

Financial Plan February 2018
MIDD/ 000001135

| Category | 2015-2016 Actuals ¹ | 2017-2018 Adopted Budget ² | 2017-2018 Current Budget ³ | 2017-2018 Biennial-to-Date Actuals ⁴ | 2017-2018 Estimated ⁵ | 2019-2020 Projected ⁶ | 2021-2022 Projected ⁶ |
|-----------------------------------------------------------------------|-----------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Beginning Fund Balance | 16,257,983 | 11,869,049 | 15,674,183 | 15,674,183 | 15,674,183 | 15,396,443 | 15,334,872 |
| Revenues | | | | | | | |
| Local | 119,406,150 | 133,955,400 | 133,795,045 | 77,091,633 | 133,795,045 | 144,608,121 | 155,455,003 |
| Other | 401,527 | 117,953 | 117,953 | 146,696 | 117,953 | 124,794 | 132,532 |
| Total Revenues | 119,807,677 | 134,073,353 | 133,912,998 | 77,238,329 | 133,912,998 | 144,732,915 | 155,587,535 |
| Expenditures | | | | | | | |
| Salaries, Wages & Benefits | (23,802,164) | (20,783,042) | (20,783,042) | (10,146,092) | (20,783,042) | (22,279,421) | (23,638,466) |
| Supplies and Other | (106,454) | (166,213) | (166,213) | (67,587) | (166,213) | (175,355) | (185,350) |
| Contracted Services | (80,130,061) | (86,845,403) | (89,777,457) | (43,984,794) | (87,128,195) | (94,715,217) | (100,113,985) |
| Intergovernmental Services | (7,195,623) | (5,355,312) | (5,355,312) | (1,977,065) | (5,355,312) | (5,724,829) | (6,068,318) |
| Interfund Transfers | (9,157,175) | (20,757,976) | (20,757,976) | (10,184,151) | (20,757,976) | (21,899,665) | (23,147,946) |
| Total Expenditures | (120,391,477) | (133,907,946) | (136,840,000) | (66,359,689) | (134,190,738) | (144,794,486) | (153,154,064) |
| Estimated Underexpenditures | | | | | | | |
| Other Fund Transactions | | | | | | | |
| Total Other Fund Transactions | - | - | - | - | - | - | - |
| Ending Fund Balance | 15,674,183 | 12,034,456 | 12,747,181 | 26,552,823 | 15,396,443 | 15,334,872 | 17,768,343 |
| Reserves | | | | | | | |
| Revenue Reserves ⁷ | (6,268,823) | | | | | | |
| Services Stabilization Reserve ⁸ | (895,000) | | | | | | |
| Emerging Issues Reserve ⁹ | - | (1,316,000) | (1,014,000) | (1,014,000) | (1,014,000) | | |
| Reappropriation Reserve ¹⁰ | (2,455,000) | (2,455,000) | | | | | |
| Medicaid Reconciliation Reserve ¹¹ | | | (300,000) | (300,000) | (300,000) | | |
| Reserve for 2016 invoices and Intensive Case Management ¹² | | | (802,915) | (275,000) | | | |
| Reserve for Core Services (March to December 2018) ¹³ | | | | | (3,452,177) | (3,452,177) | (3,452,177) |
| Rainy Day Reserve (60 days) ¹⁴ | (4,554,134) | (11,158,996) | (11,403,333) | (11,403,333) | (11,182,562) | (12,066,207) | (12,762,839) |
| Total Reserves | (14,172,957) | (14,929,996) | (13,520,248) | (12,992,333) | (15,948,739) | (15,518,384) | (16,215,016) |
| Reserve Shortfall | - | 2,895,540 | 773,068 | - | 552,296 | 183,513 | - |
| Ending Undesignated Fund Balance | 1,501,226 | - | - | 13,560,489 | - | - | 1,553,327 |

Financial Plan Notes

¹ 2015-2016 Actuals reflect year end information as of 12/31/2016 from EBS and are consistent with the Budgetary Fund Balance figures published by FBOD.

² 2017-2018 Adopted Budget reflects the council approved budget per ordinance 18409.

³ 2017-2018 Current Budget reflects the council approved budget per ordinance 18409 and 2017 supplemental per ordinance 18544. Also reflects November 2017 council ordinance 18602 to add one-time funding of \$102,000 to District Court MIDD for Community Court Planning, \$200,000 to DCHS MIDD for Safe Places. Revenues reflect March 2018 OEFA forecast (not updated in EBS).

⁴ 2017-2018 Biennial-to-Date Actuals reflects actual revenues and expenditures as of 2/28/2018, using EBS report GL10, run 3/13/2018.

⁵ 2017-2018 Estimated is adjusted for the recently approved supplemental and reflects updated revenue forecast per the March 2018 OEFA.

⁶ Out year projections assume revenue growth per March 2018 OEFA forecasts and King County Office of Performance, Strategy and Budget planning assumptions. We have applied the October 2017 PSB biennial planning assumptions to Blended Labor (19-20, 7.2%); (21-22, 6.1%); Internal Service Rates (19-20, 6.9%), (21-22, 6.0%), Supplies, Contracted Services & Interfund Transfers (19-20, 5.5%, 5.7%); (21-22, 5.7%).

⁷ Revenue Reserve is equal to 5.25% of MIDD tax receipts. In 2017-2018 the fund switched to a 60 day expenditure reserve (see also footnote 14).

⁸ The Services Stabilization Reserve was designated to fund MIDD 1 services during transition to MIDD 2 to avoid service disruptions for vulnerable populations.

⁹ Funding in the Emerging Issues Reserve will be appropriated by Council on an as-needed basis through the supplemental process. The Emerging Issues Reserve was reduced to reflect the November supplemental ordinance 18602 adding one-time funding of \$102,000 to District Court MIDD for Community Court Planning and \$200,000 to DCHS MIDD for Safe Places.

¹⁰ The Reappropriation Reserve sets aside unspent dollars from council approved supplemental requests approved in 2016 to be fully expended in 2017. These requests were approved in ordinance 18544 and are now shown as an increase to the current budget.

¹¹ A Medicaid Reconciliation Reserve has been created for initiatives with a lower Medicaid proportion than formally budgeted.

¹² Reserve for 2016 invoices received in 2017 and for Intensive Case Management in 2018.

¹³ Reserve for Core Services (March to December 2018), due to the uncertainty around Medicaid rates these funds may be utilized to maintain core services.

¹⁴ The Rainy Day Reserve is to provide a 60 day expenditure reserve in case operations are reduced or closed down.

This plan was updated by DCHS staff on 3/13/2018.