

# **GENERAL FUND AND FINANCING ACTIVITIES**

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# INTRODUCTION

The General Fund supports the traditional functions of county government, including the Sheriff's Office, Superior and District Courts, the Prosecuting Attorney's Office, the Department of Public Defense, corrections, the Assessor's Office, Elections, and various administrative functions. Over seventy percent of the General Fund is spent on criminal justice and public safety programs.

The General Fund is King County's only truly flexible source of revenue, allowing it to provide support to important services and programs that would otherwise lack funding, including public health, human services, natural resource programs, and major policy initiatives such as Equity and Social Justice.

King County's credit rating is tied to the health of the General Fund. When bonds are issued they become general obligations of the County and the County pledges its full faith and credit to repay the principal and interest on any issuance. Therefore, the General Fund's financial health is what determines the County's credit rating and the interest rates paid on capital projects that are financed. The County's general obligation bonds are assigned ratings of "AAA," "AAA," and "AAA" by Moody's Investors Service, Fitch Ratings, and Standard and Poor's Ratings Services, respectively. These represent the highest possible ratings for County general obligation bonds.

This chapter covers the General Fund financial plan, General Fund Transfers to other funds, Internal Support, the County's Debt Service Funds, and the Real Estate Excise Tax (REET) funds. The REET funds support capital projects that mostly provide a benefit to residents of the unincorporated area. It is not as flexible as the General Fund however it does provide the opportunity to finance projects in multiple County programs.



# GENERAL FUND

King County's General Fund supports the traditional functions of a county government, most of which are required by State law. The major focus of the General Fund is criminal and civil justice functions. Counties are also responsible for elections administration, property assessments and tax collection, and public health.

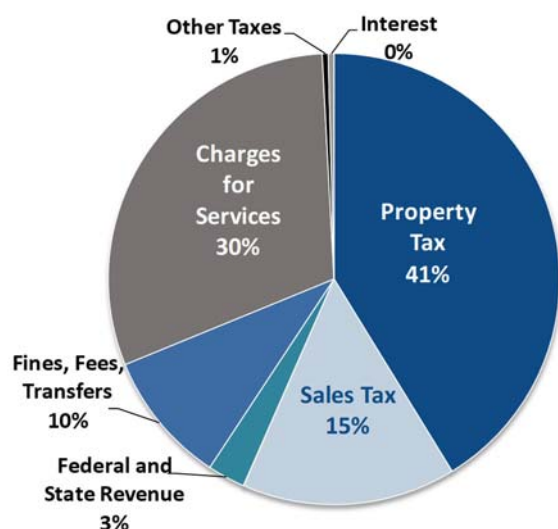
King County's General Fund has faced chronic imbalances between revenue and expenditure growth for nearly 20 years due to revenue limitations under state law. At the start of the 2021-2022 budget process, the General Fund faced a gap of about \$12 million between projected revenues and the cost of continuing current programs.

However, the COVID-19 pandemic and economic downturn led to significant decreases in sales tax revenues, other smaller taxes, and revenue collection for fees, fines, and services throughout the County, resulting in a projected General Fund shortfall of \$150 million in April of 2020.

## General Fund Revenues: The System is Still Broken

Revenue sources available to county General Funds are restricted by State law. The only significant tax sources are property and sales taxes. Unlike the State or cities, counties are not authorized to impose utility or business taxes. General Fund revenues are projected to be about \$1.89 billion for 2021-2022.

**Figure 1: GENERAL FUND REVENUES**



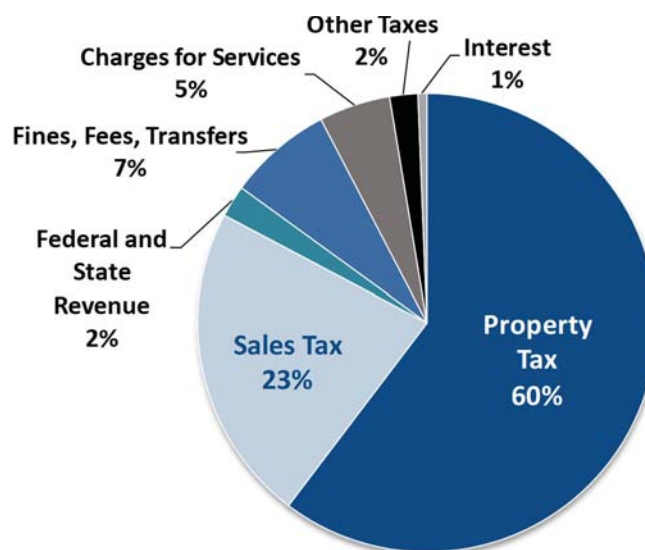
**Figure 1** shows the breakdown of projected 2021-2022 General Fund revenues. The property tax is by far the largest source at 41 percent. Sales taxes, including an additional sales tax for criminal justice programs, represent 15 percent. Charges for services, most of which are charges to other County funds for services provided by General Fund agencies or contracts to provide services to other governments, account for 30 percent. This category includes payments from cities and Sound Transit for police services provided by the Sheriff's Office, municipal court services provided by District Court, indigent defense services provided by the Department of Public Defense (DPD), and use of County jails. All other revenue sources account for only 13 percent of the total.

This overall view is somewhat misleading because the services provided to other County agencies and to other governments are self-supporting; these revenues are offset by corresponding expenditures. If these intergovernmental receipts and internal charges for service are removed, the "true" or "net" General Fund revenues are shown in **Figure 2**.

In this view, the property tax accounts for 60 percent of the General Fund's revenue. This is consistent with other Washington counties that do not provide the contracted services that King County does. Sales taxes represent another 23 percent of the revenue. Thus, over 80 percent of the net General Fund revenue comes from these two sources. It is worth noting that state and federal direct support to the General Fund is minimal, representing a combined 2 percent of the total.

The heavy dependence on the property tax is the largest source of the General Fund's financial challenges. Since 2001, State law has limited the revenue growth in most property taxes, including county General Funds, to 1 percent per year.

**Figure 2: NET GENERAL FUND REVENUES**

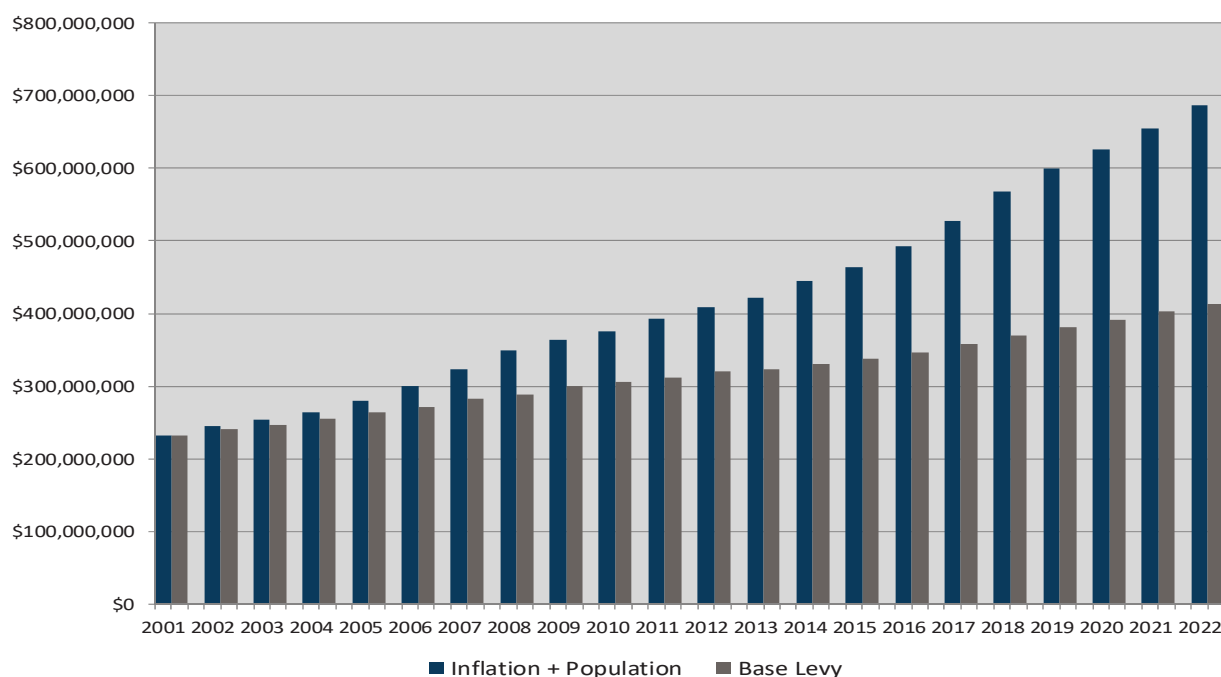


## GENERAL FUND AND FINANCING ACTIVITIES

In addition, the value of new construction is added to the tax base and represents between about 0.5 percent and 2.0 percent additional growth, depending on economic conditions.

**Figure 3** shows the effects of this limit on property tax revenues. Each year's right-hand bar is the actual property tax revenue collected by the County's General Fund. Each year's left-hand bar is how much General Fund property tax revenue would have been collected had this revenue kept up with inflation and population growth. In 2021, the difference between the bars is \$250 million. A small portion of this difference, approximately \$50 million, has been covered by voter-approved property tax levy lid lifts to fund services previously covered by the General Fund. A portion of the Parks Levy is the largest component of this \$50 million. The dependence of King County and other counties on the drastically limited property tax has resulted in chronic financial difficulties for the last 20 years. This situation is commonly referred to as the "structural gap."

**Figure 3: GENERAL FUND PROPERTY TAX COMPARED TO INFLATION AND POPULATION GROWTH**



King County, unlike most other counties, also is adversely affected by the structure of the sales tax. The sales tax is declining in productivity due to changes in purchasing patterns and other factors. In addition, there are two further sales tax issues affecting King County.

First, the sales tax rate received by a county depends on where a sale occurs. If a sale occurs in the unincorporated area (outside of cities), the county receives the entire 1.0 percent local sales tax. If a sale occurs within a city, the county receives only 0.15 percent and the city receives the remaining 0.85 percent. King County has actively complied with the State Growth Management Act that encourages urban areas (including almost all commercial areas where taxable sales occur) to be brought into cities.

As a result, King County receives almost no sales tax at the full 1.0 percent rate. **Figure 4** shows that King County only had 3.4 percent of its taxable retail sales in the unincorporated area in 2019, far lower than any other urban county in Washington.

