

2012 Executive Proposed Budget



King County

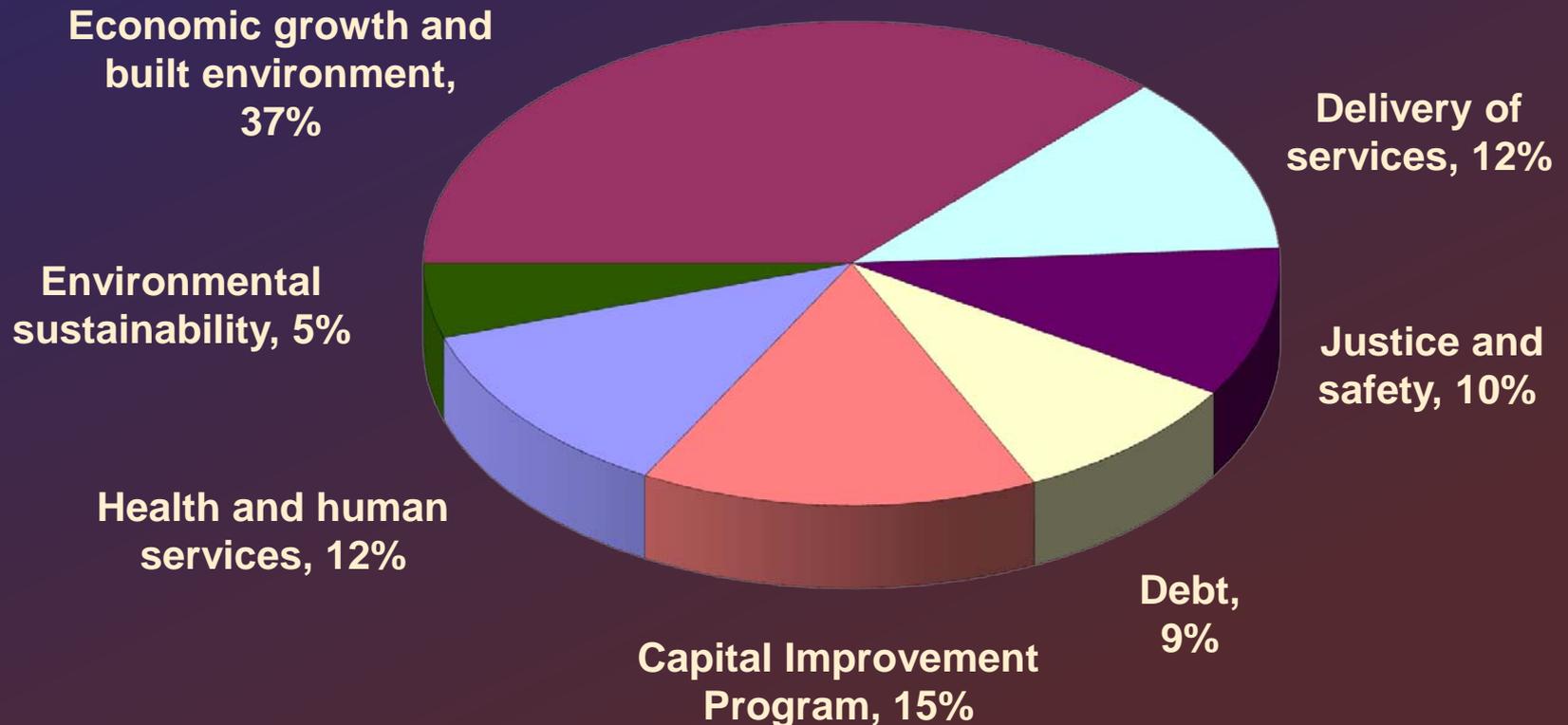
**Prepared by the King County Council's
Budget and Fiscal Management Committee**

What does King County government do?

- **Provides regional services**
 - Adjudication of felonies & juvenile crimes
 - Metro Transit
 - Wastewater treatment
 - E-911 & Emergency Medical Services
- **Provides local services**
 - 254,000 residents in unincorporated areas
 - Second largest “city” in the County
 - Citizen representation, law enforcement, building codes, parks, roads
- **Provides contract services to cities**
 - Law enforcement through King County Sheriff’s Office
 - Local district court services
 - Street maintenance

2012 Executive-proposed budget expenditures \$5.4 billion

Nearly 90% of King County's budget is restricted funds that cannot be used for other purposes.



