



King County
Metropolitan King County Council
Budget and Fiscal Management Committee

Panel 1 - Transit, DNRP, Local Services & Roads

Tuesday, October 7, 2025– 9:00 a.m.

Councilmembers:

De'Sean Quinn Chair;

Members: Dembowski, Dunn, Perry, von Reichbauer

Panel Lead: Jake Tracy (206) 263 0875

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Briefing on Proposed 2026-2027 Biennial Budget – Transit, DNRP, Local Services & Roads

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GENERAL FUND TRANSFER TO DNRP

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$10,503,418	\$0	0.0	0.0
2026-27 Base Budget Adjust.	(\$4,935,418)	\$0	0.0	0.0
2026-27 Decision Packages	(\$1,549,943)	\$0	0.0	0.0
2026-27 Proposed Budget	\$4,019,000	\$0	0.0	0.0
% Change from prior biennium, biennialized	(61.7%)			
Dec. Pkg. as % of prior biennium, biennialized	(14.8%)			
Major Revenue Sources: General Fund				

DESCRIPTION

The General Fund transfer for the Department of Natural Resources (DNRP) is one of many such transfers from the General Fund to support county programs.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2026-2027 Biennial Budget would appropriate about \$4 million in General Fund moneys to DNRP, which is a 61.7% decrease to the biennialized 2025 revised budget. This decrease is a result of a \$4.9 million base budget reduction and \$1.55 million net decrease from decision packages. The proposed budget includes administrative services changes and technical adjustments, including reducing and repurposing \$1.45 million after renewal of the Parks Levy. The Parks Levy would cover baseline agriculture, forestry, and incentive program work that had previously been paid for by the General Fund.

Additionally, the proposed budget for the General Fund transfer to DNRP includes an increase of \$132,573 to reflect inflationary increases.

KEY ISSUES

Any discussion of issues related to this General Fund transfer is provided in the staff report for the Department of Natural Resources and Parks Administration and Water and Land Resources Shared Services appropriation units.

CRITICAL AREAS MITIGATION CAPITAL IMPROVEMENT PROGRAM

ANALYST: ANDY MICKLOW

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$15,921,441	\$7,700,000	\$4,200,000
Appropriations	\$15,921,441	\$7,700,000	\$4,200,000
Major Revenue Sources: Critical Areas Ordinance (CAO) Mitigation Fees, Interest Earnings, Carbon Credit Sales			

DESCRIPTION

The Critical Area Mitigation Program is a compensatory mitigation fund that developers, permittees, or other interested parties can pay into for wetland and aquatic habitat mitigation or open space acquisitions that generate carbon credits. The Critical Areas Mitigation CIP Fund is comprised of two sections: Critical Areas Mitigation Reserves and Carbon Credits Land Acquisition Program.

The Critical Areas Mitigation Reserves Program is a master project that holds budget authority until developer fees are received and mitigation projects are identified and approved. Developers or permittees can pay into this fund in lieu of completing wetland or aquatic mitigation on their own sites or projects. Compensatory mitigation projects are required to occur in the same watershed from which the in-lieu fees are generated.

The Carbon Credits Land Acquisition Program provides private and other non-government entities the ability to purchase carbon credits that will finance the conservation and protection of forestland within King County.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2026-2027 Biennial Budget includes an appropriation of \$15.9 million for the Critical Area Mitigation CIP. This includes \$13.7 million from critical areas mitigation fees, \$1.4 million in interest earnings, and \$800,000 in carbon credits sales.

Critical Areas Mitigation Program. In 2026-2027, two large projects are planned for design that the Executive expects to have important benefits to wetlands and salmonids in the Green River/Duwamish Watershed (WRIA 9), and smaller projects are planned for design in the White River/Puyallup (WRIA 10) and Cedar River/Lake Washington/Sammamish (WRIA 8) watersheds. In the Green River/Duwamish Watershed, the projects would include:

- Green River Project, \$1.3 million, Design of a wetland and stream restoration project in WRIA 9 to offset mitigation obligations; and
- Soos Creek project, \$0.6 million, Preliminary design of a wetland and stream restoration in WRIA 9 to offset mitigation obligations.