**Figure 4: SALES TAX IN UNINCORPORATED AREA**

County	2019 Taxable Sales	2019 Uninc Taxable Sales	County Share of Sales Tax Revenue
Kitsap	5,324,701,987	2,440,026,394	45.8%
Clark	8,812,734,624	2,495,092,867	28.3%
Snohomish	17,417,090,997	3,991,012,693	22.9%
Pierce	19,326,892,999	4,070,533,293	21.1%
Whatcom	4,933,906,706	919,078,479	18.6%
Thurston	6,302,040,466	1,049,527,687	16.7%
Spokane	11,833,584,815	1,889,904,887	16.0%
Yakima	4,376,697,698	685,312,517	15.7%
Benton	5,028,972,705	616,881,445	12.3%
<b>KING</b>	<b>76,440,564,625</b>	<b>2,565,809,922</b>	<b>3.4%</b>

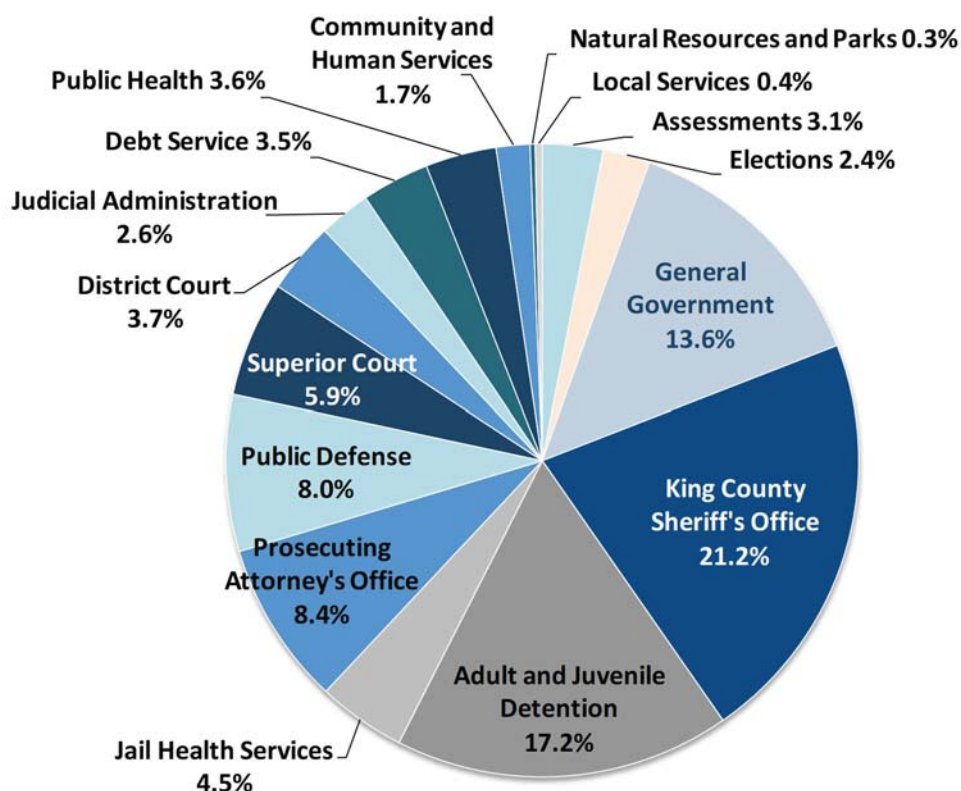
Second, many counties impose a separate 0.1 percent criminal justice sales tax. This tax has been in effect in King County since the early 1990s. Under State law, counties receive 10 percent of the revenue and the remainder is split among cities and the county based on population (for the county, it is the population of the unincorporated area). As the County has implemented the State Growth Management Act, its unincorporated area population has declined. The County conducted a study in 2017 to identify total criminal justice expenditures by cities and the County and compare them with the distribution of the criminal justice sales tax. King County has about 37 percent of the total expenditures but only receives 20 percent of the revenue. The City of Seattle basically breaks even and all the other cities received far more revenue than their share of criminal justice costs. This outcome is the result of State law that requires the County to bear the financial burden of juvenile justice and the incarceration and adjudication of all felonies, regardless of where they occur.



## General Fund Expenditures

King County's 2021-2022 Proposed Budget includes \$1.92 billion in appropriations from the General Fund. **Figure 5** shows how this is split among agencies.

**Figure 5: GENERAL FUND APPROPRIATIONS BY AGENCY**

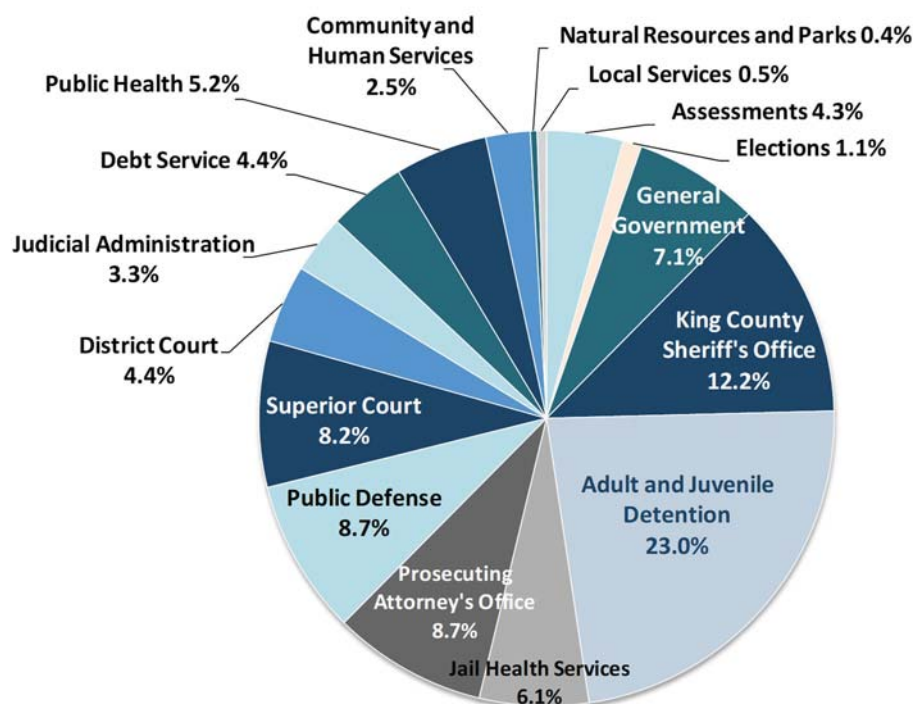


The King County Sheriff's Office (KCSO) has the single largest General Fund appropriation at 21.2 percent, followed by the Department of Adult and Juvenile Detention (DAJD) at 17.2 percent. DAJD is responsible for the two adult jails: the King County Correctional Facility (KCCF) in Seattle and the Maleng Regional Justice Center (MRJC) in Kent. DAJD also runs the Children and Family Justice Center in Seattle and operates the Community Corrections Division that provides alternatives to detention for adults.

The other agencies and branches that are part of the justice system are the Prosecuting Attorney's Office (PAO), DPD, Superior Court, District Court, Judicial Administration, and the Jail Health Services Division. When combined with KCSO and DAJD, the criminal justice system accounts for about 72 percent of General Fund appropriations.

As noted previously, a significant portion of General Fund expenditures is supported by revenue from other governments or from other County funds. Removing these expenditures leads to the "true" or "net" General Fund budget, which is shown in **Figure 6**.

**Figure 6: NET GENERAL FUND APPROPRIATIONS BY AGENCY**



Comparing **Figures 5 and 6** shows that the functions supported by the County's own General Fund revenue are significantly different than the total General Fund budget. DAJD is now by far the largest General Fund appropriation at 23 percent. KCSO shrinks to 12.2 percent because much of its budget is supported by contracts with cities and transit agencies. The criminal justice system represents 75 percent of net General Fund appropriations.

Other functions that shrink as relative proportions of the General Fund budget are Elections and the group of agencies labeled as General Government. Elections receives significant funding from charges to other jurisdictions for election costs and the General Government agencies charge other County funds for a portion of their costs. Elections shrinks to 1.1 percent and general government represents about 7 percent of total net General Fund appropriations.

King County has chosen to structure most of its internal support services, such as information technology, facilities, contracting, and accounting, as separate funds outside of the General Fund. These funds charge other County funds, including the General Fund, for the services they provide. However, there are a few support services, including the County Auditor, the Department of Human Resources, and the Office of Performance, Strategy and Budget (PSB), that are budgeted in the General Fund but charge other County funds for their services. This complicates a clear understanding of the General Fund's revenues and expenditures.

## Balancing the General Fund

At the start of the Executive's budget process the General Fund "gap", the difference between projected revenue and the cost of continuing all existing services, was \$150 million. This had increased from earlier estimates because of the economic effects of COVID. **Figure 7** shows how the General Fund budget was balanced.

**Figure 7: PATH TO GF BALANCING**

<b>Starting Gap</b>	<b>(150,000,000)</b>
Required Adds and Cost Increases	(12,000,000)
New and Expanded Services	(14,000,000)
Cost and Service Reductions	8,000,000
Efficiencies and Cost Shifts	33,000,000
Savings due to Reduced Demand	6,000,000
Change in Labor Cost Assumptions	21,000,000
Savings in Central Rates	16,000,000
Revenue Forecast Changes	7,000,000
Rent for the Right-of-Way	25,000,000
Policy-Driven Revenue Changes	1,000,000
Change in 2020 Year-End Balance	30,000,000
Use of Fund Balance and Reserves	29,000,000
<b>Ending Gap</b>	<b>0</b>

The gap grew by about \$26 million to reflect additional expenditures. Some were unavoidable, such as additional staff in the Department of Public Defense (DPD) required due to increasing felony caseloads. Others represent policy choices by the Executive, such as additional diversion programs in the criminal legal system and expanded investment to support community-based organizations.

About \$84 million of budget reductions were made by eliminating positions, reducing or eliminating services, finding efficiencies in service delivery, and requiring internal service agencies to reduce their costs and charges. Labor cost growth assumptions were also reduced based on precedents such as provided by the King County Correctional Officers Guild, which agreed to a contract with no wage increase for 2021 and 2 percent for 2022.

Revenue estimates for 2020 improved by about \$30 million, mostly because federal CARES Act funds can be used to cover staffing costs for additional employees or employees reassigned to COVID response.

