

2009 Proposed General Fund Financial Plan

Footnotes

- (a) The 2007 Actual column reflects actual amounts as reported in the 2007 Comprehensive Annual Financial Report (CAFR).
- (b) Revenue estimates for 2007 - 2011 are based on the following assumptions. The percentages indicate the expected annual percent change over the prior year, except for interest earnings, which is stated as the projected annual rate of return.

	2007	2008	2009	2010	2011
Property Tax (net of debt service)	Actuals	3.46%	2.18%	1.91%	2.23%
Sales Tax	Actuals	-4.21%	-4.58%	2.90%	3.90%
Interest Earnings	Actuals	3.10%	2.35%	2.50%	2.70%
All Other	Actuals	Individual Estimates	Individual Estimates	Individual Estimates	Individual Estimates

- (c) The debt service schedule for 2007 - 2011 is based on the following table:
(in millions)

	2007	2008	2009	2010	2011
Debt Service Elements					
Existing Debt Issues	18.4	18.0	18.0	16.4	16.4
2008 Debt Issuance (ISP/Jail Health, Elections, Other)			3.8	3.8	3.8
2009 Debt Issuance (Data Center, Other)				2.3	2.3
2010 Debt Reserve					0.2
Total Debt Service	18.4	18.0	21.8	22.6	22.8

- (d) In the 2005 Adopted Budget, the former Criminal Justice Fund was consolidated into the General Fund. Those revenues and expenditures are shown separately in this financial plan.
- (e) The out-year forecasts for 2010 and 2011 assume, using the most conservative planning assumptions, that King County is not successful in gaining tools from the State Legislature to help solve its structural imbalance. As a result, the \$10.5 million in worth of programs in the lifeboat would be eliminated effective July 1, 2009. For 2010 the savings would be annualized and inflated to \$23.2 million.
- (f) Other expenditures include Salary and Wage contingency, Executive Contingency, supplemental appropriations, Sales Tax Reserve, Children and Family Set-Aside, and Inmate Welfare expenditures. Ordinance 15961 established two separate tier 1 funds: the Rainy Day Reserve Fund and a fund for Children and Family Services.
- (g) 2008 Adopted Reserves include: Sale of the North Lot, District Court Records Management System, DJA Court Records Management System, Sheriff Level of Service, Sheriff Blue Ribbon Panel Training, Sheriff Professional Standards Division, and Public Health Stabilization and Emergency.
- (h) Other Reserves include the following for each of the years (in millions):

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Projected	2011 Projected
Prepayment						
Loans	(3.800)	(3.800)	(3.800)	(3.800)	(3.800)	(3.800)
Animal Control	(0.562)	(0.502)	(0.007)	(0.007)	(0.007)	(0.007)
Crime Victim Compensation Program	(0.065)	(0.066)	(0.065)	(0.065)	(0.065)	(0.065)
Drug Enforcement Program	(0.780)	(0.147)	(0.780)	(0.780)	(0.780)	(0.780)
Anti-Profitteering Program	(0.095)	(0.195)	(0.095)	(0.095)	(0.095)	(0.095)
Dispute Resolution	(0.105)	(0.093)	(0.105)	(0.105)	(0.105)	(0.105)
Sheriff Laptop Replacement	(0.292)	(0.292)	(0.292)	(0.292)	(0.292)	(0.292)
Real Property Title Insurance	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)
Salary & Wage	(1.000)	(3.000)		(15.091)	(12.037)	(12.470)
Transition Fund	(1.400)					
Address	(0.250)					
Legislative Reserve				(0.900)	(0.900)	(0.900)
Risk Abatement	(6.000)					
Elections	(2.230)					
GG CIP	(2.320)	(0.900)				