Money received from mitigation fees is allocated through a multi-jurisdictional review team, including DNRP, state and federal resource agencies, and interested tribes. Federal rules require that the moneys be used for selection and implementation of the mitigation projects, including administration. The rules also prohibit using the fees for any other purpose.

Carbon Credit Land Acquisition Program. The proposed budget includes a budget request of \$800,000 for this program. In order to generate revenue, the program quantifies carbon sequestration benefits from forest preservation, externally verifies these benefits to create carbon credits, and sells these credits to companies and non-government entities to offset greenhouse gas emissions. The budget request authorizes the project to generate revenue from carbon credit sales and disburse the revenue as matching funding to eligible acquisitions.

KEY ISSUES

Staff have not identified any key issues with this fund.

GEOGRAPHIC INFORMATION SYSTEMS

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$18,243,990	\$18,713,618	21.0	0.0
2026-2027 Base Budget Adjust.	\$541,274	\$0	0.0	0.0
2026-2027 Decision Packages	\$3,609,508	\$3,324,450	11.0	0.0
2026-2027 Proposed Budget	\$22,395,000	\$22,039,000	32.0	0.0
% Change from prior biennium, biennialized	22.8%			
Dec. Pkg. as % of prior biennium, biennialized	19.8%			
Major Revenue Sources: Charges for Services, GIS Enterprise Rate				

DESCRIPTION

The King County Geographic Information Systems (KCGIS) Center provides county agencies, municipalities, and the public with spatial and mapping data and products. KCGIS provides technical support and administration of the County's GIS program, including managing the spatial data warehouse, matrix staff assigned to each department to provide in-depth technical support, and customized mapping and spatial data services. KCGIS is within the King County Department of Information Technology (KCIT).

SUMMARY OF PROPOSED BUDGET AND CHANGES

The primary change in the KCGIS appropriation unit comes from a "labor realignment" that moves 12.0 FTE from the KCIT Services appropriation unit into KCGIS, and 1.0 FTE from KCGIS to KCIT Services. The net cost of this move for KCGIS is just over \$5.1 million.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.

PERMITTING DIVISION ABATEMENT

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$1,391,232	\$1,200,000	0.0	0.0
2026-2027 Base Budget Adjust.	\$0	\$0	0.0	0.0
2026-2027 Decision Packages	\$18,802	\$0	0.0	0.0
2026-2027 Proposed Budget	\$1,411,000	\$1,200,000	0.0	0.0
% Change from prior biennium, biennialized	1.4%			
Dec. Pkg. as % of prior biennium, biennialized	1.4%			
Major Revenue Sources: Fines and Forfeits, Abatement Reimbursement				

DESCRIPTION

Abatement Services manages abatement work on nuisance properties and life/safety abatement code enforcement properties, as part of the Permitting Division of the Department of Local Services.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Abatement appropriation unit is status quo from the 2025 budget. No direct services changes are proposed in 2026-2027. The financial plan continues to show a future reimbursement from abatement completed related to a long-running code enforcement violation.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.

GENERAL FUND TRANSFER TO DEPARTMENT OF LOCAL SERVICES

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$27,328,650	\$0	0.0	0.0
2026-2027 Base Budget Adjust.	(\$14,190,650)	\$0	0.0	0.0
2026-2027 Decision Packages	\$3,031,358	\$0	0.0	0.0
2026-2027 Proposed Budget	\$16,170,000	\$0	0.0	0.0
% Change from prior biennium, biennialized	(40.8%)			
Dec. Pkg. as % of prior biennium, biennialized	11.1%			

Major Revenue Sources: General Fund

DESCRIPTION

The General Fund transfer to the Department of Local Services (DLS) covers those costs in the DLS Director's Office and Permitting Division that are paid for by the General Fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The \$3 million in proposed decision package adjustments to the General Fund transfer to DLS includes:

- \$1.83 million to support 2.0 TLTs and other costs associated with updates to the Shoreline Master Program and Comprehensive Plan in 2029; housing-related policies, codes, and tools; and an update to the communication facilities code; and
- \$693,000 for continuation of start-up funding for a White Center business organization, which is expected to be self-sustaining after this biennium.