The 2021-2022 revenue forecast improved by about \$33 million during the period of budget development. This was driven by higher sales tax forecasts once the effects of COVID became clearer, partially offset by lower jail revenues. The Department of Adult and Juvenile Detention (DAJD) historically has housed a significant number of prisoners for the State Department of Corrections and the City of Seattle. In order to keep the jail population low to increase inmate and employee safety during COVID, DAJD substantially reduced the number of prisoners it accepts from these agencies and thus lost the corresponding revenue. Expenditure savings were not possible in the near term because the jails are operating all the housing units to support social distancing. Executive Constantine has directed that the number of prisoners be kept low after COVID has been resolved, so DAJD budget savings are assumed starting in mid-2022.

The other major revenue included in the \$33 million increase came from recognizing a new source of funding. In late 2019 the State Supreme Court determined that King County had the authority to impose rent for rights-of-way that it owns and are used by utilities to deliver services. Negotiations about specific amounts owed are underway and the Proposed Budget uses a conservative estimate of \$24.7 million of revenue for 2021-2022.

## GENERAL FUND AND FINANCING ACTIVITIES

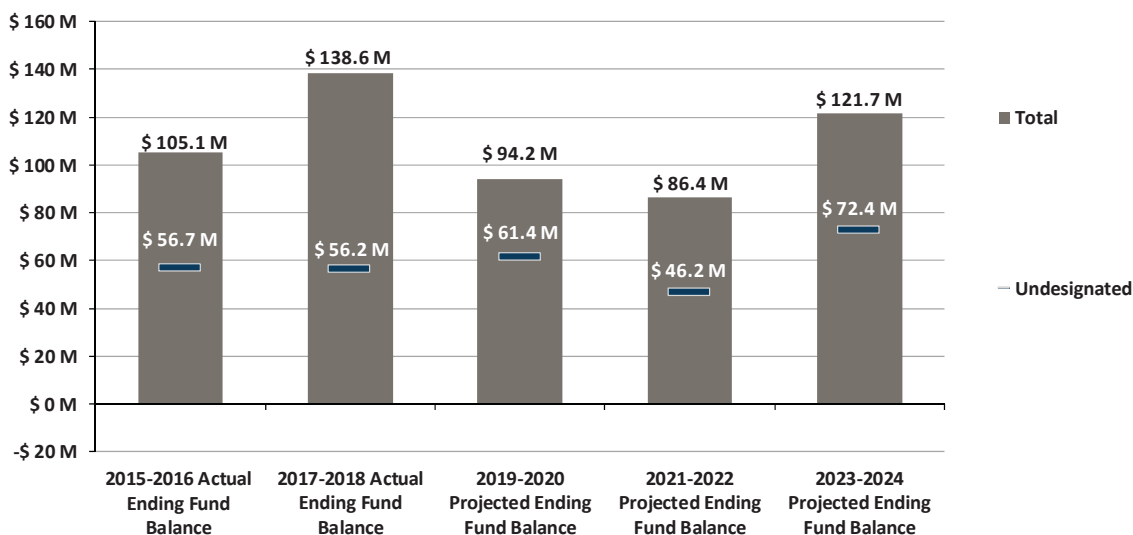
Finally, Executive Constantine proposes to draw down the General Fund unreserved fund balance from 8 percent to 6 percent, as was done in the Great Recession. In addition, risk reserves in the General Fund will be reduced, leaving less money available for unexpected costs. These changes generated the final \$29 million to balance the 2021-2022 Proposed Budget.

As noted previously, large budget reductions were made in almost all General Fund agencies. Most agencies were asked to identify 5 percent reductions for 2021 and a further 5 percent for 2022, or an average of 7.5 percent over the biennium. The base for these reductions was the budget under an agency's control. For example, the entire Department of Human Resources budget is under its control, but budgets for DAJD and DPD are driven by jail population and case filings, respectively, neither of which they can control. A few small agencies, including the Offices of Emergency Management, Equity and Social Justice, and Law Enforcement Oversight, did not receive reduction targets for policy reasons.

Most of the reductions are the result of position and expenditure reductions, but in some cases agencies were able to increase revenue or identify budget savings that could be realized in other General Fund functions. For example, Elections vastly exceeded its target because of additional State revenue to support elections and the Prosecutor's Office developed programs to reduce case filings in 2022 and save money in DPD.

Internal service agencies, which serve other County departments, also received reduction targets. Only a portion of these savings benefit the General Fund. Collectively, these agencies fully met their targets, which generated savings for General Fund agencies and all other County departments.

**Figure 8: GF FUND BALANCE TREND**



As seen in **Figure 8**, the General Fund's total fund balance trended upward in recent years due to planned increases in reserves and careful financial management. Due to the impacts of COVID and the associated recession, total fund balance is projected to decrease to about \$94 million at the end of 2020, of which about \$61 million is undesignated. The total fund balance is projected to be about \$86 million at the end of 2022, with an undesignated fund balance of about \$46 million.

The decline in fund balances from 2018 through 2022 reflects the ongoing recessionary impacts, especially on sales tax revenues. Fund balance is expected to increase in future years as sales tax revenues recover, although in the long-term, the County will still be hampered by the structural gap in County funding.

## GENERAL FUND AND FINANCING ACTIVITIES

### 2021-2022 Executive Proposed General Fund (10) Financial Plan (in millions)

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

	2019-2020 Estimated	2021-2022 Proposed Budget	2023-2024 Projected	2025-2026 Projected
<b>BEGINNING FUND BALANCE</b>	<b>138.6</b>	<b>94.2</b>	<b>86.4</b>	<b>121.7</b>
<b>REVENUES<sup>3</sup></b>				
Property Tax <sup>4</sup>	739.3	777.6	811.7	848.2
Sales Tax <sup>5</sup>	288.0	289.0	315.9	327.8
Intergovernmental Receipts	12.4	0.3	0.3	0.3
Federal and State Revenue	104.2	50.8	51.7	51.7
Fines, Fees, Transfers	161.6	179.8	201.4	186.3
Charges for Services	543.0	571.2	601.6	635.1
Other Taxes	14.2	8.1	8.7	8.9
Interest	22.6	7.8	7.2	8.8
<b>General Fund Revenues</b>	<b>1,885.4</b>	<b>1,884.5</b>	<b>1,998.5</b>	<b>2,067.1</b>
<b>EXPENDITURES</b>				
Justice and Safety	(1,343.7)	(1,375.9)	(1,419.8)	(1,503.6)
Administration/General Government	(309.5)	(317.9)	(337.1)	(357.0)
Public Health	(67.6)	(69.7)	(72.4)	(76.7)
Debt Service	(60.0)	(66.5)	(63.0)	(62.5)
Elections	(42.0)	(46.2)	(47.7)	(50.5)
Human Services	(23.9)	(33.1)	(35.2)	(37.2)
Physical Environment	(10.0)	(11.9)	(12.4)	(13.1)
Supplementals/Carryover/Reappropriations	(105.3)	0.0	0.0	0.0
Underexpenditures <sup>9</sup>	32.1	33.3	34.6	35.9
<b>General Fund Expenditures</b>	<b>(1,929.8)</b>	<b>(1,888.0)</b>	<b>(1,953.0)</b>	<b>(2,064.7)</b>
Other Fund Transactions <sup>10</sup>	0.0	(4.4)	(10.2)	(10.3)
<b>Ending Fund Balance</b>	<b>94.2</b>	<b>86.4</b>	<b>121.7</b>	<b>113.7</b>
<b>DESIGNATIONS AND SUBFUNDS<sup>11</sup></b>				
Designations	(4.7)	(3.5)	(3.9)	(4.3)
Subfund Balances	(4.9)	(1.8)	(1.8)	(1.8)
<b>EXPENDITURE RESERVES</b>				
Carryover and Reappropriation	(4.4)	(10.2)	(10.3)	(10.4)
CIP Capital Supplemental Reserve	0.0	0.0	0.0	0.0
Credit Rating Reserve <sup>12</sup>	(2.5)	(3.7)	(4.9)	(6.1)
Executive Contingency	(0.1)	(0.1)	(0.1)	(0.1)
Criminal Justice Incentive Reserve	0.0	0.0	0.0	0.0
Community Engagement Program Reserve	0.0	(1.0)	(2.0)	(3.0)
Jail Side Door Reserve	0.0	(1.4)	(2.7)	(4.1)
First Felony Diversion Program Reserve	0.0	(2.5)	(5.0)	(7.5)
Public Safety Alternative Investments Reserve	0.0	(0.5)	(1.0)	(1.5)
Trial Court Improvement Account Reserve	(1.1)	(1.1)	(1.1)	(1.1)
Risk Reserve <sup>14</sup>	(15.3)	(14.5)	(16.5)	(16.5)
<b>Reserves</b>	<b>(32.8)</b>	<b>(40.2)</b>	<b>(49.2)</b>	<b>(56.3)</b>
<b>Ending Undesignated Fund Balance<sup>15</sup></b>	<b>61.4</b>	<b>46.2</b>	<b>72.4</b>	<b>57.5</b>
6% Undesignated Fund Balance Minimum	46.1	46.2	48.1	50.1
<b>Over/(Under) 6% Minimum</b>	<b>15.4</b>	<b>0.0</b>	<b>24.3</b>	<b>7.3</b>
<b>Over/(Under) 7.5%</b>	<b>3.8</b>	<b>(11.6)</b>	<b>12.3</b>	<b>(5.2)</b>
<b>Over/(Under) 8.0%</b>	<b>0.0</b>	<b>(15.4)</b>	<b>8.3</b>	<b>(9.4)</b>
Rainy Day Reserve	26.5	26.7	26.8	27.0



## GENERAL FUND AND FINANCING ACTIVITIES

### 2021-2022 General Fund Financial Plan Footnotes

- 2019-2020 Estimated reflects PSB's best estimate of total biennial revenues and expenditures through 12/31/2020.
- 2021-2022 Proposed Budget is consistent with the budget system of record (PBCS).
- Revenue estimates for 2020 - 2026 are based on forecasts adopted by the Forecast Council or interim forecasts published by the Office of Economic and Financial Analysis, 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.

	2021-2022	2023-2024	2025-2026
Property Tax	As Proposed	4.4%	4.5%
Sales Tax (including sales tax dedicated to criminal justice)	As Proposed	9.3%	3.8%
All Other	As Proposed	6.5%	2.3%
<i>Blended Revenue Growth Rate</i>	As Proposed	6.0%	3.4%

- Property Tax forecasts for 2020 - 2026 are based on August 2020 Office of Economic and Financial Analysis (OEFA) forecast adopted by the Forecast Council and assume the current property tax structure and a collection rate of 99%.
- Sales Tax forecasts for 2020 - 2026 are based on the August 2020 interim forecast provided by the Office of Economic and Financial Analysis (OEFA).
- Expenditure estimates for 2021-2022 are based on the Executive Proposed budget in PBCS. Expenditure estimates for 2023-2024 and 2025-2026 are based on the following assumptions. The percentages indicate the expected percentage change over the previous budget cycle.

