



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**October 14, 2003**

**Motion 11820**

**Proposed No.** 2003-0425.1

**Sponsors** Phillips and Hague

1           A MOTION acknowledging the work of the budget  
2           advisory task force and adopting policies to guide  
3           development of the 2004 budget and county operations.

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WHEREAS, King County is a regional government providing a broad array of  
7 basic services to over one million seven hundred thousand residents of King County, and

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WHEREAS, King County is also the local government for nearly three hundred  
9 fifty thousand residents living in King County outside city boundaries, and

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WHEREAS, most of the regional and local services King County provides are  
11 mandated by state law, such as superior court, district court, sheriff, property assessment,  
12 public records, elections, licensing, juvenile and adult detention and public health, and

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WHEREAS, the vast majority of these mandatory services are budgeted in the  
14 current expense fund, and

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WHEREAS, the current expense fund is funded largely through property taxes,  
16 growth of which is capped at one percent per year, plus new construction, and

17 WHEREAS, as currently constituted, the rate of growth of expenditures paid for  
18 by the current expense fund is growing at a rate of 5.5 to 6.5 percent per year, and

19 WHEREAS, as currently collected, the rate of growth of revenues in the current  
20 expense fund is less than two percent per year, and

21 WHEREAS, absent major changes in the way King County does business or in its  
22 available revenues, or a combination of both, this gap between expenditure growth and  
23 revenue growth is anticipated to require annual recurring cuts to current expense  
24 programs of between fifteen million and twenty-five million dollars per year, and

25 WHEREAS, such recurring budget cuts will force continuing reductions in  
26 essential and mandated public services, and

27 WHEREAS, expenditures on law, safety, and justice programs make up seventy-  
28 five percent of the current expense fund expenditures and absent continued changes in the  
29 delivery of these services they will consume all current expense fund revenues by 2009,  
30 leaving no funds for other mandated and discretionary services such as assessments,  
31 records and elections, parks, human services and the legislative and executive branches of  
32 government, and

33 WHEREAS, the county has already taken leadership in addressing the fiscal crisis  
34 by implementing many changes including:

35 A. Enactment of the Juvenile Justice Operational Master Plan, which emphasizes  
36 prevention, intervention, and alternatives to secure detention that are cost-effective,  
37 promote justice, protect the public and help youth in trouble make responsible choices;

38 B. Enactment of the Adult Justice Operational Master Plan, which sets policy  
39 standards that reduce the use of secure detention, promote alternatives to detention such

40 as work release, provide treatment options for substance abusing and mentally ill  
41 offenders and identify system and process efficiencies. These changes have reduced  
42 costs and promoted public safety;

43 C. Establishment of the community corrections division to ensure effective and  
44 efficient implementation of alternatives to secure detention;

45 D. Establishment of the priorities and process for the criminal justice council to  
46 identify system-wide policy and operational changes improving public safety and  
47 contributing to a balanced budget;

48 E. Systematic review of the jail health system in 2003, which is already  
49 improving inmate health care and reducing costs;

50 F. Restructuring of the district court administration, resulting in significant  
51 savings;

52 G. Establishment of policies on the prioritization of discretionary human  
53 services, with the highest priority services being those that either reduce involvement in  
54 the criminal justice system or increase the efficiency and effectiveness of criminal justice  
55 interventions, or both;

56 H. Significant reduction in the discretionary parks budget through elimination of  
57 over one hundred parks job positions, closure of parks during the winter, reduced  
58 maintenance, transfers of in-city parks and pools and implementation of entrepreneurial  
59 revenue-generating activities;

60 I. Development of a mid-term funding strategy for the regional parks system with  
61 passage of a voter-approved dedicated four-year property tax levy;

62 J. Restructuring of arts and cultural resources programs through a transfer of  
63 these programs to a cultural development authority outside of county government with  
64 greater flexibility in service delivery and revenue generation;

65 K. Reorganization of county administrative and overhead services to streamline  
66 the government and reduce costs;

67 L. Commitment of significant resources to investments in technology and  
68 infrastructure that will produce long-term savings through more efficient work flows and  
69 ensure public safety in county buildings;