KEY ISSUES

Any discussion of issues related to this General Fund transfer is provided in the staff reports for the Local Services Administration and Planning and Permitting appropriation units.

YOUTH AND AMATEUR SPORTS FUND

ANALYST: JAKE TRACY

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$27,224,310	\$14,583,142	4.0	0.0
2026-2027 Base Budget Adjust.	(\$18,254,489)	(\$2,835,418)	0.0	0.0
2026-2027 Decision Packages	3,516,617	\$1,816,245	0.0	0.0
2026-2027 Proposed Budget	\$12,487,000	\$13,564,000	4.0	0.0
% Change from prior biennium, annualized	(54.1%)			
Dec. Pkg. as % of prior biennium, annualized	12.9%			

Major Revenue Sources: Rental Car Sales Tax, Parks Levy

DESCRIPTION

The Youth and Amateur Sports Fund (YASF) provides funding for youth and amateur sport activities or facilities through both councilmanic and competitive grant programs.

As part of the 2017-2018 biennial budget ordinance,¹ the Council created the YASF, which included the former Youth Sports Facilities Program and new Council-directed and competitive grant programs for youth and amateur sports activities and facilities.

Competitive grant programs include the Youth Sports Facility Grants (capital grants), Sports and Activity Access Grants (program and activation grants), and Local Sports and Activities Grants (unincorporated area grants).

The Council-directed grants program includes the Get Active, Stay Active (GASA) grant program. These grants are awarded by Councilmember offices for organizations that provide youth and amateur sports and fitness programs.²

Based on the July 2025 OEFA forecast, OEFA estimates approximately \$10.1 million in car rental sales tax revenues for 2026 and 2027 combined. Car rental sales tax revenues would support the competitive grants program and GASA councilmanic grant awards.

The 2026-2031 Parks Levy,³ passed by voters in August 2025, also included up to \$10 million in funding over the six-year period for councilmanic GASA grants.

¹ Ordinance 18409

² Ordinance 19210

³ Attachment A to Motion 16797

SUMMARY OF PROPOSED BUDGET AND CHANGES

The only nontechnical decision package for this appropriation unit is to appropriate new funding from the Parks Levy and rental car sales tax in the amount of \$3.44 million. The Parks Levy portion represents roughly a third of the total earmarked for GASA grants in the levy's spending plan.

The financial plan for this appropriation unit indicates a total of \$5.1 million in GASA grants for the biennium. This equates to approximately \$566,000 per Council district. \$3.9 million would be available for competitive grants over the biennium.

The appropriation unit has a large base budget adjustment – a reduction of \$18.25 million in expenditures. This adjustment is due to the unique situation of having an annual budget in 2025. Carryforward was included in the 2025 Annual Budget ordinance, rather than a supplemental budget, due to the shorter timeframe. The base budget adjustment here removes that carryforward, which will be requested in a future supplemental budget ordinance as has been standard practice with biennial budgets.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.

CONSERVATION FUTURES

ANALYST: JAKE TRACY

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$213,436,465	\$217,952,297	\$222,539,348
Appropriations	\$213,436,465	\$217,952,297	\$222,539,348
Major Revenue Sources: Conservation Futures Tax Levy, Bond Proceeds			

DESCRIPTION

The Conservation Futures Tax (CFT) levy dedicates a portion of property taxes to purchase open space in King County. CFT moneys are collected countywide as a dedicated portion of the annual property tax levy and are, by state law, available only for the acquisition of open space and resource lands.

State law sets the maximum rate for the CFT at 6.25 cents per \$1,000 of assessed valuation. In 2022, Council passed an ordinance that placed on the ballot a proposition, which voters approved, to raise the CFT rate back to 6.25 cents per \$1,000 of assessed valuation.

Per county code, the Conservation Futures Advisory Committee conducts an annual review of applications for CFT funding and makes recommendations for the Executive and Council to consider as part of the budget. These project recommendations are supported by CFT annual money, CFT bonding, and the Parks Levy. Parks levy funding is budgeted in the Parks Capital fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

For 2026, the Conservation Futures Advisory Committee recommended funding for 54 projects with \$108.7 million total. The committee provided recommendations for both property acquisition and site stabilization costs. The committee recommended \$90.4 million in CFT funding and \$13.8 million in Parks Levy funding for property acquisition costs, along with \$4.5 million in CFT funding for site stabilization costs.