	2021-2022	2023-2024	2025-2026
CPI (Seattle July to June CPI-U)	As Proposed	5.4%	5.5%
Blended Labor	As Proposed	5.2%	6.5%
Operating GF Transfers	As Proposed	5.4%	5.5%
<i>Blended Operating Growth Rate</i>	As Proposed	3.8%	5.9%

- CIP General Fund Transfers (in millions)

	2021-2022	2023-2024	2025-2026
Building Repair and Replacement	0.8	1.5	1.6
KCIT CIP	-	4.0	4.2
Expenditure of Designated Fund Balance	2.5	-	-
<b>Total</b>	<b>3.3</b>	<b>5.5</b>	<b>5.8</b>

- The debt service schedule for 2021 - 2026 is based on the following table:  
(in millions)

<b>Debt Service Elements</b>	2021-2022	2023-2024	2025-2026
Existing Debt Issues	62.7	42.6	35.5
New Debt Issuance	2.8	19.4	25.9
Debt contingency for new issues and variable rate	1.0	1.0	1.0
<b>Total Debt Service</b>	<b>66.5</b>	<b>63.0</b>	<b>62.5</b>

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.

## GENERAL FUND AND FINANCING ACTIVITIES

- The 2021-2022 Proposed 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 \$33 million is included, reflecting an assumed \$22.5 million in actual underexpenditures and a reappropriation rate of \$10.5 million per biennium.
- Designations and subfund balances include the following for each of the years (in millions):

	2021-2022	2023-2024	2025-2026
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	(1.1)	(1.1)	(1.1)
Anti-Profiteering Program	(0.1)	(0.1)	(0.1)
Dispute Resolution	(0.0)	(0.0)	(0.0)
Wheelchair Access	(1.6)	(2.0)	(2.4)
Inmate Welfare Fund Balance	(1.8)	(1.8)	(1.8)
Total	(5.3)	(5.7)	(6.1)

- 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 General Fund Financial Plan includes four new reserves for future investments: Community Engagement Program Reserve, Jail Side Door Reserve, First Felony Diversion Program Reserve, and Public Safety Alternatives Investment Reserve. These four reserves are designed to set aside funding to design and implement key diversion and criminal legal system reform initiatives that will be developed in late 2020 and early 2021 and proposed in an upcoming supplemental budget.
- 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.

### General Fund Transfers and Internal Support

As a flexible revenue source, the General Fund provides funding to important services and programs in other funds. This includes resources for public health, local services, human services, natural resource programs, animal services, and capital investments in technology and infrastructure projects. The General Fund transfers revenue to the other funds through a series of appropriations called General Fund Transfers. The following table summarizes the proposed General Fund transfers, followed by more detailed information.

Appropriation Unit	2021-2022 Proposed Budget
General Fund transfer for Debt Service	\$ 66,546,000
General Fund transfer to Department of Local Services (DLS)	\$ 6,939,000
General Fund transfer to Department of Community and Human Services (DCHS)	\$ 33,054,000
General Fund transfer to Department of Executive Services (DES)	\$ 5,968,000
General Fund transfer to Department of Public Health (DPH)	\$ 55,630,000
General Fund transfer to Department of Natural Resources and Parks (DNRP)	\$ 4,984,000
General Fund capital transfer to Department of Executive Services (DES)	\$ 753,000

#### General Fund transfer for Debt Service: \$66,546,000

The transfer to Debt Service represents the amount that the General Fund pays in principal and interest for the biennium for current and proposed capital projects. The debt service limit is set by County policy for the General Fund at 6 percent of revenues. The projected General Fund debt load is about 3.7 percent in 2021 and 3.9 percent in 2022.

- In 2021-2022, this contribution will pay the debt service on 27 current projects and three new or expanding projects: Kent building acquisition, capital investments that will be informed by Department of Local Services participatory budgeting work, and multiple projects at the MRJC.

#### General Fund transfer to Department of Local Services (DLS): \$6,939,000

The transfer to DLS supports activities in the Permitting Division and in the DLS Director's Office.

- This transfer funds 85 percent of Code Enforcement activities. Over the biennium, the Permitting Division expects there to be approximately 2,000 Code Enforcement cases.
- The transfer also supports Green Building Code development.
- \$1.8 million will support investments in urban unincorporated King County and the development of a community-centered advisory board.



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### **General Fund transfer to Department of Community and Human Services (DCHS): \$33,054,000**

Transfers to DCHS support several programs in Housing, Community Services, Employment and Education resources, Behavioral Health, and DCHS Administration.

#### Transfer to Behavioral Health Fund (Fund 1120, \$5.7 million)

- \$5.7 million will be transferred to the Behavioral Health Fund (Fund 1120) to support behavioral health services that were previously supported by the Mental Illness and Drug Dependency (MIDD) sales tax. This transfer amount is unchanged from the 2019-2020 biennium.

These programs had to be removed from MIDD support as of Jan. 1, 2017 to comply with the State's supplantation law. Supported services include the Emergency Services Patrol, Community Corrections Alternative Program, Criminal Justice Initiatives Programs, a mental health juvenile justice liaison, and support for other miscellaneous behavioral health services.

#### Transfer to Housing and Community Development Fund (Fund 2460, \$1.4 million)

- \$0.5 million to support administration of the Regional Affordable Housing Program.
- \$0.3 million to support a Renters' Commission FTE.
- \$0.6 million to support Mary's Place.

#### Transfer to DCHS Administration Fund (Fund 1080, \$0.5 million)

- \$0.5 million will be transferred to the DCHS Administration Fund on a one-time basis to support three months of funding for COVID-related Health Ambassadors.

#### Transfer to Employment and Education Resources Fund (Fund 2240, \$11.8 million)

- \$2.7 million for youth and family services contracts.
- \$1.1 million supports juvenile justice intervention programs, which funds six agencies' prevention and intervention services to youth who are at-risk or involved in the juvenile justice system or gangs.
- \$0.8 million supports gang prevention and the Avanza program. This funding is to provide education, employment, and violence prevention services to youth at risk of gang involvement.
- \$5.2 million in new funding for the Restorative Community Pathways program to divert juvenile cases out of the criminal legal system and provide services for harmed parties.
- \$1.9 million supports administration of the youth programs and other miscellaneous education and employment services

#### Transfer to Community Services Operating Fund (Fund 1421, \$13.6 million)

- \$2.7 million for domestic violence survivor services such as community advocacy, crisis intervention, legal advocacy, shelter, and safety planning.
- \$1.4 million for sexual assault victim services.
- \$1.0 million supports the King County Jobs initiative
- \$1.0 million for civil legal services contracts.
- \$0.4 million for men's and women's homeless shelter operations.
- \$0.3 million for senior center services and operations.
- \$2.6 million for administration of the DCHS divisions related to managing community services
- \$50,000 to provide legal protection to LGBTQ families.

## GENERAL FUND AND FINANCING ACTIVITIES

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- New investments for 2021-2022 include \$2.8 million for record expungement and legal financial obligation relief and \$1.5 million for community-based organization capacity building work

### **General Fund transfer to Department of Executive Services (DES): \$5,968,000**

The transfer to DES supports Emergency Shelter Services and Regional Animal Services.

- \$0.9 million will be contributed to the facilities maintenance division to support emergency shelter services in 2021-2022. This funding will provide custodial service and security at White Center, Downtown Seattle Administration Building, and the 4<sup>th</sup> and Jefferson Building.
- \$5.1 million is transferred to support the animal services program. This represents approximately 33 percent of the funding for this regional service. In 2019, more than 5,000 animals entered the shelter program, and more than 95 percent of cats and dogs left the shelter alive. Almost 3,600 animals were spayed or neutered (including feral cats) and there were almost 5,300 calls for animal control field services.

### **General Fund transfer to Department of Public Health (DPH): \$55,630,000**

- \$1.3 million (11% of the DPH budget for this item) will be contributed to Chronic Disease/Injury Prevention (CDIP). It addresses some of the leading causes of injuries and their social determinants through seven programs.
- \$39.9 million (23% of the DPH budget for this item) will be contributed to Community Health Services (CHS). It includes direct services to King County's most vulnerable residents through Parent-Child Health, Family Planning, Oral Health and Primary Care, Maternity Support Services (MSS), Infant Case Management (ICM), Women Infants and Children (WIC) nutrition services, Family Planning, Primary Care, and Dental Care within the Public Health Centers.
- \$4.2 million (22% of the DPH budget for this item) will be contributed to Cross-cutting services, including foundational capabilities such as the Assessment, Policy and Evaluation (APDE) unit, Communications, Preparedness, Health Policy and Planning, Government Relations, and the King County Board of Health.
- \$3.8 million (100% of the DPH budget for this item) will be contributed to Zero Youth Detention work.
- \$3.2 million (4% of the DPH budget for this item) will be contributed to Prevention to serve the community by monitoring, investigating, controlling and prevention of over 60 notifiable communicable diseases. This also includes the Medical Examiner's Office and Vital Statistics.
- \$2.9 million (2% of the DPH budget for this item) will be contributed to Regional Community Health Services for a variety of community partnership programs.
- \$0.5 million (11% of the DPH budget for this item) will be contributed for Zoonotics Fee Services and Environmental Health - Healthy Community Planning.
  - Environmental Health Fee Services include outreach to agency and community partners to better understand and support integration of health and equity into local, regional, and state planning efforts to ensure that guidelines, planning documents and funding criteria include public health and equity elements.
  - Zoonotics Fee Services include prevention of and response to zoonotic disease and environmental conditions that affect both animals and people, with backup support from the PH Vet in Communicable Disease.

### **General Fund transfer to Department of Natural Resources and Parks (DNRP): \$4,984,000**

- \$3 million is for Local Infrastructure Project Area (LIPA) transfers to the City of Seattle for the Transfer of Development Rights (TDR) program. Since establishing the agreement with Seattle in

late 2013, the King County TDR Bank has sold 1,058 TDRs to Seattle developers resulting in revenue for conservation exceeding \$26 million. As of August 2020, 386 TDRs are under contract, with pending contracts for an additional 41. TDRs under contract and pending contract will result in an additional \$1.5 million in revenue for conservation. TDRs sold during the life of the agreement will likely equate to a range of 80,000 to 100,000 acres of protection.