70 M. Negotiation of a benefits package for county employees that significantly  
71 reduced the cost of employee benefits;

72 N. Continuation of sound fiscal management and financial policies that ensure  
73 the county receives high bond ratings and low costs of borrowing, including refinancing  
74 of debt to take advantage of current low interest rates. The resulting interest savings are  
75 thereby made available for direct services;

76 O. Enactment of flexible budgeting in certain capital programs that ensures these  
77 programs remain on-time and within budget; and

78 P. Involving county employees in reducing costs through a productivity initiative  
79 in which employees apply their knowledge and skills to create more efficient business  
80 practices, and

81 WHEREAS, these actions have allowed the King County executive and council to  
82 reduce spending by over ninety-three million dollars in the last two county budgets, and

83 WHEREAS, in November 2002, the executive created the King County general  
84 government budget advisory task force, composed of citizens from a wide variety of

85 backgrounds, and charged this group to "examine the County's Current Expense (CX)  
86 Fund, programs, policies, processes and budgets, and make recommendations regarding  
87 policy and operational changes that may provide appropriate additional cost savings, as  
88 well as the need, if any, for additional revenues in support of CX programs," and

89 WHEREAS, the budget advisory task force issued its final report in June 2003,  
90 and

91 WHEREAS, the budget advisory task force made recommendations covering  
92 issues of service priorities, administrative and operational policies and efficiencies,  
93 alignment of services expenses and revenues, and revenues, and

94 WHEREAS, the budget advisory task force stated in its report that there is "no  
95 'silver bullet' to resolve the crisis" in the county's current expense fund budget and  
96 declared the situation to be "urgent," noting "unless things change, the County will need  
97 to reduce services every year" and "delaying action will make it much more difficult and  
98 painful in the future," and

99 WHEREAS, the budget advisory task force further noted that one of the primary  
100 areas for taking budget action is by better aligning local and regional service expenses  
101 and revenues, through completing the annexation of remaining urban unincorporated  
102 areas as contemplated by the state Growth Management Act and the countywide planning  
103 policies, and taking other steps to better align the expenditure of local revenues with local  
104 service budgets, and

105 WHEREAS, the county council and the executive share the goal of providing  
106 quality public services essential to the region including all local service areas in an  
107 efficient and effective manner, and

108 WHEREAS, the county council and the executive believe that, by working  
109 together, important steps can be taken to improve the efficiency and effectiveness of  
110 county government, and

111 WHEREAS, the county council and the executive believe that many of the  
112 recommendations of the budget advisory task force provide a solid blueprint and  
113 important policy direction for needed change in county budgets and operations, and

114 WHEREAS, in anticipation of receipt of the executive's proposed 2004 county  
115 budget, the county council and the executive wish to set forth the priority policy  
116 recommendations that will guide development of this budget as well as operating  
117 priorities in years to come;

118 NOW, THEREFORE, BE IT MOVED by the Council of King County:

119 A. King County thanks the executive and the budget advisory task force members  
120 for their outstanding work in reviewing the financial structure of the county's general  
121 fund and making recommendations to address both short-term and long-term challenges  
122 currently faced by the county; and

123 B. In the executive's proposed 2004 budget, and in a supplemental report to be  
124 submitted by December 31, 2003, the executive shall transmit for council approval a  
125 work plan prioritizing and implementing the recommendations of the budget advisory  
126 task force. The plan shall identify which recommendations the county shall pursue, along  
127 with the justification for these recommendations and the steps necessary for  
128 implementation. This plan shall include, at a minimum, the following actions:

129 1. The county shall promote the annexation of urban unincorporated areas as  
130 soon as practicable to help bring county expenses in alignment with current revenues.