Economic downturn's impact on county funds

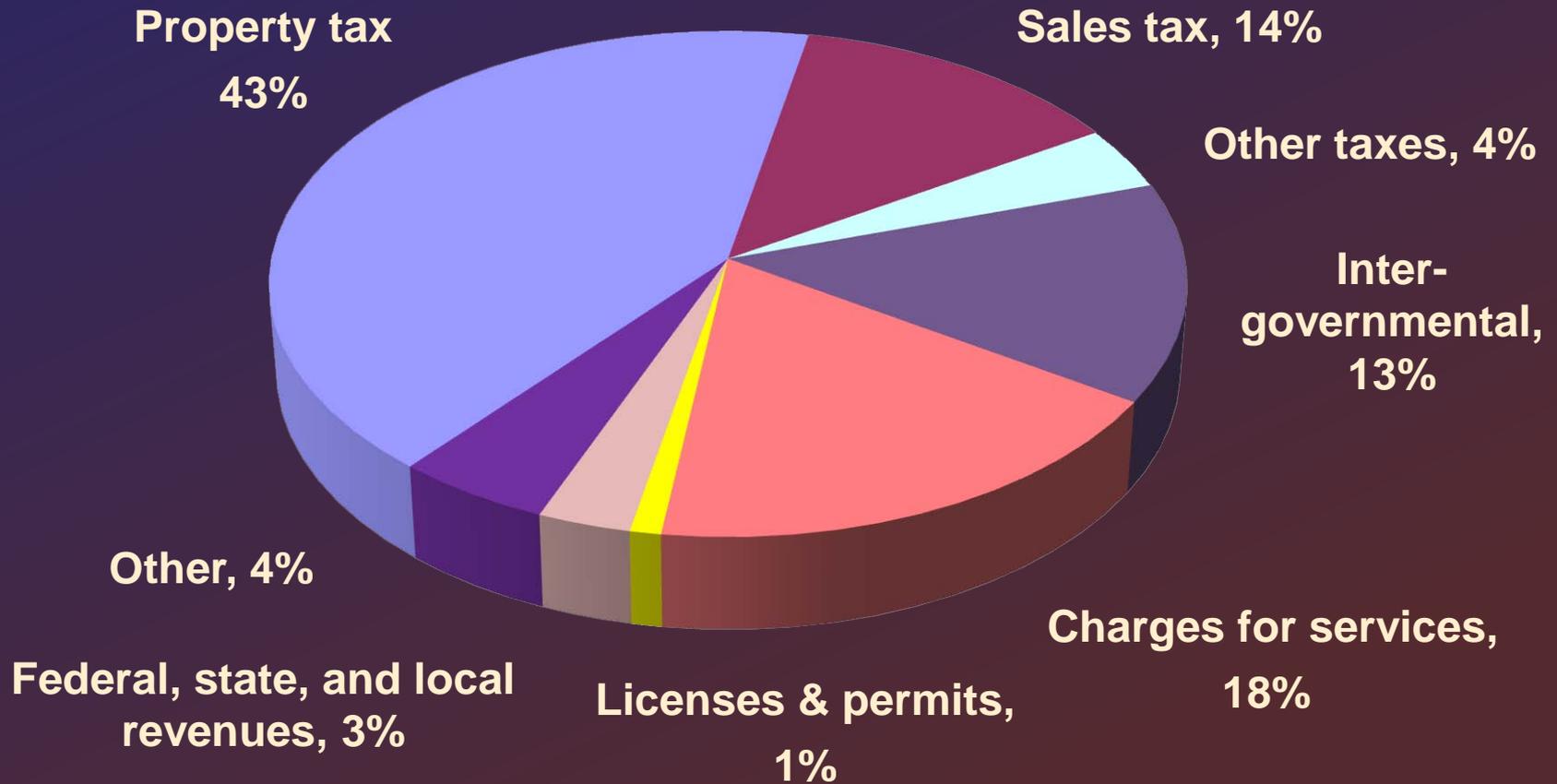
- **Due to the economic downturn, sales and property taxes are below previously estimated amounts.**
- **A number of county funds are experiencing distress due to this downturn.**
- **These include Transportation, Roads, Parks, Solid Waste, Emergency Medical Services, Wastewater, DDES, Public Health, Human Services, and internal service funds.**

The General Fund

The General Fund, which is 12% of the total county budget, is the discretionary part of the budget.