- \$184,000 supports the cost of one food policy manager. Responsibilities of the position are related to the Local Food Initiative (LFI), which was launched in 2014 and is intended to serve as a 10-year roadmap for (a) Growing our local food economy and (b) Increasing access to healthy, affordable food in low-income communities.
- Agriculture, Forestry and Public Benefits Rating System/Current Use Taxation (PBRS/CUT)
  - \$0.8 million is for the agriculture programs for preservation of existing, high-priority farmland in support of the Land Conservation Initiative; support for farmers and farmland owners to expand acreage dedicated to food production; assistance for farmers and farmland owners to establish or expand economically viable farming businesses; coordination of the King County Agriculture Commission; implementation of the Fish Farm Flood priority actions; and enhanced production potential of county-owned farmland.
  - \$0.4 million is for the forestry programs, which includes coordination of the Rural Forest Commission, technical support to private forest landowners to enhance forest health, support for coached forest planning workshops in collaboration with KCD and WSU Extension, and partnership with KCD and local fire districts to provide FireWise training and technical support to private forest landowners intending to make their properties more resilient in an environment of increasing fire risk.
  - \$0.6 million is for the Public Benefits Rating System/Current Use Taxation (PBRS/CUT) programs and supports program management and marketing, landowner outreach, program compliance monitoring and landowner technical support.
  - The anticipated annual outcomes of General Fund support for agriculture, forestry and current use taxation in 2021-2022 include:
    - 400 net new acres of farmland in production.
    - Acquisition of conservation easements on 475 acres of high-priority farmland.
    - At least 500 new acres of farm and forestland enrolled in PBRS/CUT; at least 300 acres are new, LCI priority properties.
    - At least 60 private forestland stewardship plans approved annually, with special focus on climate resilience and enhancing carbon sequestration potential; plans cover a minimum of 500 acres.
    - Monitoring of at least 20 percent of the properties enrolled in PBRS and 33 percent of properties enrolled in Farmland Preservation programs; enhancement of the County farmland leasing program with a focus on Equity and Social Justice benefits.

### **General Fund capital transfer to Department of Executive Services (DES): \$753,000**

The General Fund CIP Transfer to DES pays for General-fund backed Facilities Management Division (FMD) projects for Building Repair and Replacement and the Major Maintenance Reserve Fund. For the 2021-2022 biennium, the transfer is budgeted for \$753,000, which is significantly less than in past bienniums.

The 2021-2022 transfer includes \$400,000 for tenant improvements for the Department of Public Defense as well as funding for multiple miscellaneous small projects. Additional detail on these projects is included in the capital section of the budget book.

### **Internal Support: \$36,585,000**

The Internal Support budget includes charges that are paid centrally on behalf of General Fund agencies. In 2021-2022, changes include support for:

- Employee Transportation Program costs.
- The Department of Local Services (DLS) Director's Office overhead rate.
- Central rate charges for functions with benefit to all General Fund agencies.

**2021-2022 Executive Proposed Operating Budget**  
**GF TRANSFER TO DEBT SERVICE (EN\_A69100)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
<b>2019-2020 Revised Budget</b>	<b>60,019,998</b>	<b>9,642,314</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	280,002	(1,465,406)	0.0	0.0
Decision Package Adjustments	6,245,331	202,923	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>66,545,331</b>	<b>8,379,831</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>66,546,000</b>	<b>8,380,000</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

1. The 2019-2020 Revised Budget equals the 2019-2020 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Adjust base budget to remove one-time changes, annualize supplemental changes, and increase personnel budgets to 2021-2022 rates. Personnel budgets reflect projected 2021-2022 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments, and Decision Package Adjustments. All FTEs/TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs/TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
<b>Technical Adjustments</b>				
(TA_001) Other Debt Service Adjustments				
Align appropriation for debt service payments with expected debt service amounts.	5,912,000	0	0.0	0.0
(TA_050) Revenue Adjustment	0	202,923	0.0	0.0
<b>Central Rate Adjustments</b>	333,331	0	0.0	0.0
<b>Total Decision Package Adjustments</b>	<b>6,245,331</b>	<b>202,923</b>	<b>0.0</b>	<b>0.0</b>

**2021-2022 Executive Proposed Operating Budget**  
**GF TRANSFER TO DLS (EN\_A69200)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
<b>2019-2020 Revised Budget</b>	<b>5,836,377</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	(924,000)	0	0.0	0.0
Decision Package Adjustments	2,025,877	0	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>6,938,254</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>6,939,000</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

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2. Adjust base budget to remove one-time changes, annualize supplemental changes, and increase personnel budgets to 2021-2022 rates. Personnel budgets reflect projected 2021-2022 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments, and Decision Package Adjustments. All FTEs/TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs/TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
<b>Direct Service Changes</b>				
(DS_002) Community-led Harm Repair Provide General Fund support to DLS to support community-developed services in unincorporated King County and a community-centered advisory group to identify long-term investments. This is funded by repurposing Marijuana Enforcement revenue that was previously budgeted for the King County Sheriff.	1,800,000	0	0.0	0.0
<b>Administrative Service Changes</b>				
(AC_001) Green Building Program Support Provide General Fund support to the Department of Local Services Director's Office to convert a TLT position, starting in 2022, to support implementation of SCAP Goal Area 3 priority action items by DLS Permitting.	225,877	0	0.0	0.0
<b>Total Decision Package Adjustments</b>	<b>2,025,877</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**2021-2022 Executive Proposed Operating Budget  
GF TRANSFER TO DCHS (EN\_A69400)**

<b>Operating Budget Summary</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>2019-2020 Revised Budget</b>	<b>26,620,500</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	(3,069,500)	0	0.0	0.0
Decision Package Adjustments	9,502,618	0	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>33,053,618</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>33,054,000</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

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2. Adjust base budget to remove one-time changes, annualize supplemental changes, and increase personnel budgets to 2021-2022 rates. Personnel budgets reflect projected 2021-2022 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments, and Decision Package Adjustments. All FTEs/TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs/TLTs in the Biennium.

<b>Decision Package Adjustment Detail</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>Direct Service Changes</b>				
(DS_001) Record Expungement and Legal Financial Obligation Relief Provide General Fund support to DCHS to contract for record expungement and legal financial obligation relief for those involved in the criminal legal system. This decision package is funded by repurposing Marijuana Enforcement Revenue previously budgeted for the King County Sheriff. Corresponds to DS_001 in Community Services Operating (A88800).	2,800,000	0	0.0	0.0
(DS_002) Community-based Organization (CBO) Capacity Building Provide County staff and funding to create a CBO capacity building strategy within the County that would include dedicated staffing, a network of consultants, and funds to award to CBOs for their own internal capacity building efforts. Corresponds to DS_003 in Community Services Operating (A88800).	1,500,000	0	0.0	0.0
(DS_003) Restorative Community Pathways Divert 40-80% of juvenile cases out of the legal system, provide comprehensive community-based services for youth involved in these diverted cases, and offer restitution and appropriate services and supports for the harmed parties. Corresponds to DS_004 in Education and Employment Resources (A93600).	5,201,482	0	0.0	0.0

**2021-2022 Executive Proposed Operating Budget**  
**GF TRANSFER TO DCHS (EN\_A69400)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
<b>Technical Adjustments</b>				
(TA_010) COVID Health Ambassador Program Continue support for the County's six-month Health Ambassador program through March of 2021 to ensure all hired Health Ambassadors complete six full months of employment. Corresponds to TA_010 in DCHS Administration (A93500).	501,136	0	0.0	0.0
(TA_100) General Fund Support for Civil Legal Aid Adjustment Remove appropriation for civil legal aid services that were adopted in the 2019-2020 budget, but which were not able to be implemented. This decision package does not have any impact on current level of service. Corresponds to TA_100 in Community Services Operating (A88800).	(500,000)	0	0.0	0.0
<b>Total Decision Package Adjustments</b>	<b>9,502,618</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>



**2021-2022 Executive Proposed Operating Budget  
GF TRANSFER TO DES (EN\_A69500)**

<b>Operating Budget Summary</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>2019-2020 Revised Budget</b>	<b>10,961,085</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	(4,993,285)	0	0.0	0.0
Decision Package Adjustments	0	0	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>5,967,800</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>5,968,000</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

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2. Adjust base budget to remove one-time changes, annualize supplemental changes, and increase personnel budgets to 2021-2022 rates. Personnel budgets reflect projected 2021-2022 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments, and Decision Package Adjustments. All FTEs/TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs/TLTs in the Biennium.

**2021-2022 Executive Proposed Operating Budget  
GF TRANSFER TO DPH (EN\_A69600)**

<b>Operating Budget Summary</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>2019-2020 Revised Budget</b>	<b>55,489,943</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	182,365	0	0.0	0.0
Decision Package Adjustments	(43,102)	0	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>55,629,206</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>55,630,000</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

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3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments, and Decision Package Adjustments. All FTEs/TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs/TLTs in the Biennium.

<b>Decision Package Adjustment Detail</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>Administrative Service Changes</b>				
(AC_011) Remove Vacancy Remove vacant Public Health position in Juvenile Detention. A position deployed to Juvenile Detention to support a Public Health approach to detention is no longer needed. Corresponds with AC_011 in the Department of Public Health proposed budget.	(573,768)	0	0.0	0.0
(AC_015) Regional Gun Violence Strategy Provide General Fund support to Public Health to fund technical assistance and the support of community partners to pursue a regional gun violence strategy. Corresponds with AC_015 in the Department of Public Health proposed budget.	600,000	0	0.0	0.0
<b>Technical Adjustments</b>				
(TA_002) Adjust General Fund Transfer Amount Reduce the General Fund Transfer to Public Health to reflect expected Harborview payments. The General Fund Transfer was increased in the 2019-2020 budget by this amount due to an assumed decrease in Harborview revenue that did not occur.	(69,334)	0	0.0	0.0
<b>Total Decision Package Adjustments</b>	<b>(43,102)</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**2021-2022 Executive Proposed Operating Budget  
GF TRANSFER TO DNRP (EN\_A69700)**

<b>Operating Budget Summary</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>2019-2020 Revised Budget</b>	<b>5,468,795</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	215,205	0	0.0	0.0
Decision Package Adjustments	(700,000)	0	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>4,984,000</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>4,984,000</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

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3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments, and Decision Package Adjustments. All FTEs/TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs/TLTs in the Biennium.

