

# King County Budget 2021-2022

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# True North

MAKING KING  
COUNTY A  
WELCOMING  
COMMUNITY WHERE  
EVERY PERSON CAN  
THRIVE

# Budget at a Glance

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\$11.6 BILLION



15,000+ EMPLOYEES



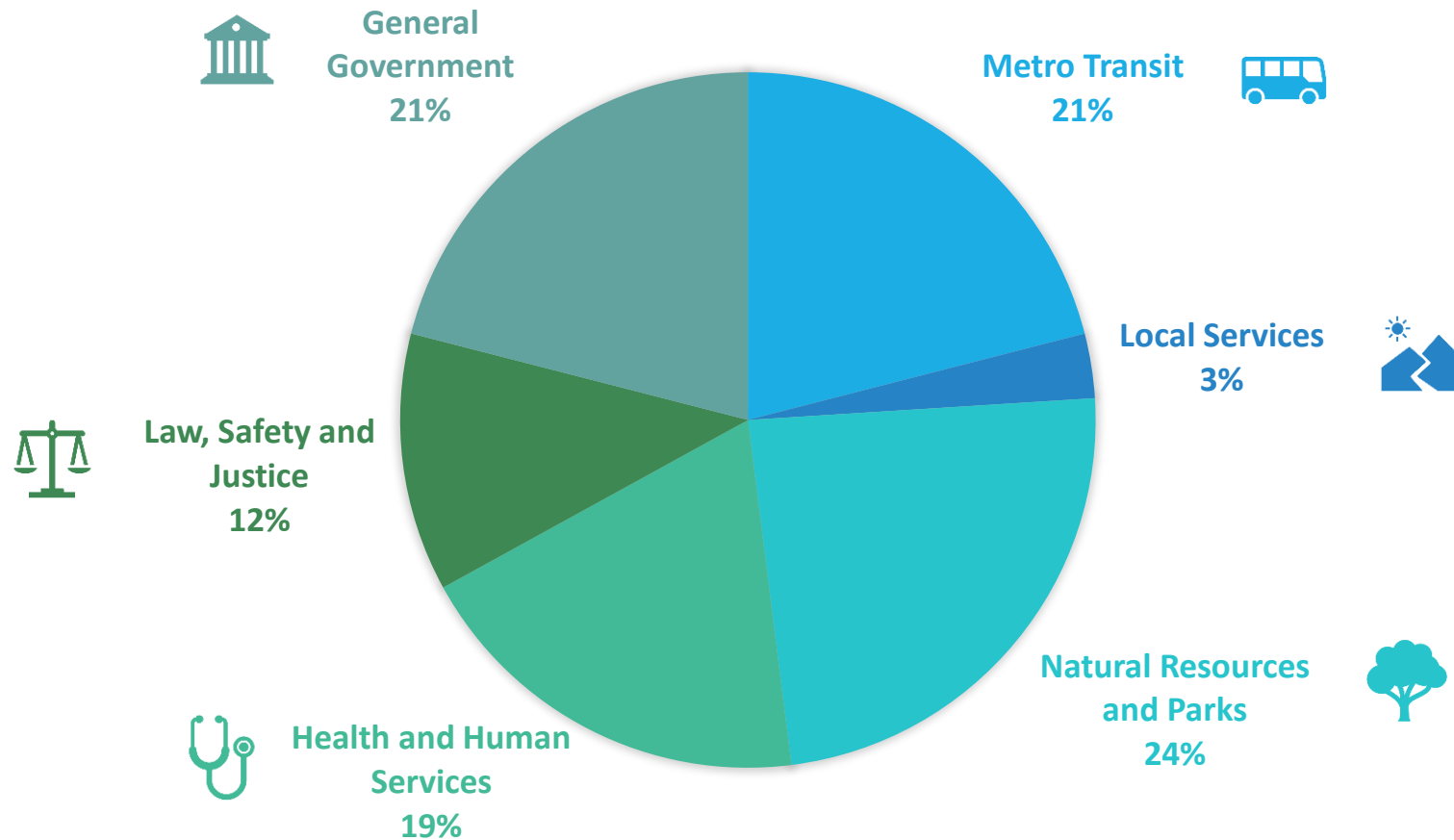
60+ LINES OF  
BUSINESS

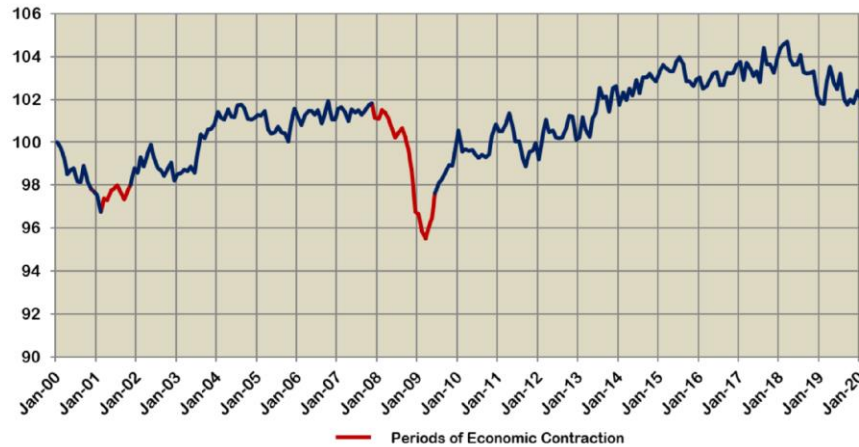


SERVING 2.2  
MILLION RESIDENTS