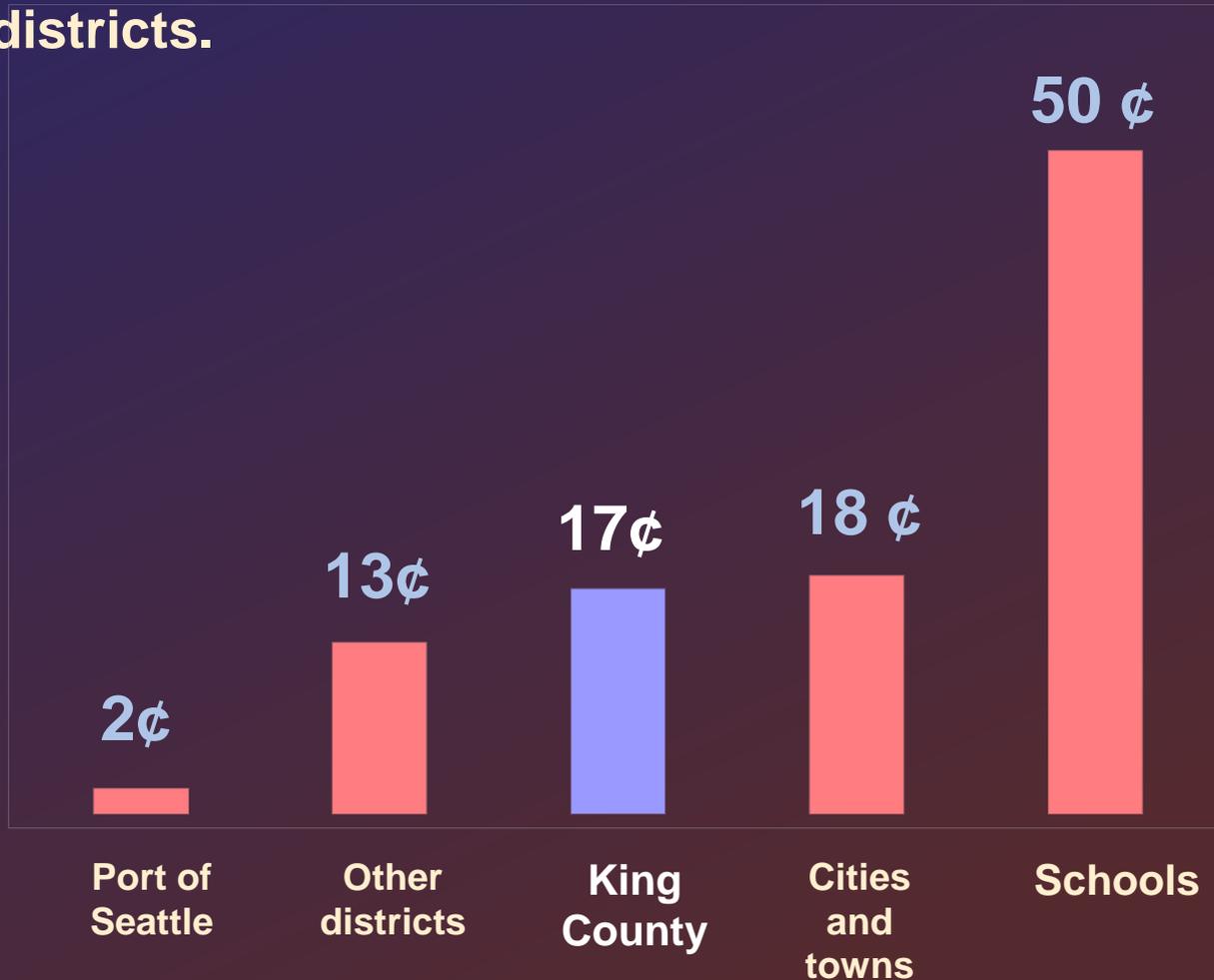
General Fund revenues

\$645.2 million estimated in 2012



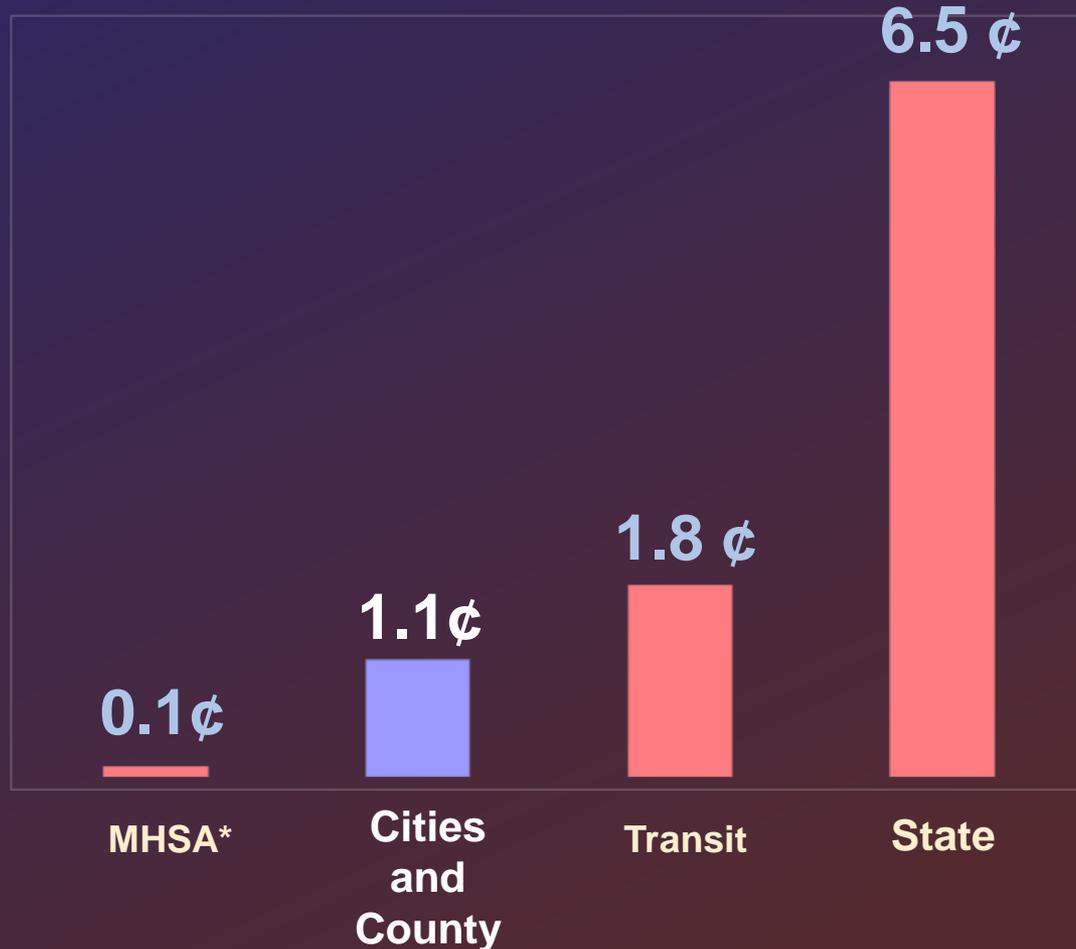
Where do my property tax dollars go?

Only 17 cents of your property tax dollar goes to King County. The County