<b>Decision Package Adjustment Detail</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>Technical Adjustments</b>				
(TA_001) LIPA Transfer Adjustment Adjust the transfer to the City of Seattle for the Transfer of Development Rights (TDR) program to the currently projected amount.	(700,000)	0	0.0	0.0
<b>Total Decision Package Adjustments</b>	<b>(700,000)</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**2021-2022 Executive Proposed Operating Budget**  
**GF CIP TRANSFER TO DES (EN\_A69900)**

<b>Operating Budget Summary</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>2019-2020 Revised Budget</b>	<b>32,845,191</b>	<b>11,500,000</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	(32,845,191)	(11,500,000)	0.0	0.0
Decision Package Adjustments	752,155	0	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>752,155</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>753,000</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

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<b>Decision Package Adjustment Detail</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>Technical Adjustments</b>				
(TA_001) Building Repair and Replacement Project Transfer Transfer General Fund support to the Facilities Management Division to pay for General Fund-backed building repair and replacement projects.	752,155	0	0.0	0.0
<b>Total Decision Package Adjustments</b>	<b>752,155</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**2021-2022 Executive Proposed Operating Budget  
INTERNAL SUPPORT (EN\_A65600)**

<b>Operating Budget Summary</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>2019-2020 Revised Budget</b>	<b>42,416,676</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	(400,000)	0	0.0	0.0
Decision Package Adjustments	(5,432,628)	0	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>36,584,048</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>36,585,000</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

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3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments, and Decision Package Adjustments. All FTEs/TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs/TLTs in the Biennium.

<b>Decision Package Adjustment Detail</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>Technical Adjustments</b>				
(TA_001) Miscellaneous Cost Adjustments Adjust some Internal Support functions to reflect updated costs and other known changes in cost line items.	(1,796,560)	0	0.0	0.0
(TA_116) Net Zero Adjustments Adjust budget between accounts in the same appropriation unit to reflect actual expenditure patterns.	0	0	0.0	0.0
<b>Central Rate Adjustments</b>	(3,636,068)	0	0.0	0.0
<b>Total Decision Package Adjustments</b>	<b>(5,432,628)</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

### Debt Service Funds

The total 2021-2022 Proposed Budget for the **Limited Tax General Obligation (LTGO) Fund** is \$290 million. The main adjustments to this budget are technical and include updating principal and interest payment schedules.

This fund also budgets debt service payments for new issuances as outlined below. Since County bond ratings remain high and interest rates remain low, the 2021-2022 budget provides an opportunity to lock in low interest rates for these new investments. The budget proposes issuing debt for various new projects as detailed in the table below. For information on individual projects, please refer to the specific CAP form.

Project	Proceeds (in millions)	Term
DLS Roads – 277 <sup>th</sup> Street Bridge Replacement	\$2.4	30
DLS Roads Upper Tokul Bridge Replacement	\$3.9	20
DNRP WLRD - Land Conservation Initiative	\$25.0	30
DES FMD – Maleng Regional Justice Center	\$17.1	20
DCHS – Transit Oriented Development Housing	\$205.5	20
DNRP SWD – Landfill Capacity Projects	\$34.9	20
DNRP SWD – Transfer station projects	\$163.0	20
Transit - Various Operational Capacity Growth Projects	\$18.8	30
DCHS – Affordable Housing	\$400.0	20

The County's limited tax general obligation debt capacity is \$9.6 billion, which is based on 1.5 percent of countywide assessed value. As of the end of 2019, the County has only used \$2.5 billion of capacity.

The total 2021-2022 Proposed Budget for the **Unlimited Tax General Obligation (UTGO) Fund** is \$28.4 million. All adjustments to this budget were technical changes and reflect the current debt service schedules. The bonds currently paid by the UTGO fund will be paid off in 2023. Limited Tax General Obligation Bond financing is approved by the County Council while UTGO financing is approved by voters.

**2021-2022 Executive Proposed Operating Budget  
LIMITED GO BOND REDEMPTION (EN\_A46500)**

<b>Operating Budget Summary</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>2019-2020 Revised Budget</b>	<b>243,097,359</b>	<b>239,062,482</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	(9,053,149)	(894,382)	0.0	0.0
Decision Package Adjustments	54,601,565	47,877,675	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>288,645,775</b>	<b>286,045,775</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>288,646,000</b>	<b>286,046,000</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

1. The 2019-2020 Revised Budget equals the 2019-2020 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Adjust base budget to remove one-time changes, annualize supplemental changes, and increase personnel budgets to 2021-2022 rates. Personnel budgets reflect projected 2021-2022 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments, and Decision Package Adjustments. All FTEs/TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs/TLTs in the Biennium.

<b>Decision Package Adjustment Detail</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>Central Rate Adjustments</b>	54,601,565	47,877,675	0.0	0.0
<b>Total Decision Package Adjustments</b>	54,601,565	47,877,675	0.0	0.0

**2021-2022 Executive Proposed Operating Budget  
UNLIMITED GO BOND REDEMP (EN\_A46600)**

<b>Operating Budget Summary</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>2019-2020 Revised Budget</b>	<b>31,714,175</b>	<b>31,214,700</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	(4,244,775)	(4,247,100)	0.0	0.0
Decision Package Adjustments	965,250	970,200	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>28,434,650</b>	<b>27,937,800</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>28,435,000</b>	<b>27,938,000</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

1. The 2019-2020 Revised Budget equals the 2019-2020 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Adjust base budget to remove one-time changes, annualize supplemental changes, and increase personnel budgets to 2021-2022 rates. Personnel budgets reflect projected 2021-2022 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments, and Decision Package Adjustments. All FTEs/TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs/TLTs in the Biennium.

<b>Decision Package Adjustment Detail</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>Technical Adjustments</b>				
(TA_050) Revenue Adjustment Revise budgeted revenues to match the current forecast.	0	970,200	0.0	0.0
<b>Central Rate Adjustments</b>	965,250	0	0.0	0.0
<b>Total Decision Package Adjustments</b>	965,250	970,200	0.0	0.0



**2021-2022 Executive Proposed Operating Budget  
HUD SEC 108 LOAN REPAY (EN\_A48700)**

<b>Operating Budget Summary</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>2019-2020 Revised Budget</b>	<b>577,996</b>	<b>589,466</b>	<b>0.0</b>	<b>0.0</b>
Base Budget Adjustments	0	0	0.0	0.0
Decision Package Adjustments	532,219	0	0.0	0.0
<b>2021-2022 Executive Proposed Budget</b>	<b>1,110,215</b>	<b>589,466</b>	<b>0.0</b>	<b>0.0</b>
<b>2021-2022 Executive Proposed Ordinance</b>	<b>1,111,000</b>	<b>590,000</b>	<b>0.0</b>	<b>0.0</b>

**Notes**

1. The 2019-2020 Revised Budget equals the 2019-2020 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Adjust base budget to remove one-time changes, annualize supplemental changes, and increase personnel budgets to 2021-2022 rates. Personnel budgets reflect projected 2021-2022 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments, and Decision Package Adjustments. All FTEs/TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs/TLTs in the Biennium.

<b>Decision Package Adjustment Detail</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Reg FTE</b>	<b>TLT</b>
<b>Central Rate Adjustments</b>	532,219	0	0.0	0.0
<b>Total Decision Package Adjustments</b>	532,219	0	0.0	0.0

**2021-2022 Proposed Financial Plan**  
**Limited Tax General Obligation (LTGO) Debt Service Fund /000008400 (including subfunds 8401, 8405, & 8407)**

<b>Category</b>	<b>2019-2020 Estimated</b>	<b>2021-2022 Proposed</b>	<b>2023-2024 Projected</b>	<b>2025-2026 Projected</b>
<b>Beginning Fund Balance</b>	<b>7,454,119</b>	<b>7,681,615</b>	<b>7,160,866</b>	<b>7,160,866</b>
<b>Revenues</b>				
Taxes/Miscellaneous (CFT, Auto Rental)	72,907	-	-	-
Intergovernmental Payments (HMC, CDA)	26,614,011	28,541,685	28,541,685	28,541,685
Charges/Contributions from County Funds	212,935,937	258,093,556	282,941,685	256,060,349
<b>Total Revenues</b>	<b>239,622,855</b>	<b>286,635,241</b>	<b>311,483,370</b>	<b>284,602,034</b>
<b>Expenditures</b>				
Principal	(159,751,362)	(181,846,862)	(204,678,459)	(194,013,843)
Interest	(79,643,997)	(105,309,128)	(106,804,911)	(90,588,191)
Contingencies		(2,600,000)		
<b>Total Expenditures</b>	<b>(239,395,359)</b>	<b>(289,755,990)</b>	<b>(311,483,370)</b>	<b>(284,602,034)</b>
<b>Estimated Underexpenditures</b>		2,600,000		
<b>Other Fund Transactions</b>				
<b>Total Other Fund Transactions</b>	-	-	-	-
<b>Ending Fund Balance</b>	<b>7,681,615</b>	<b>7,160,866</b>	<b>7,160,866</b>	<b>7,160,866</b>
<b>Reserves</b>				
Expenditure Reserve(s)				
General Fund balance	(1,160,133)	(1,160,133)	(1,160,133)	(1,160,133)
Parks FRED fund balance	(364,216)	(364,216)	(364,216)	(364,216)
<b>Total Reserves</b>	<b>(1,524,349)</b>	<b>(1,524,349)</b>	<b>(1,524,349)</b>	<b>(1,524,349)</b>
Reserve Shortfall	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>6,157,266</b>	<b>5,636,517</b>	<b>5,636,517</b>	<b>5,636,517</b>

**Financial Plan Notes**

2019-2020 Estimated reflects the best estimate for the biennium.

2021-2022 Proposed Budget ties to PBCS.

Outyear revenue and expenditure inflation assumptions are consistent with figures provided by PSB and/or OEFA.

Revenues Notes:

Expenditure Notes: 2021-2022 updates based on current and planned principal and interest payment schedules.

This plan was updated by Chris McGowan on 8/18/2020.

**2021-2022 Proposed Financial Plan**  
**Unlimited Tax General Obligation (UTGO) Debt Service Fund /000008500**

<b>Category</b>	<b>2019-2020 Estimated</b>	<b>2021-2022 Proposed</b>	<b>2023-2024 Projected</b>	<b>2024-2025 Projected</b>
<b>Beginning Fund Balance</b>	<b>2,028,277</b>	<b>5,487,427</b>	<b>5,490,577</b>	<b>-</b>
<b>Revenues</b>				
Property Taxes	31,393,800	27,937,800	8,970,248	
<b>Total Revenues</b>	<b>31,393,800</b>	<b>27,937,800</b>	<b>8,970,248</b>	<b>-</b>
<b>Expenditures</b>				
Principal	(24,745,000)	(20,380,250)	(14,040,000)	
Interest/Debt service cost	(3,189,650)	(7,554,400)	(420,825)	
Contingency	(500,000)	(500,000)	(500,000)	
<b>Total Expenditures</b>	<b>(28,434,650)</b>	<b>(28,434,650)</b>	<b>(14,960,825)</b>	<b>-</b>
<b>Estimated Under expenditures</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>
<b>Other Fund Transactions</b>				
<b>Total Other Fund Transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>5,487,427</b>	<b>5,490,577</b>	<b>-</b>	<b>-</b>
<b>Reserves</b>				
<b>Total Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Reserve Shortfall	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>5,487,427</b>	<b>5,490,577</b>	<b>-</b>	<b>-</b>

**Financial Plan Notes**

2019-2020 Estimated reflects the best estimate for the biennium.

