA) is funded by a personal income tax. This revenue source will fluctuate from year to year. During this early stage of implementation of a new initiative, it is also important to be flexible, especially when responding to the needs of preschool providers.

Reserve and contingency funds will create ongoing stability for Preschool for All (PFA) and protect the program from unexpected revenue declines from economic fluctuations and unexpected costs. These fiscal stability approaches are informed by government accounting best practices and by Multnomah County’s Financial and Budget Policies.

The reserve and contingency funds were established in FY 2022. Each year, funding will be added to the reserve so that the total amount is 15% of anticipated PFA tax revenue for that fiscal year. The reserve fund will ensure the long-term financial stability of the program.

Preschool for All tax revenue will also be added to the contingency fund so that the total is 10% of anticipated PFA tax revenue for that fiscal year. The contingency fund will allow the Preschool & Early Learning Division to address unforeseen expenses during FY 2024.

Performance Measures

Measure Type	Primary Measure	FY22 Actual	FY23 Budgeted	FY23 Estimate	FY24 Offer
Output	% of reserve goal met	N/A	100%	100%	100%
Outcome		N/A	N/A	N/A	N/A

Performance Measures Descriptions

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Department Requested General Fund	Department Requested Other Funds
Program Expenses	2023	2023	2024	2024
Unappropriated & Contingency	\$0	\$28,000,000	\$0	\$38,148,000
Total GF/non-GF	\$0	\$28,000,000	\$0	\$38,148,000
Program Total:	\$28,000,000		\$38,148,000	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues				
Total Revenue	\$0	\$0	\$0	\$0

Explanation of Revenues

Significant Program Changes

Last Year this program was: FY 2023: 25200B PEL - Contingency and Reserves

In FY 2024, reserves and contingency total \$38.1 million as follows:
 \$22,888,800 - reserves (15% of Preschool for All tax revenue)
 \$15,259,200 - contingency (10% of Preschool for All tax revenue).