

2023-2024 General Fund (10) Financial Plan (in millions)

Summary includes Inmate Welfare (16) and Goat Hill Garage Operations (1415) subfunds as reported in ACFR

	2021-2022 Estimated	2023-2024 Adopted Budget	2023-2024 Current Budget	2023-2024 Biennial-to-date Actuals	2023-2024 Estimated	2025-2026 Projected	2027-2028 Projected
1 BEGINNING FUND BALANCE	174.2	225.9	299.8	299.8	299.8	151.8	62.8
3 REVENUES*							
4 Property Tax*	784.6	821.2	821.6	24.6	821.6	855.9	894.4
5 Sales Tax*	367.1	381.2	396.9	14.7	396.9	427.8	453.7
6 Federal Revenue	202.7	113.6	81.9	(9.2)	81.9	15.4	15.4
7 State Revenue	51.9	43.7	43.7	4.9	43.7	41.9	41.9
8 Fines, Fees, Transfers	176.7	178.6	178.6	6.6	178.6	155.2	157.3
9 Charges for Services	573.5	660.7	660.7	23.4	660.7	688.1	725.4
10 Other Taxes	15.2	11.0	11.2	0.9	11.2	13.8	14.8
11 Interest	15.1	31.4	31.4	1.7	31.4	24.1	20.6
13 General Fund Revenues	2,186.8	2,241.3	2,225.8	67.5	2,225.8	2,222.2	2,323.5
15 EXPENDITURES							
16 Justice and Safety	1,434.1	1,677.4	1,677.4	189.6	1,677.4	1,700.1	1,790.4
17 Administration/General Government	362.8	446.2	446.2	40.5	446.2	380.4	400.6
18 Public Health	80.8	81.1	81.1	10.0	81.1	84.8	89.3
19 Debt Service	64.0	66.1	66.1	1.7	66.1	71.9	55.7
20 Elections	47.9	50.8	50.8	6.3	50.8	51.0	53.7
21 Human Services	59.7	52.8	52.8	9.2	52.8	31.0	32.7
22 Physical Environment	11.4	19.5	19.5	2.4	19.5	17.7	18.6
23 Supplementals/Carryover/Reappropriations	40.5	0.0	0.0	0.0	19.8	0.0	0.0
25 Underexpenditures*	(40.0)	(47.0)	(47.0)	0.0	(50.0)	(36.0)	(37.0)
27 General Fund Expenditures	2,061.2	2,346.9	2,346.9	259.8	2,363.7	2,300.9	2,404.0
29 Other Fund Transactions *	0.0	10.2	10.2	0.0	10.2	10.3	10.5
31 Ending Fund Balance	299.8	110.1	168.5	107.5	151.8	62.8	(28.2)
33 DESIGNATIONS AND SUBFUNDS*							
34 Designations	3.9	3.0	3.0	3.0	3.0	2.6	2.2
35 Subfund Balances	1.8	0.0	0.0	0.0	0.0	0.0	0.0
36 EXPENDITURE RESERVES							
37 Carryover and Reappropriation	30.0	10.3	10.3	10.3	10.3	10.5	10.7
38 Credit Rating Reserve*	3.7	4.3	4.3	4.3	4.3	4.9	5.5
39 Executive Contingency	0.1	0.1	0.1	0.1	0.1	0.1	0.1
40 South Park Bridge Post Annexation Operations	0.0	0.0	0.0	0.0	0.0	2.0	4.0
41 Criminal Justice Incentive Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42 Community Navigators Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0
43 Jail Diversion and Reentry Hub Reserve	1.4	0.0	0.0	0.0	0.0	0.0	0.0
44 Adult Diversion Program Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0
45 Public Safety Alternative Investments Reserve	0.5	0.0	0.0	0.0	0.0	0.0	0.0
46 Trial Court Improvement Account Reserve	1.0	1.5	1.5	1.5	1.5	2.1	2.7
47 Criminal Justice Expense Reserve*	7.4	2.8	2.8	2.8	2.8	2.8	2.8
48 COVID Response Reserve*	42.5	0.0	7.8	7.8	7.8	7.8	7.8
49 Risk Reserve*	145.8	26.2	50.7	50.7	50.7	47.1	56.7
51 Reserves	237.9	48.3	80.6	80.6	80.6	80.0	92.5
53 Ending Undesignated Fund Balance*	61.9	61.8	88.0	27.0	71.2	(17.2)	(120.7)
55 6% Undesignated Fund Balance Minimum	46.4	53.0	53.4	53.4	53.4	53.9	56.1
57 Over/(Under) 6% Minimum	15.5	8.8	34.6	(26.4)	17.8	(71.1)	(176.9)
59 Over/(Under) 8.0%	0.0	(8.8)	16.9	(44.1)	0.0	(89.1)	(195.6)
61 Rainy Day Reserve	24.6	22.6	24.8	24.8	24.8	24.9	25.1

2023-2024 General Fund Financial Plan Footnotes

- 2021-2022 Actuals reflects PSB's best estimate of total biennial revenues and expenditures through 12/31/2022.
- 2023-2024 Adopted Budget is consistent with the budget system of record (PBCS).
- Revenue estimates for 2023 - 2028 are based on forecasts adopted by the Forecast Council or interim forecasts published by the Office of Economic and Financial Analysis (OEFA), whichever have been most recently updated, and revenue estimates provided by General Fund appropriation units. The percentages below are the expected percent change over the prior budget cycle. These are biennial growth rates.