2021-2022 Adopted Budget ties to PBCS.

Outyear revenue and expenditure inflation assumptions are consistent with figures provided by PSB and/or OEFA.

Revenues Notes: Revenues based on latest estimates from OEFA, excluding revenues from the proposed Harborview Levy.

Expenditure Notes: Expenditures are based on current estimates from the principal and interest payment schedules. The bonds currently paid by the UTGO fund will be paid off in 2023.

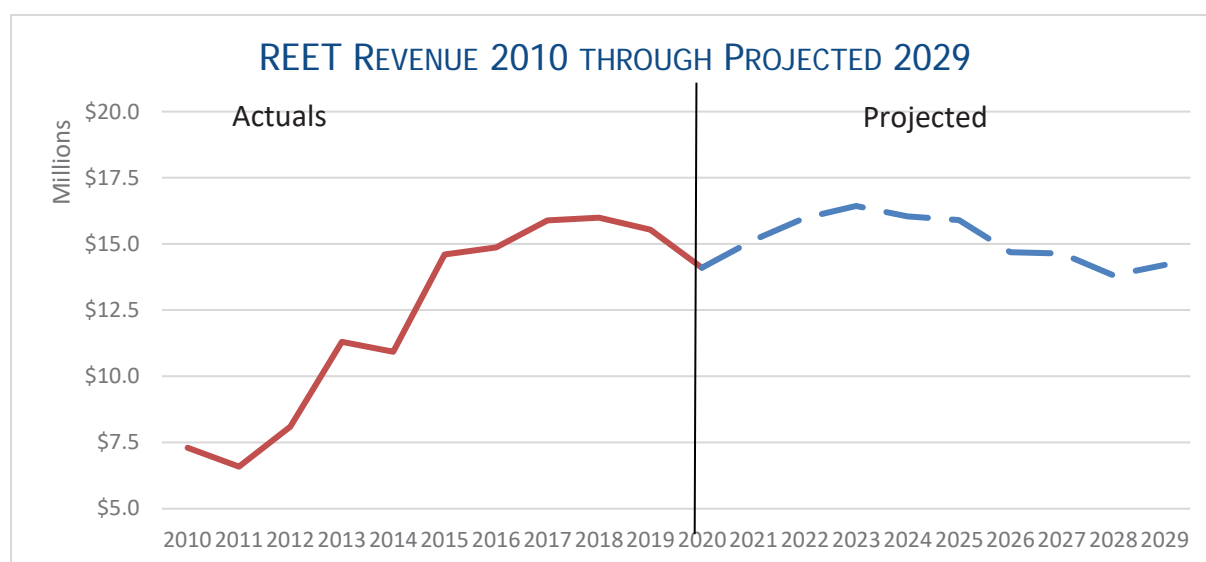
This plan was updated by Chris McGowan on 08/20/2020.

### Real Estate Excise Tax

State law allows cities and counties to impose up to a 0.5 percent excise tax on property sales, which is known as the Real Estate Excise Tax (REET)<sup>1</sup>. The use of REET is restricted to acquisition, development, and major maintenance of certain types of capital assets, such as parks, roads, and other public facilities.

King County collects REET only in the unincorporated area, so the strong sales of properties in some of the major cities provide no direct benefit to the County. The City of Seattle's REET revenue is approximately eight and a half times as much as King County's. Even the City of Bellevue, with roughly half the population of the County's unincorporated area, receives more REET than King County.

The strong real estate market which previously benefited REET Revenue has softened in 2019-2020. Although revenue grew from about \$6.6 million in 2011 to \$16 million in 2018, it has since declined to \$14 million in 2020. The County forecasts REET to be about \$15.1 million in 2021 and \$16.0 million in 2022. As the chart below shows, REET revenues are anticipated to be approximately \$14 million to \$16 million per year through 2029.



By County and state policy, REET is spent on projects benefiting the unincorporated area, primarily on parks capital projects. Since revenues in 2019-2020 are lower than expected the 2021-2022 Executive Proposed Budget allocates \$5.6 million to pay for existing projects that were previously approved. In addition REET will be used to fund the following expenditures.

- \$17.6 million for Parks to fund various projects including additional land conservation funding, partial funding of the Parks Central Maintenance Shop, and other projects.
- \$2.5 million for debt service for the central maintenance shop existing projects and to pay for the design and construction of two bridge replacements. This fund also reserves future REET revenue to pay the debt service on additional bridge projects.
- \$6.0 million for Road Services to fund projects in unincorporated King County including roadway preservation, bridge replacement design, and the removal of fish barriers.

<sup>1</sup> There are actually two separate REET authorities, each at a 0.25 percent tax rate. State law has somewhat different restrictions on the allowable use of each tax.

## CAP Summary by Fund

Budget: 2021-2022 Biennial, Scenario: Executive Proposed, Agency: Other, Fund: 3681 REAL ESTATE EXCISE TX CAP, Cap Status: Approved, Is IT Proj? Both Yes and No

### 2021-2022 Biennial - Executive Proposed

3681 REAL ESTATE EXCISE TX CAP - Other				
Project Number	Project Name Class Code	Tech Adj	FY21-22	Narratives
1033534	<b>PSB REET 1 DEBT SERVICE</b> STANDALONE		\$474,800	<b>Current Scope:</b> REET 1 Debt Service - This project is for debt service funded by REET 1. <b>Budget Request Basis:</b>
1130281	<b>PSB REET 1 RSD TRANSFER</b> STANDALONE		\$6,015,000	<b>Current Scope:</b> REET 1 Transfer to Roads Capital - This project transfers REET 1 proceeds to the Road Capital Fund. <b>Budget Request Basis:</b> This project allows REET to transfer funding to Roads to support capital projects in the unincorporated area right of way.
1134866	<b>PSB Transfer REET 1 to Parks</b> STANDALONE		\$6,803,200	<b>Current Scope:</b> REET 1 Transfer to Parks - This project transfers Real Estate Excise Tax 1 proceeds to support the Parks Capital program. <b>Budget Request Basis:</b> This project allows REET to transfer funds to Parks to support capital projects in the unincorporated King County.
<b>3681 - REAL ESTATE EXCISE TX CAP Total</b>			<b>\$13,293,000</b>	
<b>Grand Total</b>			<b>\$13,293,000</b>	

**2021-2022 Proposed Financial Plan**  
**Real Estate Excise Tax (REET) 1 /000003681**

**Capital Improvement Program (CIP) Budget**

	2019-2020 Estimated Ending Balance (YE ITD Balance)	2021-2022 Proposed	2021-2022 Total (Balance + Budget)	2023-2024 Projected	2025-2026 Projected
<b>Capital Budget Revenue Sources:</b>					
Revenue Backing from Fund Balance	11,692,203	-	11,692,203	-	-
Real Estate Excise Tax		15,556,775	15,556,775	16,234,000	15,290,000
Interest and Misc.		250,000	250,000	300,000	300,000
<b>Total Capital Revenue</b>	<b>\$ 11,692,203</b>	<b>\$ 15,806,775</b>	<b>\$ 27,498,978</b>	<b>\$ 16,534,000</b>	<b>\$ 15,590,000</b>
<b>Capital Appropriation:</b>					
Debt Service	(10,979)	(474,800)	(485,779)	(2,006,000)	(4,888,000)
Transfer to Parks Open Space - 3160	(2,122,165)	-	(2,122,165)	-	-
Transfer to Parks Capital - 3581	-	-	-	-	-
Transfer to Parks Facility Rehab - 3490	-	-	-	-	-
Transfer to Parks	(9,559,059)	(6,803,200)	(16,362,259)	(11,093,000)	(8,109,000)
Transfer to Roads	-	(6,015,000)	(6,015,000)	(3,135,000)	(2,293,000)
Transfer to Major Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Capital Appropriation</b>	<b>\$ (11,692,203)</b>	<b>\$ (13,293,000)</b>	<b>\$ (24,985,203)</b>	<b>\$ (16,234,000)</b>	<b>\$ (15,290,000)</b>

**CIP Fund Financial Position**

	2019-2020 Biennial to Date Actuals	2019-2020 Estimated	2021-2022 Biennial to Date Actuals	2021-2022 Estimated	2023-2024 Projected	2025-2026 Projected
<b>Beginning Fund Balance</b>	<b>18,010,582</b>	<b>18,010,582</b>	<b>13,078,490</b>	<b>13,078,490</b>	<b>12,081,192</b>	<b>12,381,192</b>
<b>Capital Funding Sources</b>						
Revenue Backing from Fund Balance	-	-	-	-	-	-
Real Estate Excise Tax	11,961,149	14,816,022	-	15,556,775	16,234,000	15,290,000
Interest and Misc.	584,373	590,000	-	250,000	300,000	300,000
<b>Total Capital Revenue</b>	<b>\$ 12,545,522</b>	<b>\$ 15,406,022</b>	<b>\$ -</b>	<b>\$ 15,806,775</b>	<b>\$ 16,534,000</b>	<b>\$ 15,590,000</b>
<b>Capital Expenditures</b>						
Debt Service	(248,820)	(248,820)	-	(485,779)	(2,006,000)	(4,888,000)
Transfer to Parks Open Space - 3160	(4,213,120)	(8,470,779)	-	(2,122,165)	-	-
Transfer to Parks Capital - 3581	(51,509)	(1,627,249)	-	-	-	-
Transfer to Parks Facility Rehab - 3490	(28,328)	(28,325)	-	-	-	-
Transfer to Parks	-	(2,447,941)	-	(8,181,130)	(11,093,000)	(8,109,000)
Transfer to Roads	(5,065,034)	(6,015,000)	-	(6,015,000)	(3,135,000)	(2,293,000)
Transfer to Major Maintenance	(750,000)	(1,500,000)	-	-	-	-
<b>Total Capital Expenditures</b>	<b>\$ (10,356,811)</b>	<b>\$ (20,338,114)</b>	<b>\$ -</b>	<b>\$ (16,804,074)</b>	<b>\$ (16,234,000)</b>	<b>\$ (15,290,000)</b>
<b>Other Fund Transactions</b>						
		-	-	-		
<b>Ending Fund Balance</b>	<b>\$ 20,199,293</b>	<b>\$ 13,078,490</b>	<b>\$ 13,078,490</b>	<b>\$ 12,081,192</b>	<b>\$ 12,381,192</b>	<b>\$ 12,681,192</b>
<b>Fund Balance designated to current projects*</b>	<b>\$ (21,673,506)</b>	<b>\$ (11,692,203)</b>	<b>\$ -</b>	<b>\$ (8,581,130)</b>	<b>\$ (8,598,130)</b>	<b>\$ (7,938,130)</b>
<b>Reserves</b>						
Cash Flow Reserve	(1,000,000)	(1,000,000)	-	(1,000,000)	(1,000,000)	(1,000,000)
Debt Service Reserve			-	(2,444,000)	(2,444,000)	(2,444,000)
Misc. Expenditure Reserve			-			
<b>Total Reserves</b>	<b>\$ (1,000,000)</b>	<b>\$ (1,000,000)</b>	<b>\$ -</b>	<b>\$ (3,444,000)</b>	<b>\$ (3,444,000)</b>	<b>\$ (3,444,000)</b>
Projected Shortfall	2,474,213	-	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>\$ -</b>	<b>\$ 386,287</b>	<b>\$ 13,078,490</b>	<b>\$ 56,062</b>	<b>\$ 339,062</b>	<b>\$ 1,299,062</b>

