



# Budget Reforecasting Model and Consulting Services

The COVID-19 pandemic and the resulting economic slowdown require governments to reforecast their budget revenues for the balance of this fiscal year and for fiscal years to follow. PFM offers a cost-effective, rapid-turnaround, budgetary forecasting model and related consulting services to meet the pressing needs of our clients. While this service focuses on the needs of general municipal governments (counties, cities, townships, etc.), it can be adapted for other governmental entities (e.g., special districts, schools, convention facilities, other enterprises).

## Model and Service Options

### 1. Revenue Forecasts – Major Tax Sources (One-Time)

The client completes a simple Excel template with data on up to 10 key tax revenues. PFM then forecasts the trajectories for each revenue source using our custom-tailored model driven by forecasts by Moody's Analytics for both the U.S. and the client's local area. We deliver a baseline and downside scenario for the current fiscal year and the next two fiscal years, along with a high-level summary of the economic assumptions underlying each case. Forecasts are provided in Excel.

### 2. Revenue Forecasts – Major Tax Sources (Annual Subscription)

This service includes the one-time forecasts outlined above along with up to four additional updates over the course of a one-year subscription period, in the same format described above. This approach can be used to analyze current information during a multi-month budget development process, and also support periodic (e.g., quarterly) updating and reporting.

### 3. Comprehensive Budget Forecast Consulting (One-Time)

This service includes PFM forecasts for the 10 major revenue sources as outlined above, along with advisory services to develop high-level forecasts for up to 15 other major revenue and expenditure categories. Since some line items will require more client-specific information regarding policy approaches, ongoing cost containment efforts, and other local factors, this service will be collaborative with the client finance/budget team. It will be more interactive and will require a greater time commitment from the client. This service includes delivery of a high-level Excel budget model that can be updated by the client going forward.

### 4. Budget Consulting Services

In addition to the forecast services summarized above, PFM also provides broad-based management and budget consulting services, including support for the development and quantification of cost containment measures, on an hourly or scope-specific basis.



## Pricing and Timetables

Client Annual Budget Size	Less than \$250 million	\$250-\$500 million	\$500 million-\$1 billion	Greater than \$1 billion
Major Revenue Forecast (One-Time)	\$5,000	\$7,500	\$9,500	Client-Specific
Major Revenue Forecast (Annual Subscription)	\$7,500	\$11,500	\$14,500	Client-Specific
Comprehensive Budget Forecast Consulting/Model (One-Time)	\$19,500	\$24,500	\$29,500	Client-Specific
General Budget Consulting Services	Based on scope	Based on scope	Based on scope	Based on scope

Major tax revenue baseline forecasts can be delivered within seven business days of our receipt of the input data through the template. The downside scenario can be delivered within an additional three business days.

Timing for more comprehensive budget forecasts will vary based on the availability of key client contacts and budget complexity, but typically requires two to three weeks.

### PFM's Forecasting Team

Economic and major tax revenue forecasts will be provided by PFM Group Consulting LLC, under the direction of Hank Fishkind, Ph.D., a director with PFM Financial Advisors LLC, who has more than four decades of economics experience. Budget consulting services will be provided by PFM Group Consulting LLC's dedicated Management and Budget Consulting team members bringing extensive experience with the development of long-range financial plans and distressed government turnarounds.

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