	2023-2024	2025-2026	2027-2028
Property Tax	As Adopted	4.2%	4.5%
Sales Tax (including sales tax dedicated to criminal justice)	As Adopted	7.8%	6.1%
All Other*	As Adopted	-6.8%	3.9%
<i>Blended Revenue Growth Rate</i>	As Adopted	-0.2%	4.6%

*Other revenues are projected to fall in the 2023-2024 and 2025-2026 biennium, as federal COVID relief and state funding for the *Blake* decision response both end.

- Property Tax forecasts for 2023 - 2028 are based on March 2023 OEFA forecast adopted by the Forecast Council and assume the current property tax structure and a collection rate of 99%.
- Sales Tax forecasts for 2023 - 2028 are based on the March 2023 forecast provided by OEFA.
- Expenditure estimates for 2025-2026 and 2027-2028 are based on the following assumptions. The percentages indicate the expected percentage change over the previous budget cycle.

	2023-2024	2025-2026	2027-2028
CPI (Seattle July to June CPI-U)	As Adopted	5.4%	5.4%
Blended Labor	As Adopted	4.8%	6.3%
Operating GF Transfers	As Adopted	5.4%	5.4%
<i>Blended Operating Growth Rate*</i>	As Adopted	-2.7%	5.3%

*Operating expenditures are projected to fall in the 2025-2026 beinnium on the assumption that the County will discontinue all federally supported COVID response programs and the Blake response actions will be complete.

- CIP General Fund Transfer budget and outyear assumptions (in millions)

	2023-2024	2025-2026	2027-2028
Building Repair and Replacement	3.7	2.3	2.4
GF-backed IT Projects	2.3	2.4	2.6
Expenditure of Designated Fund Balance	-	-	-
Total	6	4.7	5

- The debt service schedule for 2023 - 2028 is based on the following table:
(in millions)

Debt Service Elements	2023-2024	2025-2026	2027-2028
Existing Debt Issues	40.5	35.6	18.3
New Debt Issuance	20.0	35.3	36.4
Debt contingency for new issues and variable rate	5.7	1.0	1.0
Total Debt Service	66.1	71.9	55.7

Based on current projections, projected debt service expense will not exceed the County's policy that debt service should be less than 6% of General Fund expenditures.

- The 2023-2024 Adopted Budget includes vacancy assumptions in the majority of General Fund operating budgets. This is budgeted directly in appropriation units. An additional biennial underexpenditure assumption of \$47 million is included, reflecting an assumed \$36.7 million in actual underexpenditures and a reappropriation rate of \$10.3 million per biennium.
- Designations and subfund balances include the following for each of the years (in millions):

2023-2024 2025-2026 2027-2028

2023-2024 General Fund Financial Plan Footnotes

Loans	0.0	0.0	0.0
Assigned for Capital Projects	0.0	0.0	0.0
Crime Victim Compensation Program	0.2	0.2	0.2
Drug Enforcement Program	1.4	1.4	1.4
Anti-Profitteering Program	0.1	0.1	0.1
Dispute Resolution	0.0	0.0	0.0
Wheelchair Access	1.2	0.8	0.4
Inmate Welfare Fund Balance	0.0	0.0	0.0
Total*	3.0	2.6	2.2

*Totals may not match financial plan exactly due to rounding

- The Credit Rating Reserve dedicates fees collected from other county funds to increase fund balance and maintain the county's bond rating. Other funds that have issued debt and benefit from the county's bond rating through lower interest contribute to this reserve based on the amount of outstanding principal on LTGO debt. 35% of the Credit Enhancement Fee is placed in this reserve. The goal for this reserve is to reach 1% of total outstanding GO debt backed by the full faith and credit of the General Fund.
- The 2021-2022 biennium included four new reserves for future investments: Community Navigators Reserve, Jail Diversion and Reentry Hub Reserve, Adult Diversion Program Reserve, and Public Safety Alternatives Investment Reserve. These four reserves were designed to set aside funding to design and implement key diversion and criminal legal system reform initiatives. The Community Navigators and Adult Diversion Program Reserve were programmed and spent in the 2021-2022 biennium. The two remaining reserves are programmed in the 2023-2024 Adopted Budget.
- Criminal Justice Expense Reserve was created using a one-time distribution of funds from the state legislature for one-time costs related to law enforcement and criminal justice related legislation enacted between January 1, 2020 and June 30, 2021. This reserve will be drawn down as appropriate costs are identified.
- The COVID Reserve was funded with CRF in 2020 and 2021 to cover the cost of eligible staff that were redeployed to addresses the COVID public health emergency. The initial reserve was \$52M, but has been drawn down to fund eligible expenditures.
- The Risk Reserve sets aside fund balance to mitigate known and unknown risks.
- County policy requires undesignated fund balance of 6%-8% of certain revenues. Per county policy, the county will strive to maintain reserves in times of economic prosperity to offset times of declining revenue.