## Financial Plan Notes

### **CIP Budget Notes:**

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

*2019-2020 Carryover column reflects the best estimate of the inception to date budget balances at the end of the 2015-2016 biennium.*

*2021-2022 Proposed Budget ties to Hyperion.*

*2021-2022 Total Budget sums the carryover budget and the proposed budget.*

*Outyear revenue and expenditure budget assumptions tie to the outyears of the Attachment A, with exceptions explicitly noted.*

Revenues Notes: Revenues based on OEFA Estimates from August 2020.

Expenditure Notes: Biennial to date actuals through July 2020.

### **CIP Fund Financial Position:**

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

Biennial to Date (BTD) expenditures and revenue reflect EBS totals for budgetary accounts as of the most recent closed month.

2019-2020 Estimated reflects the best estimate for the biennium.

2021-2022 Estimated column reflects the best estimate for the biennium based on actuals.

Outyear revenue projections and expenditure estimates are based on the most recent projections and reflect current project plans.

Revenues Notes: Revenues based on OEFA Estimates from August 2020.

Expenditure Notes:

Reserve Notes:

\* Fund balance designated to current projects is for projects that are already appropriated. This fund balance cannot be used for other projects without disappropriating projects or creating a shortfall in the fund.

A one year estimate of principle and interest is included as debt service reserve to protect for long term economic uncertainty of revenues.

This plan was last updated by Chris McGowan on 8/22/20

## CAP Summary by Fund

Budget: 2021-2022 Biennial, Scenario: Executive Proposed, Agency: All, Fund: 3682 REAL ESTATE EXCISE TX 2, Cap Status: All, Is IT Proj? Both Yes and No

### 2021-2022 Biennial - Executive Proposed

3682 REAL ESTATE EXCISE TX 2 - Other				
Project Number	Project Name Class Code	Tech Adj	FY21-22	Narratives
1033539	PSB REET 2 DEBT SERVICE STANDALONE		\$2,508,000	<b>Current Scope:</b> REET Transfer to Debt Service to fund ongoing debt service for the Parks Central Maintenance facility <b>Budget Request Basis:</b> Based on debt service schedule from the 2019 Various Purpose bond sale.
1134869	PSB REET2 TRANSFER TO PARKS STANDALONE		\$10,809,000	<b>Current Scope:</b> REET 2 Transfer to Parks - this project transfers REET2 funds to the various Parks funds for REET 2 funded projects. <b>Budget Request Basis:</b> Based on available funding from the August 2020 OEFA Forecast for Real Estate Excise Tax revenue.
<b>3682 - REAL ESTATE EXCISE TX 2 Total</b>			<b>\$13,317,000</b>	
<b>Grand Total</b>			<b>\$13,317,000</b>	



**Financial Plan 2021-2022 Proposed Budget  
Real Estate Excise Tax (REET) 2 /000003682**

<b>Capital Improvement Program (CIP) Budget</b>					
	<b>2019-2020 Carryforward (YE ITD Balance)</b>	<b>2021-2022 Proposed</b>	<b>2021-2022 Total (Balance + Budget)</b>	<b>2023-2024 Projected</b>	<b>2025-2026 Projected</b>
<b>Capital Budget Revenue Sources:</b>					
Revenue Backing from Fund Balance	13,546,074	-	13,546,074	-	-
Real Estate Excise Tax	1,597,503	13,317,000	14,914,503	16,235,643	15,291,137
Interest and Misc.		375,000	375,000	350,000	350,000
<b>Total Capital Revenue</b>	<b>\$ 15,143,577</b>	<b>\$ 13,692,000</b>	<b>\$ 28,835,577</b>	<b>\$ 16,585,643</b>	<b>\$ 15,641,137</b>
<b>Capital Appropriation:</b>					
Debt Service	(623,889)	(2,508,000)	(3,131,889)	(3,010,000)	(3,013,000)
Transfer to Parks Open Space - 3160	-	-	-	-	-
Transfer to Parks Capital - 3581	-	-	-	-	-
Transfer to Parks Facility Rehab - 3490	-	-	-	-	-
Transfer to Parks	(13,347,484)	(10,809,000)	(24,156,484)	(13,224,000)	(12,277,000)
<b>Total Capital Appropriation</b>	<b>\$ (13,971,373)</b>	<b>\$ (13,317,000)</b>	<b>\$ (27,288,373)</b>	<b>\$ (16,234,000)</b>	<b>\$ (15,290,000)</b>

<b>CIP Fund Financial Position</b>						
	<b>2019-2020 Biennial to Date Actuals</b>	<b>2019-2020 Estimated</b>	<b>2021-2022 Biennial to Date Actuals</b>	<b>2021-2022 Estimated</b>	<b>2023-2024 Projected</b>	<b>2025-2026 Projected</b>
<b>Beginning Fund Balance</b>	<b>17,483,760</b>	<b>17,483,760</b>	<b>14,496,151</b>	<b>14,496,151</b>	<b>14,697,412</b>	<b>15,049,055</b>
<b>Capital Funding Sources</b>						
Real Estate Excise Tax	11,961,149	14,816,022	-	14,914,503	16,235,643	15,291,137
Interest and Misc.	306,181	375,000	-	375,000	350,000	350,000
<b>Total Capital Revenue</b>	<b>\$ 12,267,330</b>	<b>\$ 15,191,022</b>	<b>-</b>	<b>\$ 15,289,503</b>	<b>\$ 16,585,643</b>	<b>\$ 15,641,137</b>
<b>Capital Expenditures</b>						
Debt Service	(1,514,345)	(1,514,345)	-	(3,010,000)	(3,010,000)	(3,013,000)
Transfer to Parks Open Space - 3160	(2,653,662)	(5,889,168)	-	-	-	-
Transfer to Parks Capital - 3581	(2,159,111)	(5,926,411)	-	-	-	-
Transfer to Parks Facility Rehab - 3490	(41,537)	(41,537)	-	-	-	-
Transfer to Parks	(2,037,311)	(4,807,170)	-	(12,078,242)	(13,224,000)	(12,277,000)
Other	-	-	-	-	-	-
<b>Total Capital Expenditures</b>	<b>\$ (8,405,966)</b>	<b>\$ (18,178,631)</b>	<b>-</b>	<b>\$ (15,088,242)</b>	<b>\$ (16,234,000)</b>	<b>\$ (15,290,000)</b>
<b>Other Fund Transactions</b>						
		-	-	-		
<b>Ending Fund Balance</b>	<b>\$ 21,345,124</b>	<b>\$ 14,496,151</b>	<b>\$ 14,496,151</b>	<b>\$ 14,697,412</b>	<b>\$ 15,049,055</b>	<b>\$ 15,400,192</b>
<b>Fund Balance designated to current projects*</b>	<b>\$ (13,546,074)</b>	<b>\$ (13,546,074)</b>	<b>-</b>	<b>\$ (12,192,412)</b>	<b>\$ (12,192,412)</b>	<b>\$ (12,192,412)</b>
<b>Reserves</b>						
Cash Flow Reserve	(1,000,000)	(1,000,000)		(1,000,000)	(1,000,000)	(1,000,000)
Debt Service Reserve	-	-		(1,505,000)	(1,505,000)	(1,506,500)
<b>Total Reserves</b>	<b>\$ (1,000,000)</b>	<b>\$ (1,000,000)</b>	<b>-</b>	<b>\$ (2,505,000)</b>	<b>\$ (2,505,000)</b>	<b>\$ (2,506,500)</b>
Projected Shortfall	-	49,923	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>\$ 6,799,050</b>	<b>-</b>	<b>\$ 14,496,151</b>	<b>-</b>	<b>\$ 351,643</b>	<b>\$ 701,280</b>

**Financial Plan Notes**

**CIP Budget Notes:**

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

2019-2020 Carryover column reflects the best estimate of the inception to date budget balances at the end of the 2019-2020 biennium.

2021-2022 Proposed Budget ties to County systems.

2021-2022 Total Budget sums the carryover budget and the proposed budget.

Outyear revenue and expenditure budget assumptions tie to the outyears of the Attachment A, with exceptions explicitly noted.

Revenue Notes: Revenues based on OEFA Estimates from August 2020.

**CIP Fund Financial Position:**

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

Biennial to Date (BTD) expenditures and revenue reflect EBS totals for budgetary accounts as of the most recent closed month.

2019-2020 Estimated reflects the best estimate for the biennium.

2021-2022 Estimated column reflects the best estimate for the biennium based on actuals.

Outyear revenue projections and expenditure estimates are based on the most recent projections and reflect current project plans.

Revenue Notes: Revenues based on OEFA Estimates from August 2020.

Expenditure Notes: Biennial to date actuals through July 2020.

Reserve Notes:

\* Fund balance designated to current projects is for projects that are already appropriated. This fund balance cannot be used for other projects without disappropriating projects or creating a shortfall in the fund.

A one year estimate of principle and interest is included as debt service reserve to protect for long term economic uncertainty of revenues.

This plan was last updated by Chris McGowan on 8/18/20