131 The annexation policy is fully consistent with the principles in the regions  
132 Comprehensive Plan, and will significantly reduce the subsidization of urban  
133 unincorporated areas while preserving requisite levels of rural subsidization as  
134 contemplated in the Comprehensive Plan. In pursuing such an annexation policy, the  
135 county shall:

136 a. Engage residents in the discussion about the need to annex including a  
137 review of the facts relating to the county's deteriorating financial condition;

138 b. Engage cities in the need to complete remaining annexations as soon as  
139 possible, and provide incentives for this effort through reallocation of local revenues  
140 targeted for expenditure in potential annexation areas, including revenues from county  
141 receipts of real estate excise taxes, surface water management fees and the  
142 unincorporated area property tax;

143 c. Establish policies by which county local service budgets will be reduced as  
144 annexations occur;

145 d. Prioritize revenue from the unincorporated area property tax to fund critical  
146 local services and maintain an efficient and effective level of regional services and  
147 nonroad local services;

148 e. Continue to advocate for county authority to impose a utility tax in urban  
149 unincorporated areas, similar to the utility tax authority granted to cities, to reduce the  
150 urban subsidy;

151 f. Reinforce the county's commitment to use regional tax dollars to provide  
152 regional services benefiting all residents of the county;

- 153 g. Identify rural service levels commensurate with an appropriate rural  
154 subsidy;
- 155 h. Develop a transition plan that accounts for the reduced revenues to the  
156 department of transportation and department of natural resources and parks based on the  
157 anticipated annexations;
- 158 i. Identify opportunities for reverse contracting;
- 159 j. Pursue consolidation of superior court and district court administration;
- 160 k. Identify a "duplication of service" work group whose task will be to identify  
161 services that are provided by more than one jurisdiction in the county and to form  
162 recommendations for making delivery of these services more efficient and cost effective;
- 163 2. The county shall pursue policies that increase internal efficiencies and promote  
164 sound business management practices such as:
- 165 a. Directing that one-time revenues or savings shall not be used to fund  
166 ongoing programs. One-time revenues or savings shall be used to mitigate the impact of  
167 future budget cuts or make investments that will result in long term savings, efficiencies  
168 or cost avoidance such as investments in information technology systems;
- 169 b. Discouraging the creation of new services and programs without identifying  
170 supporting revenue sources;
- 171 c. Prioritizing resources to ensure basic governmental functions are able to  
172 operate in a highly reliable and cost-effective manner;
- 173 d. Establishing a joint executive/council team to work with labor to review  
174 labor policies with a focus on insuring a competitive work force and containing costs  
175 while maintaining the county's ability to attract and retain highly qualified employees;



- 176 e. Ensuring that discretionary service contracts provide full cost recovery to  
177 the county, including overhead, operation and capital costs;
- 178 f. Advocating for greater fiscal autonomy under state law and for enhanced  
179 revenue sharing from the state for basic law, safety and justice services;
- 180 g. Pursuing compensation from the state for unfunded mandates, or, on a  
181 priority basis, forgoing some of them;
- 182 h. Imposing fee increases where practicable to avoid further service cuts;
- 183 i. Pursuing grant-funding opportunities if they will provide additional revenue  
184 without negatively impacting long-term sustainability of county service levels or the need  
185 to reduce budgets as areas annex; and
- 186 j. Supporting public outreach efforts to increase public understanding of the  
187 county's services and revenues, organizational structure, budget, and fiscal health; and
- 188 3. The county shall apply these principles of sound business management to law,

**Motion 11820**

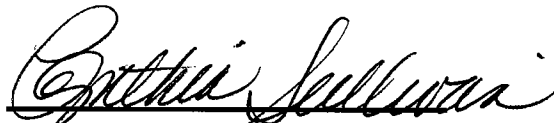
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189 safety and justice system that accounts for seventy-five percent of current expense fund  
190 expenditures.  
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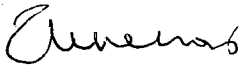
Motion 11820 was introduced on 9/18/2003 and passed by the Metropolitan King County Council on 10/13/2003, by the following vote:

Yes: 7 - Ms. Sullivan, Ms. Edmonds, Mr. Phillips, Mr. Pelz, Mr. Constantine,  
Mr. Gossett and Ms. Patterson  
No: 6 - Mr. von Reichbauer, Ms. Lambert, Mr. McKenna, Mr. Hammond, Ms.  
Hague and Mr. Irons  
Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Cynthia Sullivan, Chair

ATTEST:

  
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Anne Noris, Clerk of the Council

**Attachments**      None