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LEOFF Medical	(2.000)					
Pension	(5.592)					
Technology Project Reserve		(2.512)	(1.074)			
KCSO FMP		(0.359)	(0.359)			
CIP Capital Supplemental Reserve				(1.500)	(1.500)	(1.500)
Outyear Deficit Reduction Reserve	(9.450)	(24.675)	(18.000)			
UGA Parks for Future Annexation	(7.738)	(7.738)	(7.738)	(5.445)	(2.722)	
Public Health	(3.383)					
CJ Reform/Sustainability/Jail Population	(6.000)					
Sheriff Blue Ribbon Panel	(1.500)					
Homelessness	(1.000)					
Total "Other" Reserves	(55.6)	(44.3)	(32.3)	(28.1)	(22.3)	(20.0)

(i) 2008 Operating Expenditures

Adopted Budget	(631,626,353)
Expenditure to bifurcate CFSA and Rainy Day Fund	(15,054,688)
2007 Carryovers	(4,587,557)
Supplemental Activity	(7,466,998)
Total	(658,735,596)

(j) 2008 CIP/Other Contributions

2007 CIP Carryovers/corrections	(4,534,419)
Major Maintenance/Sales Tax Reserve	(12,068,669)
General Government CIP	(770,051)
OIRM CIP	(1,437,475)
Total	(18,810,614)

(k) 2009 CIP/Other Contributions

Major Maintenance/Sales Tax Reserve	(8,558,543)
General Government CIP	(1,676,160)
OIRM CIP	(2,422,512)
Public Transportation	(300,000)
Total	(12,957,215)

(l) The General Fund financial plan assumes an underexpenditure rate of 2.00% of total expenditures. The 2009 Proposed Budget includes a 1.5% underexpenditure contra in GF operating and GF transfer budgets. This will be directly budgeted for in assumed underexpenditure levels. A remaining central contra of .5% is being held in the General Fund financial plan, for a total assumption of 2.0% underexpenditure in many operating and GF transfer budgets. This is a modification on the practice observed in prior budgets. In previous years the 2.0% was broken out into 1.25% in GF operating and GF transfer budgets and .75% in the General Fund financial plan. A list of agencies exempt or partially exempt from the underexpenditure requirement is provided below:

Agencies exempt from 2.0% underexpenditure:

Drug Enforcement Forfeits
 Antiprofitteering
 State Auditor
 Special Programs
 Salary & Wage Contingency
 Executive Contingency
 Internal Support
 Finance - GF

Agencies partially exempt:

Sheriff
 Prosecuting Attorney's Office
 District Court
 GF Transfers
 Dept. of Adult and Juvenile Detention
 Public Defense

(m) Expenditure estimates for 2010 - 2011 are based on the following assumptions. The percentages indicate the expected annual percentage change over the previous year. The assumed flex rate percentage increase reflects actuarial projections based on current plan design. Negotiations with the Joint Labor Management Insurance Committee are ongoing.

	2009	2010	2011
Labor	As Proposed	8.81%	3.61%

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Benefits	As Proposed	7.87%	7.96%
Services/Other Charges	As Proposed	5.51%	4.56%
All Others	As Proposed	7.22%	1.39%

- (n) Using conservative planning assumptions, the total reductions required to balance are based on an assumption that the State Legislature fails to provide King County with the tools required to solve the structural deficit. The "reductions to balance" amount includes reductions to the General Fund transfers that support Public Health and DCHS. If the State Legislature does not provide King County with the tools to solve its structural deficit, General Fund support to Public Health and DCHS would be eliminated by the end of 2011 -- with half of the remaining transfer gone in 2010 and the other half gone after 2011. The reductions to Public Health and DCHS represent the difference between the planned transfer and the amount that the transfer would be if it were inflated from the 2009 proposed transfer amount. The remaining reductions required to balance would come from other General Fund programs. These reductions also assume that all of the programs in the lifeboat would be eliminated. These reductions are as follows:

	2009	2010	2011
Reduction to General Fund Transfer to Public Health	As Proposed	16.0	31.6
Reduction to General Fund Transfer to DCHS	As Proposed	12.2	17.7
Remaining reductions to balance	As Proposed	12.6	13.0