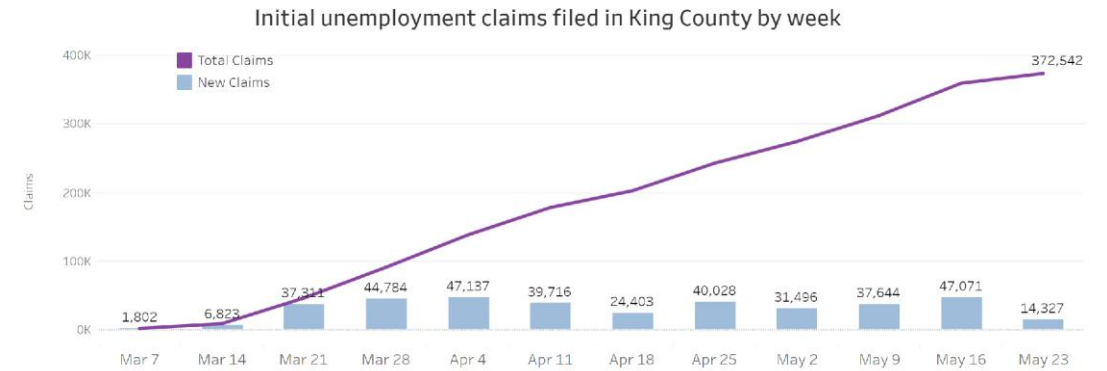
# Where does our funding go?

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Leading Economic Indicators – 2000-2020: Largest single-month change ever in March.



King County residents filed 372,542 new unemployment claims from March 1 – May 23

# King County's Economic Outlook



## June Forecast

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Decline in taxable sales from the March 1 forecast:

2020: -30.9%

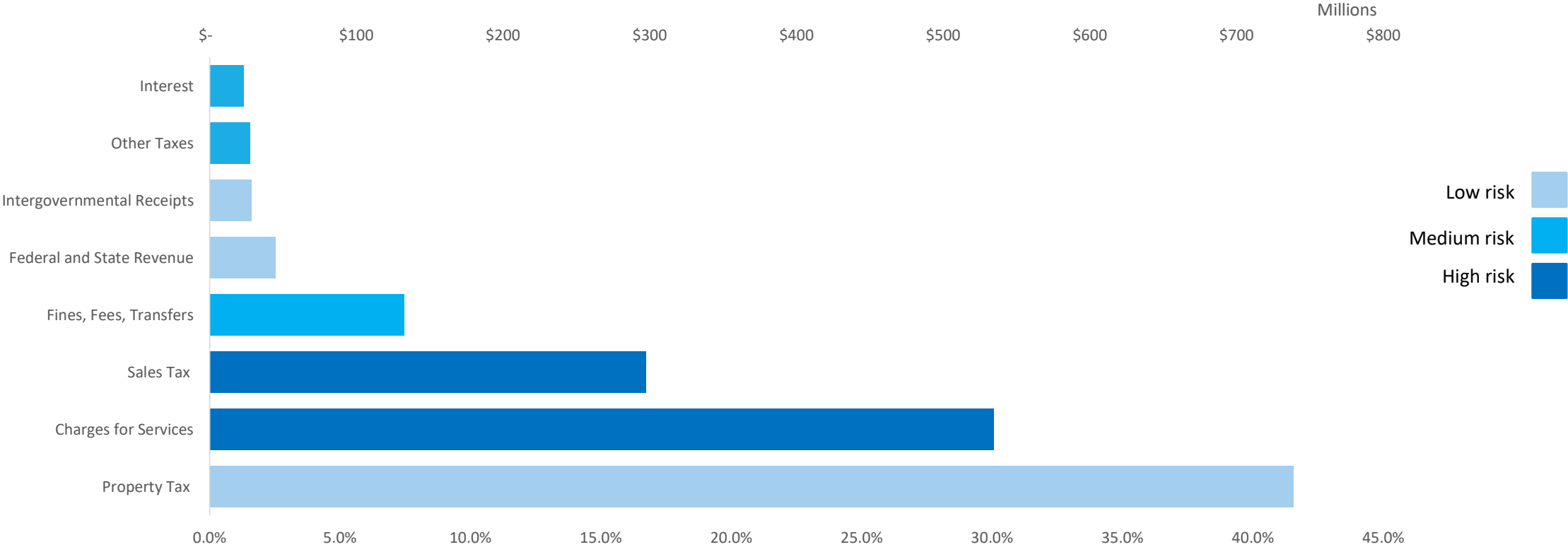
2021: -20.3%

2022: -15.8%

Projected decline  
in sales tax  
revenue  
(2020-2022)

Metro	\$464M (21%)
MIDD	\$51M (21%)
GF/CJ Tax	\$104M (22%)
Hotel Tax	\$42M (37%)
Car Rental	\$4M (32%)

# General Fund Revenue, 2019-2020





# How does a recession impact demand?

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Demand goes down: Transit, Solid Waste, Permitting (with correlated drops in fee-for-service revenue)



Demand goes up: Public Health clinics, Employment Services, Behavioral Health Medicaid services (with some correlated increase in Medicaid revenue for DPH and DCHS)



Inequities are exacerbated



SUBSTANTIAL RESERVES



STRONG FINANCIAL  
POLICIES



LESS RELIANCE ON SALES  
AND BUSINESS TAXES  
THAN CITIES AND STATE

King County  
is better  
positioned  
than some  
governments

Major challenges  
are expected for:



General Fund agencies



Metro Transit



Local Services and Permitting Division



Community and Human Services



Public Health



Historic Preservation, WTD, and Parks



Internal Service Agencies

# Looking Ahead

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PANDEMIC  
UNCERTAINTY



RECOVERY



RECESSION



2020 ELECTION



I-976



STATE LEGISLATIVE  
SESSION

# Opportunities

We have to challenge ourselves to rethink the way we deliver services and keep our eye on our true north, our values and the outcomes we're seeking.

