

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 Actuals*	2023-2024 Adopted Budget*	2023-2024 Current Budget	2023-2024 Biennial-to-Date Actuals	2023-2024 Estimated	2025 Projected	2026-2027 Projected
BEGINNING FUND BALANCE	174.2	225.9	291.8	291.8	291.8	197.0	124.9
REVENUES*							
Property Tax	785.2	821.2	829.6	431.4	829.6	430.8	891.8
Sales Tax	364.7	381.2	397.1	210.1	397.1	208.2	448.7
Federal Revenue	199.7	113.6	89.6	42.5	89.6	8.1	15.2
State Revenue	52.1	43.7	49.7	29.3	49.7	24.2	48.4
Fines, Fees, Transfers	174.8	178.6	203.1	107.5	203.1	81.0	163.6
Charges for Services	584.5	660.7	668.8	343.8	668.8	349.2	726.7
Other Taxes	17.4	11.0	9.1	4.9	9.1	6.9	13.3
Interest	15.2	31.4	51.8	24.9	51.8	17.5	27.0
General Fund Revenues	2,193.6	2,241.3	2,298.9	1,194.5	2,298.9	1,126.0	2,334.7
EXPENDITURES							
Justice and Safety	1,429.7	1,677.4	1,677.4	1,017.1	1,677.4	872.8	1,820.6
Administration/General Government	363.1	446.2	446.2	262.4	446.2	195.9	408.7
Public Health	81.4	81.1	81.1	50.3	81.1	41.7	87.0
Debt Service	66.2	66.1	66.1	21.5	47.0	41.4	88.5
Elections	46.5	50.8	50.8	34.9	50.8	30.9	58.7
Human Services	63.1	52.8	52.8	44.0	52.8	23.8	44.3
Physical Environment	11.2	19.5	19.5	11.7	19.5	10.9	22.8
Supplementals/Carryover/Reappropriations	0.0	0.0	76.0	0.0	88.3	0.0	0.0
Underexpenditures*	0.0	(47.0)	(47.0)	0.0	(57.0)	(24.5)	(50.8)
General Fund Expenditures	2,061.2	2,346.9	2,422.9	1,441.8	2,406.0	1,193.0	2,479.7
Other Fund Transactions *	21.8	10.2	(12.4)	0.0	(12.4)	5.2	5.2
Ending Fund Balance	291.8	110.1	180.2	44.5	197.0	124.9	(25.3)
DESIGNATIONS AND SUBFUNDS *							
Designations	3.9	3.0	3.6	3.6	3.5	3.3	2.9
Subfund Balances	1.0	0.0	0.0	0.0	0.0	0.0	0.0
EXPENDITURE RESERVES							
Carryover and Reappropriation	10.2	10.3	10.3	0.0	10.3	5.2	10.5
Credit Rating Reserve*	3.7	4.3	4.3	4.3	4.3	4.9	6.1
Executive Contingency	0.1	0.1	0.1	0.1	0.1	0.1	0.1
South Park Bridge Post Annexation Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reverse FMV GAAP Adjustment*	(12.4)	0.0	0.0	0.0	0.0	0.0	0.0
Jail Diversion and Reentry Hub Reserve	1.4	0.0	0.0	0.0	0.0	0.0	0.0
Public Safety Alternative Investments Reserve	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Trial Court Improvement Account Reserve	1.0	1.5	1.1	1.1	1.1	1.4	2.0
Criminal Justice Expense Reserve*	7.4	2.8	2.4	0.0	0.0	0.0	0.0
COVID Response Reserve*	42.5	0.0	0.0	0.0	0.0	0.0	0.0
Risk Reserve*	155.4	26.2	107.3	107.3	107.3	44.5	63.5
Reserves	214.6	48.3	129.1	116.4	126.6	59.4	85.1
Ending Undesignated Fund Balance*	77.1	61.8	51.1	(72.0)	70.4	65.5	(110.4)
6% Undesignated Fund Balance Minimum	57.9	53.0	52.8	52.8	52.8	49.1	51.6
Over/(Under) 6% Minimum	19.3	8.8	(1.7)	(120.6)	17.6	16.4	(162.0)
Over/(Under) 8.0%	0.0	(8.8)	(19.3)	(138.2)	0.0	0.0	(179.2)
Rainy Day Reserve	24.7	22.6	22.6	26.2	26.2	27.0	28.6

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 - 2027 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. The rates shown are annualized to be able to show the impact of the one-year budget in 2025.

	2023-2024	2025	2026-2027
Property Tax	As estimated	2.3%	2.3%
Sales Tax (including sales tax dedicated to criminal justice)	As estimated	3.4%	5.0%
All Other*	As estimated	-8.4%	1.4%
Blended Revenue Growth Rate	As estimated	-2.5%	2.4%

**Other revenues are projected to fall in 2025 assuming federal COVID relief and state funding for the Blake decision response both end.*

- Property Tax forecasts for 2023 - 2027 are based on March 2024 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 - 2027 are based on the March 2024 forecast provided by OEFA.
- Expenditure estimates for 2025 and 2026-2027 are based on the following assumptions. The percentages indicate the expected percentage change over the previous budget cycle and are shown as annual average growth rates to accommodate the one-year budget cycle in 2025.

	2023-2024	2025	2026-2027
CPI (Seattle July to June CPI-U)	As estimated	2.7%	2.7%
Blended Labor	As estimated	6.2%	2.8%
Operating GF Transfers	As estimated	2.7%	2.7%
Blended Operating Growth Rate	As estimated	4.9%	2.8%

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

	2023-2024	2025	2026-2027
Building Repair and Replacement	3.7	1.9	3.9
GF-backed IT Projects	2.3	1.2	2.5
Expenditure of Designated Fund Balance	-	-	-
Total	6.0	3.1	6.4

- The debt service schedule for 2023 - 2027 is based on the following table:
(in millions)

Debt Service Elements	2023-2024	2025	2026-2027
Existing Debt Issues	45.9	29.6	43.1
New Debt Issuance	1.1	11.3	42.9
Debt contingency for new issues and variable rate	-	0.5	2.5
Total Debt Service	47.0	41.4	88.5

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 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 \$57 million is included, reflecting an assumed \$46.7 million in actual underexpenditures and a reappropriation rate of \$10.3 million per biennium.

2023-2024 General Fund Financial Plan Footnotes

- Designations and subfund balances include the following for each of the years (in millions):

	2023-2024	2025	2026-2027
Loans	0.0	0.0	0.0
Assigned for Capital Projects	0.0	0.0	0.0
Crime Victim Compensation Program	0.7	0.7	0.7
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	1.0	0.6
Total*	3.5	3.3	2.9

*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 is fully programmed in the 2023-2024 Proposed 3rd Omnibus Supplemental.
- Reverse Fair Market Value (FMV) GAAP Adjustment Reserve: Pursuant to GASB Statement No. 31 and 72, governmental entities, including governmental external investment pools, should report investments at fair value in the balance sheet (or other statement of financial position). These paper losses are reported and backed out in 2021-2022 Actuals Other Fund Transactions and Reserves, respectively, and reversed in 2023-2024 Estimated Other Fund Transactions.
- The COVID Reserve reflects funding for COVID relief programs that was transferred to the General Fund in 2022. This reserve was fully programmed in the COVID 10 Omnibus Supplemental.
- 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.