collects property tax, but most of it goes to other taxing districts.



Where do my sales tax dollars go?

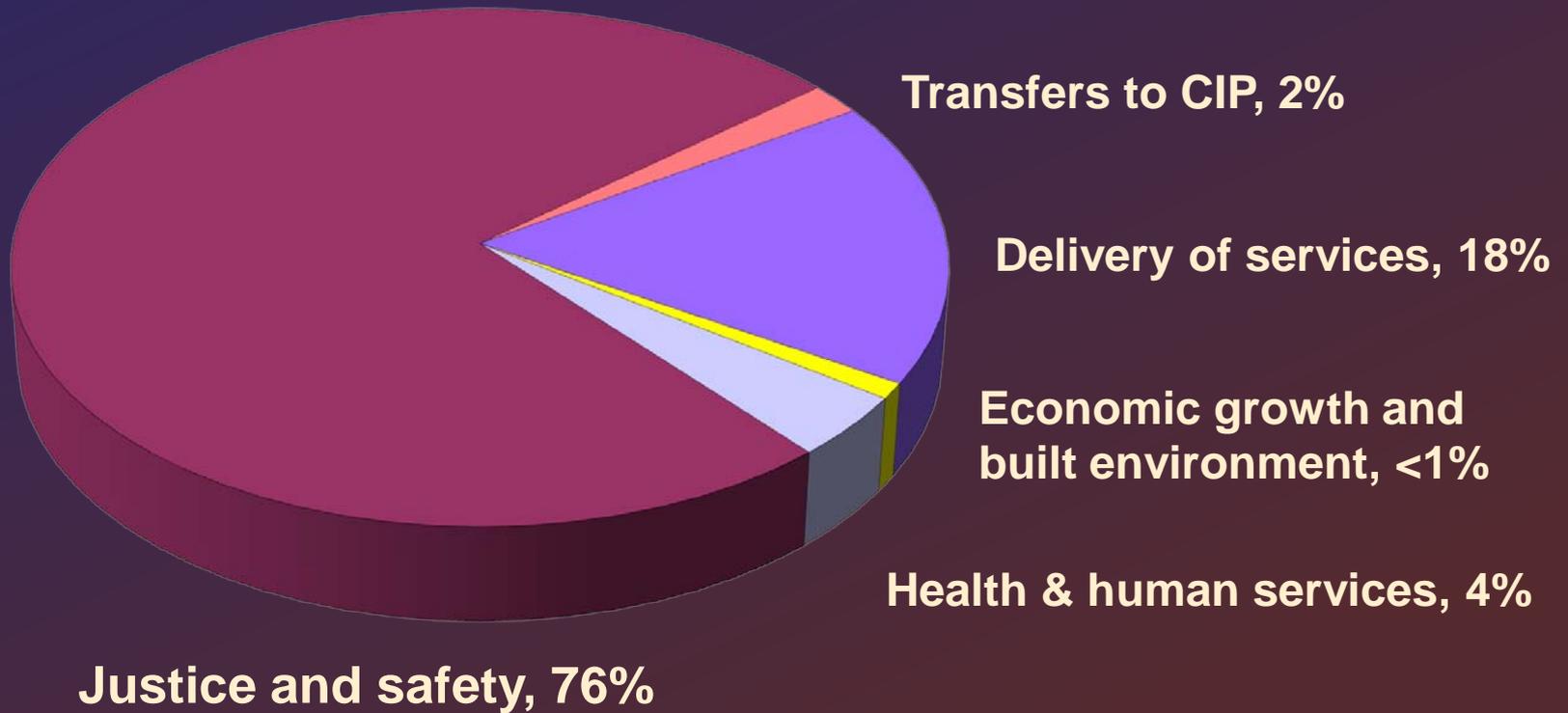
Less than 1 cent of your sales tax dollar supports King County.
The County splits 1.1 cents with cities.