Category	CFT Funding	Parks Levy Funding
Property acquisition costs	\$90.4 million	\$13.8 million
Site stabilization costs	\$4.5 million	\$0.0 million
Total	\$94.9 million	\$13.8 million

The \$94.9 million in CFT money for property acquisition and site stabilization includes the following sources of money:

- \$44.9 million in CFT annual collections
- \$50 million in CFT bond dollars previously appropriated in the 2025 Annual Budget but not allocated to individual projects.

The committee's recommendations were transmitted to the Executive in mid-2025, and were presented to the Transportation, Economy, and Environment committee on September 8, 2025.

The Executive's proposed budget includes funding for all projects in the amounts recommended by the CFT Advisory Committee. Individual grant award amounts and project descriptions can be found in the CFT Advisory Committee's recommendations report.¹

In addition to project-specific and site-stabilization appropriations, the 2026-2027 Biennial Budget would appropriate:

- \$50 million in bond funding for projects selected in 2026;
- \$50 million in bond funding for projects selected in 2027;
- \$2.3 million for conservation futures program support and initiative support;
- \$29.3 million for debt payments; and
- \$36.7 million to a holding project for projects selected in future years.

KEY ISSUES

Staff have not identified any key issues for this fund.

¹ [2025-RPT0083](#)

TRANSFER OF DEVELOPMENT RIGHTS

ANALYST: JAKE TRACY

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$3,140,425	\$1,350,000	\$800,000
Appropriations	\$3,140,425	\$1,350,000	\$800,000
Major Revenue Sources: Sale of Transferrable Development Rights			

DESCRIPTION

The Transfer of Development Rights (TDR) program is a program established by King County Code 21A.37 that provides for the transfer of development potential from rural areas to urban areas to preserve those rural areas and allow for increased density in urban areas.¹ Through the program, properties with development potential in rural areas sell that development potential either to the county or directly to a buyer. That extra development potential is then used elsewhere in the county. The County operates a TDR bank that facilitates the transfer of development rights from rural sellers to urban buyers and acts as a holding fund in the interim. The TDR fund includes a project for the TDR bank itself as well as a project dedicated to program support.

Revenues are received from the sale of credits to developers and are used to pay for future conservation acquisitions.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The projected year-end balance for the fund in 2025 is \$16.1 million. The Executive proposes to appropriate \$3.1 million to the TDR fund in 2025 for a new balance of \$19.2 million. Of this balance, DNRP anticipates funding the projects shown in Table 1 in this biennium.

Table 1. Proposed TDR Projects

Project Name	2026-2027 Anticipated Spending	Council District
City of Shoreline	\$51,000	1
City of Sammamish	\$1,664,805	3
City of Issaquah	\$690,625	3
Sanders Farm	\$100,000	3

¹ Some rural-to-rural transfers are allowed as well.

Beveridge Farm	\$150,000	3
Agnew Farm	\$297,845	3
Carlson Farm	\$1,042,708	3
Cha Farm	\$75,000	3
Dolder Farm	\$258,800	3
Rabbit Run Farm & Nursery	\$150,000	3
Sodoma Farm	\$250,000	3
Hawkinson Farm	\$200,000	3
Carrigan Farm	\$900,000	3
Serres Farm	\$600,000	3
Balcom Farm	\$150,000	8
Buffington Farm	\$322,374	8
Cassel Farm	\$275,736	8
Jensen Farm	\$387,950	8
Mackie Farm	\$286,332	8
Salem Radio Tower Farm	\$150,000	8
Josie Farmland	\$150,000	8
Dibella Farm	\$150,000	9
Warn Farm	\$250,000	9
Hoba Farm	\$224,260	9
VanWieringen Farm	\$500,000	9
Reseck Farm	\$150,000	9
Other Non Farmland Easements	\$500,000	Countywide
Other Farmland Acquisition Costs	\$184,000	Countywide
Total	\$10,111,435	N/A

KEY ISSUES

Staff have not identified any key issues for this fund.

