

**2021 - 2022 3rd Omnibus Ordinance
Safety & Claims Fund / 000005420**

Category	2019-2020 Actuals	2021-2022 Final Adopted Budget	2021-2022 Current Budget	2021-2022 Biennial-to-Date Actuals (BTD MAR 2021)	2021-2022 Estimated	2023-2024 Projected	2025-2026 Projected
Beginning Fund Balance	108,080,000	108,781,057	111,319,952	111,319,952	111,319,952	94,709,625	84,947,682
Revenues							
Industrial Insurance Rates	55,041,015	58,666,185	58,666,185	36,695,953	58,666,185	73,684,728	92,842,758
Miscellaneous Revenues	3,275,263	2,692,000	2,692,000	3,155,853	4,689,428	4,468,177	4,691,586
Total Revenues	58,316,278	61,358,185	61,358,185	39,851,806	63,355,613	78,152,906	97,534,344
Expenditures							
Claim Expenditures	35,464,449	42,358,000	42,358,000	31,503,526	47,517,709	54,298,000	61,499,000
Labor & Industries Expenses	12,104,890	12,400,000	12,400,000	7,318,223	14,996,886	15,746,731	16,534,067
Administration & Interfund Transfers	17,232,055	16,375,550	16,928,958	9,773,990	17,451,345	17,870,118	18,888,714
Reserve Contingency		4,000,000	4,000,000	-	10,000,000		-
Total Expenditures	64,801,395	75,133,550	75,686,958	48,595,739	89,965,940	87,914,848	96,921,782
Estimated Underexpenditures	-	4,000,000	4,000,000		10,000,000		
Other Fund Transactions							
Advances to Other Funds Repayment (15600)	9,725,069						
Total Other Fund Transactions	9,725,069	-	-	-	-	-	-
Ending Fund Balance	111,319,952	99,005,692	100,991,179	102,576,019	94,709,625	84,947,682	85,560,244
Reserves							
Actuarial Liabilities Estimate	60,265,000	71,044,000	71,044,000		75,704,000	87,835,000	98,751,000
Total Reserves	60,265,000	71,044,000	71,044,000	-	75,704,000	87,835,000	98,751,000
Reserve Shortfall	-	-	-	-	-	-	-
Ending Undesignated Fund Balance	51,054,952	27,961,692	29,947,179	102,576,019	19,005,625	(2,887,318)	(13,190,756)

Financial Plan Notes

All financial plans have the following assumptions, unless otherwise noted in below rows.

Outyear revenue and expenditure inflation assumptions are consistent with figures provided by PSB's BFPA guidance.

The 2019-2020 Beginning Fund Balance reflects the working capital amount that is illustrated on the 2018 ACFR

The 2021-2022 beginning fund balance reflects the working capital amount that is illustrated on the 2020 ACFR.

Revenues Notes:

[1] Industrial Insurance Billing Revenue projection for 2021-2022 is based on budgeted amounts for 2021-2022 and represents a 6.6% increase from 2019-2020. In 2023-2024 and 2025-2026 we anticipate the industrial insurance revenue will increase by an additional 26% and by 26% in 2027-2028. Previously, we projected an increase of 10.7% in the final adopted financial plan.

[2] Miscellaneous Revenue projection for 2021-2022 is based on YTD Actuals DEC 2021 projected hours worked for 2022 times half the 2022 Supplemental Pension Assessment Rate which is collected from employees and remitted to the state. For 2023-2024 we used half the 2022 rate times 2023-2024 projected work hours AND 2025-2026, we assume that miscellaneous insurance revenue will increase by 5% in 2023-2024 & 2025-2026.

Expenditure Notes:

[1] Claim Expenditure projections for 2022-2026 are based on actuarial report from Select Actuary Services Report, dated February 10, 2022. 2021-2022 Estimates are based on YTD actuals through DEC 2021 plus actuary projections through 2022. 2027-2028 projections are based on the average rate of growth from 2021-2026.

[2] WA State Dept of Labor & Industries projections for 2021-2022 are based on YTD amounts paid for Q1 2021 through Q4 2021. For 2023-2024 and 2025-2026 and 2027-2028 bienniums we project a 5% increase.

[3] Administration & Interfund projections for 2021-2022 are based on budgeted amounts plus 2nd omnibus budget asks and projected rate increased for King County's Office of Risk Management. For 2023-2024, we used figures from the 2023-2024 Proforma phase of the biennial budget (as of 04/21/2022) in addition to anticipated budget requests known at this time. Additionally, for 2025-2026 and 2027-2028 we project that Administration & Interfund transfers will increase by 5.7% and 6.2% in each biennium, in accordance with the Q2 2022 BFPA assumptions.

[4] Contingency Reserve was increased by \$6,000,000 from 2021-2022 biennial amounts. This contingency amount was increased based on:

(a) projecting claims payments from May 2022 through December 2022 based on a rolling 12 months average for actual monthly claim payments.

(b) estimating that claims costs increases from 2021 to 2022, will have a 16.5% increase in quarterly labor & industries taxes. Note: This 16.5% is based on estimates for Q1 2022 filings.

Other Fund Transactions:

[1] Advances to Other Funds On 12/31/2018, the Safety & Claims fund was selected to transfer an overnight loan to other funds. If this fund had not been selected, the 2019 Beginning Fund Balance would have been higher by \$9,725,069.

Reserve Notes:

[1] Actuarial Liabilities projections for 2021-2022, and 2023-2024, and 2025-2026 are based on actuarial report from Select Actuary Services Report, dated February 4, 2021. To Project Actuarial Liabilities for 2027-2028, we projected that they would remain flat from 2025-2026 numbers.