

Fund 000001135 / Appropriation units 0990, 0583, 0688, 0783, & 0883
Department of Community and Human Services / MHCADSD/ Mental Illness and Drug Dependency Fund (MIDD)

	2007 Actual	2008 Adopted	2008 Estimated ¹	2009 Adopted	2010 Projected ⁸	2011 Projected ⁸
Beginning Fund Balance	0	0	0	17,892,395	17,345,697	25,872,277
Revenues ²						
* CD/MH Sales Tax		30,852,323	37,560,000	48,410,000	50,800,000	53,375,000
* Interest Earnings ¹¹			44,000	392,000	514,000	797,000
*						
Total Revenues	0	30,852,323	37,604,000	48,802,000	51,314,000	54,172,000
Expenditures						
* Operating Expenditures (MHCADSD)		(22,211,605)	(8,114,156)	(40,800,067)	(42,024,069)	(44,036,691)
* New Strategies ¹⁰				(1,460,000)		
* Operating Expenditures (Superior Court)				(636,690)	(655,791)	(675,464)
* Operating Expenditures (Sheriff)				(221,136)	(227,770)	(234,603)
* Operating Expenditures (DJA)				(136,988)	(141,098)	(145,331)
* Operating Expenditures (PAO)				(39,142)	(40,316)	(41,526)
* 2008 Housing Allocation Expenditures ³			(11,597,449)	(6,402,551)		
Total Expenditures	0	(22,211,605)	(19,711,605)	(49,696,574)	(43,089,044)	(45,133,615)
Estimated Underexpenditures ⁷				347,876	301,623	315,935
Other Fund Transactions						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	0	8,640,718	17,892,395	17,345,697	25,872,277	35,226,597
Reserves & Designations						
* Housing & Capital Reserve ⁴		(6,418,602)	(6,402,551)			
* Revenue Stabilization Reserve ⁵		(2,000,000)	(1,500,000)	(2,000,000)	(2,500,000)	(3,000,000)
* New Strategy Reserve Beginning Balance			(2,500,000)	(2,500,000)	(3,740,000)	(5,000,000)
* New Strategy Expenditures				1,460,000		
* New Strategy Reserve Replenishment				(2,700,000)	(1,260,000)	0
* New Strategy Reserve Ending Balance			(2,500,000)	(3,740,000)	(5,000,000)	(5,000,000)
Total Reserves & Designations	0	(8,418,602)	(10,402,551)	(5,740,000)	(7,500,000)	(8,000,000)
Ending Undesignated Fund Balance ⁹	0	222,116	7,489,844	11,605,697	18,372,277	27,226,597
Target Fund Balance ⁶		222,116	197,116	496,966	430,890	451,336

Financial Plan Notes:

¹ 2008 Estimated is based on accrued revenue and updated expenditure projections.

² MIDD sales tax collection began April 1, 2008. 2008 Adopted revenues are on a cash basis and include seven months of sales tax distribution to King County. GAAP standards require sales tax revenue to reflect sales that occurred in the year. Therefore, 2008 Estimated revenues are on an accrual basis and include a revenue adjustment to reflect a full nine months of sales tax revenue.

³ Housing expenditures are limited by the 2008 adopted appropriation. Total anticipated housing expenditures of \$18,000,000 include \$11,597,449 in 2008 operating expenses and \$6,402,551 in the Housing and Capital Reserve. Reserve will be spent in 2009.

⁴ 2008 Estimated Housing & Capital Reserve of \$6,402,551 is unexpended balance of housing expenditures per the spending plan (\$18,000,000 - \$11,597,449). The approximate split of the \$18,000,000 in housing expenditures is \$13,000,000 for capital expenditures and \$5,000,000 for rental subsidies.

⁵ A Revenue Stabilization Reserve will be established at a level of 10 percent of Sales Tax Revenue. \$2,000,000 was budgeted for 2008 and an additional \$1,000,000 will be added each year until this level is attained. The Reserve will then be maintained at 10 percent of Sales Tax Revenue. The Revenue Stabilization Reserve amount has been reduced in order to maintain the Target Fund Balance.

⁶ Target fund balance is set at 1% of expected expenditures. This is consistent with both the Mental Health and Substance Abuse funds.

⁷ Underexpenditure is 2% of direct services (not under contract). Direct services account for approximately 65% of expenditures.

⁸ 2010 and 2011 expenditures, excluding new strategies, assume 3% growth.

⁹ 2009 Undesignated Fund Balance will be used to stabilize the fund in the event of further decline in sales tax revenue, or for one-time housing expenditures as recommended in the 2009 Proposed Budget.

¹⁰ New Strategies are funded for 2009 and 2010 out of New Strategies Reserve Fund. In 2011, ongoing funding of new strategies will be considered during budget process.

¹¹ Interest earnings are estimated based on investment pool yield forecast applied to average annual fund balance.