PARKING FACILITIES

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$6,302,984	\$10,540,508	0.0	0.0
2026-2027 Base Budget Adjust.	(\$10,159)	(\$244,000)	0.0	0.0
2026-2027 Decision Packages	951,985	\$739,542	0.0	0.0
2026-2027 Proposed Budget	\$7,245,000	\$11,037,000	0.0	0.0
% Change from prior biennium, annualized	15.0%			
Dec. Pkg. as % of prior biennium, annualized	15.1%			

Major Revenue Sources: General Fund

DESCRIPTION

This appropriation unit is within the General Fund and is used to record the operating costs of managing the County's parking garages and record revenue. County-owned parking facilities include the following six facilities:

- Norm Maleng Regional Justice Center parking structure in Kent;
- Goat Hill parking garage (6th and Jefferson) in Seattle;
- Adult Detention Center parking facilities (5th and James) in Seattle;
- Chinook Building (5th and Jefferson) in Seattle;
- King Street Center (2nd and Jackson) in Seattle; and
- Patricia H. Clark Children and Family Justice Center (12th and Alder) in Seattle.

King County Code Chapter 3.32 regulates the county-owned parking facilities including administrative regulations, fees, parking rates, and disposition of parking fee revenues. As per K.C.C. Section 3.32.090 any excess revenue after payment of expenses is distributed to the general fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed budget would appropriate \$7.2 million to the Parking Facilities appropriation unit and anticipates \$11.0 million in parking revenues in 2026-2027. PSB reports parking revenue has returned to pre-pandemic levels in 2025.

KEY ISSUES

Staff have not identified any key issues with this appropriation unit.

ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$2,478,114	\$3,200,114	0.0	0.0
2026-2027 Base Budget Adjust.	\$0.0	\$0.0	0.0	0.0
2026-2027 Decision Packages	(\$1,131,792)	(\$1,986,906)	0.0	0.0
2026-2027 Proposed Budget	\$1,347,000	\$1,214,000	0.0	0.0
% Change from prior biennium, annualized	(45.6%)			
Dec. Pkg. as % of prior biennium, annualized	(45.7%)			

Major Revenue Sources: Central rates

DESCRIPTION

In 2025, the Executive proposed a new appropriation unit to recover the costs of the electric vehicle charging infrastructure for county fleet vehicles via a central rate charged to county agencies. This appropriation unit budgets and tracks revenue and expenditures to pay for the EV charging infrastructure and equipment for county fleet vehicles (managed by the Fleet Services Division) at six county-owned facilities including the Blackriver Building, Chinook Building, Goat Hill Garage, King Street Center, King County Correctional Facility (KCCF), and Maleng Regional Justice Center. The rate methodology is based on a proportional total stall count of fleet vehicles at each of these facilities.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed budget for EV charging infrastructure includes expenditures of \$1.3 million largely to pay the debt service costs for installation of EV infrastructure. In 2025, there was a one-time catch up for the 2023-2024 debt service previously paid for by FMD's Internal Service Fund. As a result, the 2026-2027 reflects this one-time budget adjustment.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.

CLIMATE OFFICE GRANTS

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	N/A	N/A	N/A	N/A
2026-2027 Base Budget Adjust.	N/A	N/A	N/A	N/A
2026-2027 Decision Packages	N/A	N/A	N/A	N/A
2026-2027 Proposed Budget	\$63,700,000	\$63,700,000	7.0	6.0
% Change from prior biennium, annualized	N/A			
Dec. Pkg. as % of prior biennium, annualized	N/A			
Major Revenue Sources: Grants.				

DESCRIPTION

This staff report lists all the grants for the Office of Climate included in the Grants Appropriation.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Office of Climate has received the grant awards listed in Table 1 for expenditure in 2026-2027. The proposed 2026-2027 budget includes a new grant for \$2 million from the Department of Commerce for a Green Jobs Program. The other listed grants are carryover from the 2025 budget. All of the grants, except for the new Green Jobs Program, have been awarded and contracted to the County. The Office of Climate anticipates additional grant opportunities from the state in late 2025 and early 2026. Contingency is included in order to allow for known grant opportunities.