* Mental health and substance abuse treatment

General Fund expenditures

\$648.1 million proposed in 2012



Expenditure savings in 2012

**Efficiencies – General Fund agencies achieved
3% savings = \$24 million**

- **Medical savings – \$19 million in General Fund**
- **Consolidation of office space and mothball or sale of buildings – \$2.1 million**

These savings have allowed the General Fund to support services that would otherwise have been cut.

Challenges for providing services

“All counties, charter and non-charter, are fiscally distressed. It is a matter of degree.”

- *County Financial Health and Governance Alternatives Study*, State of Washington Department of Community, Trade and Economic Development, December 1, 2007

What is the structural gap?

- The gap between growth in revenues and the growth in expenditures (cost of services) is called the “structural gap.”
- This gap widens from year to year because the amounts required to provide the same level of services **increase** faster than the revenue received to pay for them.

Structural Gap challenges

Revenues

- Heavy reliance on property tax – growth limited to 1% plus new construction by State Legislature
- Economic downturn – limiting growth in property tax and sales tax revenues, as well as investment earnings
- Limited revenue sources
- Lack of growth or loss of state and federal revenues

Expenditures

- Unfunded mandates (service responsibilities required by state or federal governments)
- Local services for urban unincorporated areas
- Growth in employee and healthcare costs
- Support of public health and human services

Previous cuts to county budget

General Fund cuts made to meet structural gap challenges

Ten-year total: \$384 million

- 2002 - \$41 million
- 2003 - \$53 million
- 2004 - \$24 million
- 2005 - \$24 million
- 2006 - \$ 9 million
- 2007 - \$ 0 million
- 2008 - \$25 million
- 2009 - \$93 million
- 2010 - \$56 million
- 2011 - \$59 million

**Reduced funding
means lower service
levels to county
residents.**

Examples of county services to residents eliminated due to budget cuts

- 143 fewer uniformed Sheriff's officers since 2007
- 36 fewer deputy prosecuting attorneys since 2007
- Reduced support for human services – \$22 million in 2007, reduced to only \$626,000 in 2011
- Reduced support for Public Health – \$6 million less than in 2009
- No support for Parks
- No support for the King County Fair
- Reduced support for Regional Animal Services

Solutions used in prior years

Reductions

Jail, Jail Health, Sheriff, Public Defense, Council agencies, Executive Services, Assessor, Human services, code enforcement

Restructuring

4Culture, lower benefits costs, debt restructuring, focus on alternatives to incarceration that reduce criminal justice costs, focus on regional parks

Revenues

Parks levy, furloughs and employee healthcare contributions, roads fund contribution to Sheriff's traffic enforcement

Reserves

Use of one-time reserves to maintain services

The problems will continue

- The structural gap continues.
- Revenues are limited due to the economic downturn.
- A \$20 million deficit is estimated for 2013.
- County has to continue to control costs.



King County