- Fix the tax system in our state
- Homelessness response
- Criminal justice system changes
- Provide support to residents to live successful lives
- Continue to make progress on the environment
- Prioritize public health

# Opportunities in the budget

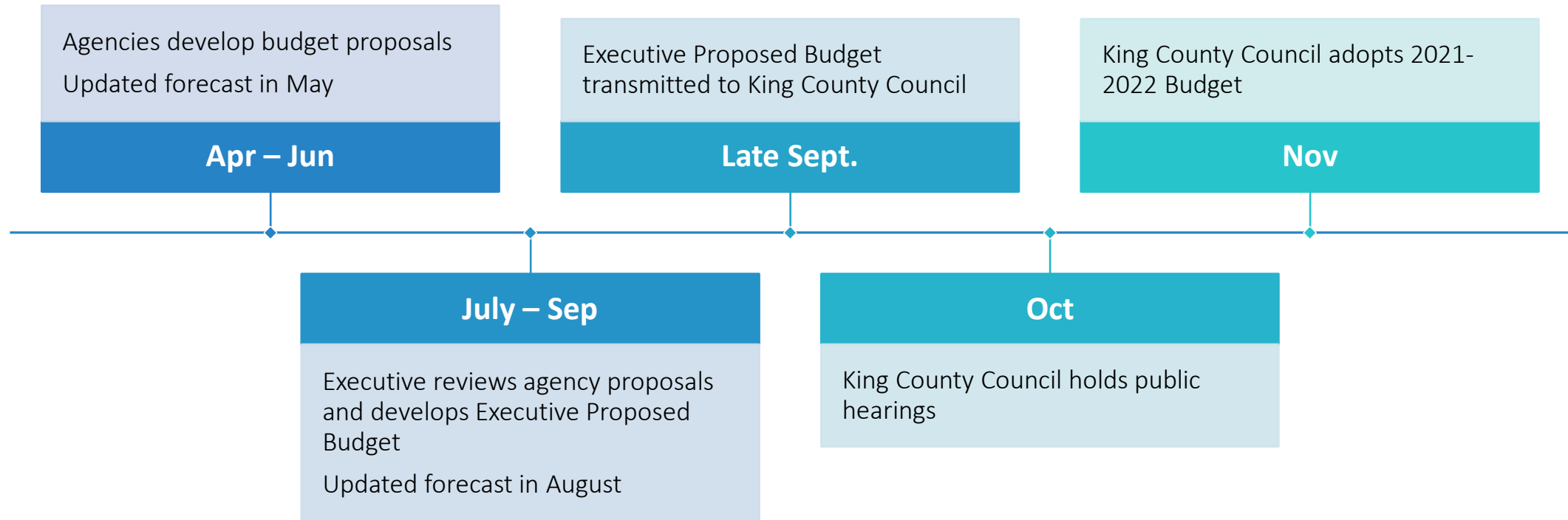
We have an opportunity and a need to find new ways and approaches to doing business. We want to innovate, prioritize services, reimagine the possibilities, and change operations where possible.

- Build on the experiences of the COVID response to deliver services in more equitable and cost-effective ways
- Revisit old assumptions and explore new ways to deliver services
- Use base budget analyses for program prioritization and to prioritize pro-equity investments
- Reduce facility costs
- Refinance existing debt to reduce the cost of borrowing
- Take advantage of current and future federal stimulus funding
- Continue to invest in key Executive priorities
- Transform service delivery through targeted process improvement work

What's next?

# Budget Process

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# Balancing Plans

PSB will work with agencies to develop balancing plans for all funds in distress, which may include:

- Efficiencies and innovations
- Analysis of base budget to identify services and programs that may no longer be as closely aligned with agency and County priorities
- Use of reserves and cash balances
- Targets for General Fund, internal service and General Fund overhead agencies

We will work to avoid reducing programs equally across populations, locations, etc. and will aim to preserve service where it is most needed

## PSB is also looking at:

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Investment monitoring recommendations

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2019-2020 budget decisions (approved adds, proposed cuts)

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Cost Strategy and PSB-generated ideas

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Cash balances in CIP and operating funds that can be used in other ways

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Vacant positions that could be eliminated

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Changes to overhead or administrative functions

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Opportunities to consolidate functions

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Changes to work hours and space usage

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Process improvement ideas

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Changes in 2020 that can result in ongoing savings

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Reviewing IT project investments and operationalizing anticipated savings



# Frequently Asked Questions

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Will there be targets for other agencies?

Will there be layoffs?

When will we know more?

# Other questions?