

Department: County Human Services **Program Contact:** Leslee Barnes
Program Offer Type: Administration **Program Offer Stage:** As Proposed
Related Programs: 40099B, 72052, 72052B, 78301B
Program Characteristics: One-Time-Only Request

Executive Summary

Preschool for All will give 3- and 4-year-olds in Multnomah County access to free early education. The number of children served each year will increase until publicly funded preschool is universally available in 2030. Revenue smoothing dollars are an important fiscal stability strategy to ensure stability and consistent service levels for the initiative as it grows.

Program Summary

ISSUE: Over the full implementation of the program, revenues and expenses are aligned, but there are individual years in which expenses are expected to exceed revenues. To smooth the revenue use across the entire program implementation, revenue from surpluses in the early years will be set aside to fund slots during future years.

PROGRAM GOAL: Revenue smoothing dollars will help to ensure long-term stability and consistent service levels for Preschool for All. This will allow Preschool for All to meet its goal of universal access in 2030.

PROGRAM ACTIVITY: As the number of children served by Preschool for All increases, expenditures start to outpace annual revenue. Based on current revenue and cost estimates, there will be an 8 year period during Fiscal Years 2029-2036 when the costs are higher than the anticipated revenue. Over time, the gap between revenues and expenses narrows. In Fiscal Year 2037, projected revenue catches-up with anticipated expenses.

The money saved during the early years of Preschool for All implementation when slot numbers remain lower will be used as "revenue smoothing" dollars to ensure that PFA can provide consistent levels of high-quality preschool experiences for Multnomah County families. The total gap between anticipated revenue and anticipated expenditures between Fiscal Year 2029 and Fiscal Year 2036 is approximately \$200 million. \$68.4 million of revenue smoothing dollars will be allocated in Fiscal Year 2023. This investment will bring the total amount of revenue smoothing dollars to \$104.3 million and help to ensure that Preschool for All can keep its commitment to voters.

Performance Measures

Measure Type	Primary Measure	FY21 Actual	FY22 Budgeted	FY22 Estimate	FY23 Offer
Output	Based on projections, program is on track to cover future expenses	N/A	N/A	N/A	Yes
Outcome		N/A	N/A	N/A	N/A

Performance Measures Descriptions

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2022	2022	2023	2023
Unappropriated & Contingency	\$0	\$35,896,360	\$0	\$104,293,844
Total GF/non-GF	\$0	\$35,896,360	\$0	\$104,293,844
Program Total:	\$35,896,360		\$104,293,844	
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 2022: 25200 PEL - Administration & System Support