

Revenue Estimation, 1999

The *Revenue Estimation* surveys were mailed in summer 1999 to the Chief Financial Officers municipalities with populations 25,000 and over. Of the 1,232 municipalities that received surveys, 531 responded (43.1%).

For more information on the ICMA's *Revenue Estimation* survey, please contact [Survey Research](#).



[Click here to buy the complete dataset from bookstore.icma.org.](http://bookstore.icma.org)

Following is the survey text with the aggregate results shown in bold next to each answer. Each answer represents the percentage reporting for that question, except where noted.

What position do you currently hold?

- .6** a. City manager **76.2** c. Finance officer **10.6** e. Other
11.0 b. Budget officer **1.7** d. Analyst/planner

Who produces the technical estimate of revenue for the upcoming year?

- 9.1** a. City manager **4.2** c. External experts **27.4** e. Departments
75.8 b. Finance officer **26.0** d. Budget officer **15.1** f. Other

What is the highest level of formal education of anyone with *some responsibility* for producing the technical estimate of revenue?

- .6** a. Associate/2 year degree **22.9** c. Bachelor's degree + **56.6** e. Master's/advanced degree
18.5 b. Bachelor's degree **1.1** d. Doctoral degree **.4** f. Don't know

A. Has anyone with *some responsibility* for producing the technical estimate of revenue received training in forecasting methods?

- 79.0** Yes **14.8** No **6.3** Don't know

1. If "yes," what was the nature of this training?

- 64.7** a. Part of business school education or coursework
63.7 b. Stand-alone workshops/seminars in forecasting
40.1 c. Part of public admin. education or coursework
.2 d. Don't know
6.2 e. Other

B. Does anyone with *some responsibility* for producing the technical estimate of revenue belong to any of the following professional organizations?

- 28.7** a. International City/County Management Association **1.4** e. Don't know
.0 b. American Statistical Association **15.2** f. Other
95.1 c. Governmental Financial Officers Association **3.9** g. AICPA/AICPS
.8 d. Any forecasting association

How many years of prior data are used in producing the technical estimate of revenue for the upcoming year?

4.87 years (average)

What method or methods are used to produce the technical estimate of revenue for the upcoming year?

Place a check for each method used.	Property tax	Sales tax	State aid	Federal aid	Income tax	Other fees
91.3 a. Expert Forecasting (prediction of revenue source made by a person who is very familiar with the particular source of revenue)	77.6	48.3	57.3	46.0	13.8	64.9
89.9 b. Trend Forecasting (prediction of revenue from a specified source based on prior changes in the revenue from that source)	53.8	66.7	38.6	24.4	16.1	77.5
53.5 c. Deterministic Forecasting (prediction of revenue from a source based upon a percentage change in a social, economic, or other variable that directly affects the revenue from that source)	50.9	51.9	32.2	17.7	10.2	55.5
21.8 d. Econometric Forecasting (prediction of revenue from a source based upon statistically estimated coefficients of one or more economic	34.2	62.3	22.8	11.4	10.5	43.0

predictor variables)						
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During the fiscal year 1998 budget process, was there a revision to the proposed budget between when the technical estimate was prepared and when the council met to consider it? **38.7** Yes **61.3** No

A. If "yes," is the council involved in the revision process?
47.0 No **53.0** Yes

Does the council or commission produce its own revenue estimates independent of the executive branch of your city?
1.3 Yes **98.7** No

If your council disagrees or has serious concerns about an estimate of significant revenue is it more likely to

33.1 a. See that the estimate is changed? **5.4** c. Change the amount that is budgeted for reserve funds?
40.1 b. Accept the original estimate? **21.5** d. Other

Please indicate whether the budget process in your city is affected by any of the following

33.8 a. Pay-as-you-go requirements **4.9** d. City charter prohibits council from adjusting revenue estimate
87.2 b. Balanced budget provisions **8.1** e. Other
35.3 c. Caps on revenue increases

Your city may obtain revenue from one or more of the following sources. Please indicate which revenue sources are currently available to your city, and rate the process of estimating revenue.

Source of revenue	Does your city use?		Difficult to estimate	Somewhat difficult to estimate	Somewhat easy to estimate	Easy to estimate
	Yes	No				
a. Property tax	98.3	1.7	3.3	15.7	43.2	37.7
b. Sales tax	77.1	22.9	6.3	42.5	44.8	6.5
c. Utility tax	61.1	38.9	5.7	28.3	55.5	10.6
d. Income tax	20.0	80.0	9.9	29.7	53.8	6.6
e. License fees	98.7	1.3	2.0	30.7	53.9	13.5
f. User fees	98.5	1.5	3.8	34.7	52.8	8.6
g. Federal intergovernmental aid	89.7	10.3	14.4	34.5	37.4	13.7
h. State intergovernmental aid	94.8	5.2	10.5	35.6	40.9	13.0

Please indicate which of the following statements comes closest to describing the beginning of your city's budget process each year.

My city's budget process begins with:

21.0 a. an assessment of how much revenue is available
7.9 b. an examination of what was spent last year
58.2 c. looking at both how much revenue is available and what was spent last year
12.9 d. other

Please indicate whether you strongly agree, agree, disagree, or strongly disagree with each of the following statements by checking the appropriate box.

	Strongly agree	Agree	Disagree	Strongly disagree
a. The budget in my city is primarily based on what was spent the previous year.	12.6	60.8	22.9	3.8
b. The technical revenue estimate in my city is used as-is in the actual budget document.	25.6	64.7	9.0	.8
c. The council has substantial involvement in adjusting the technical revenue estimate for use in the actual budget document.	1.3	8.7	45.9	44.0
d. The state of the economy has little or no effect on the ease or difficulty of revenue forecasting.	1.3	13.3	54.9	30.5
e. The council closely questions the assumptions underlying the technical revenue estimate.	2.7	23.7	53.4	20.3
f. The budget process in my city starts with an assessment of how much revenue is available.	12.3	49.1	32.8	5.7
g. The council tends to question the technical revenue estimate to a greater extent during election years.	1.7	17.1	57.3	23.8
h. The working revenue estimate is discussed with some or all of the council members before the budget is formally presented to the council.	9.4	38.4	37.3	14.9

How much influence does the council have on the revenue estimate that appears in the final budget document?
29.3 No influence **46.2** Slight influence **18.8** Moderate influence **5.7** Major influence

If council has any influence, please estimate, in percentage terms, how much of the council's influence is:
formal (e.g., at public hearings and other formal means) **48.9 Average**
informal (e.g., casual conversation with council members while estimate is being prepared) **41.0 Average**