Table 1.
2026-2027 Climate Office Grants

Grant Name	Description	2026-2027 Expected Spending	Total Remaining Grant Amount Entering into 2026	FTEs	TLT
US EPA- Climate Pollution Reduction Grant Building Decarbonization Initiative	Carryover five-year grant to support building decarbonization initiatives across Seattle-Tacoma-Bellevue metro area.	\$36,460,000	\$49,580,000	7.0	-
WA Dept. of Commerce-Home Electrification and Appliance Rebates Program (HEAR) Adult Family Home	Carryover grant to expand Energize program to install heat pumps and energy upgrades in adult family homes through June 2025; amended to run through June 2026	\$540,000	\$540,000	-	1.5
WA Dept. of Commerce - HEAR Energize Expansion	Carryover grant to continue Energize program in urban unincorporated King County with additional funding through June 2025; amended to run through December 2026.	\$910,000	\$910,000	-	0.5
WA Dept. of Commerce Green Jobs Program	New award for green jobs training and EV charger certifications, and 20 EV charging port installations; no invoices yet as signing is not expected until approximately October 2025.	\$2,500,000	\$2,500,000	-	-
WA Dept. of Commerce - Electric Vehicle Charging	Carryover grant for public, fleet, and multi-family level 2 and level 3 installations across King County with 17 partners.	\$8,500,000	\$8,500,000	-	-

Grant Name	Description	2026-2027 Expected Spending	Total Remaining Grant Amount Entering into 2026	FTEs	TLT
National Oceanic and Atmospheric Admin (NOAA) Climate Resilience Regional Challenge	Carryover grant. Climate Office, on behalf of the Puget Sound Climate Preparedness Collaborative, received a 3-year, \$2M NOAA Climate Resilience Regional Challenge (CRRC) grant to support local and Tribal climate adaptation work in the Puget Sound basin through activities that build capacity for climate preparedness planning, development of technical resources, and furthering regional partnerships and engagement.	\$1,880,000	\$1,880,000	-	3.0
WA State Assoc of Counties (WSAC) Energy Audit Grant	WSAC State passthrough funding for department (Metro, DNRP, FMD) Clean Buildings energy audits.	\$550,000	\$550,000	-	-
Career Connect Washington Program Builder Grant	Capacity building grant to support clean energy business engagement work for King County JumpStart.	\$120,000	\$120,000	-	1.0
WA Good Jobs Challenge Grant	Funding for signature workforce development programming, King County JumpStart.	\$150,000	\$150,000	-	-
Contingency for emergent awards for the Office of Climate	WA Commerce HEAR and HEAR AFH, PSE Decarbonization grants (buildings and EVSE), WSU CEEP, and additional CCA or other grant opportunities.	\$12,590,000		-	-
Total		\$63,700,000	\$63,750,000	7.0	6.0

KEY ISSUES

Staff have not identified any key issues with this appropriation unit.

FLEET MANAGEMENT EQUIPMENT

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$133,121,514	\$75,063,810	80.0	1.0
2026-2027 Base Budget Adjust.	(\$29,143,165)	\$0.0	0.0	0.0
2026-2027 Decision Packages	\$4,203,622	\$15,477,608	1.0	0.0
2026-2027 Proposed Budget	\$108,182,000	\$90,542,000	81.0	1.0
% Change from prior biennium, annualized	(18.7%)			
Dec. Pkg. as % of prior biennium, annualized	3.2%			

Major Revenue Sources: Central rates.

DESCRIPTION

The Fleet Services Division (FSD), part of the Department of Executive Services, manages the Equipment Replacement Fund as well as the acquisition, maintenance, replacement, and disposal of fleet vehicles and other pieces of equipment for the county's non-revenue agencies.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed budget for Fleet Services would appropriate \$108.2 million for the Fleet Management Equipment appropriation unit. This is an 18.4% decrease when compared to the 2025 biennialized budget. Much of this decrease reflects adjusting for one-time expenditures in 2025 that were carryforward replacement orders from the 2023-2024 budget. The fleet central rate (Long-Term Rental rate) is proposed to increase by 21.8% resulting in an increase of revenues of \$15.1 million. The increase in the central rate will also be used for the request to increase the equipment replacement budget by \$2.5 million to match projected spending. The 2026-2027 proposed budget also includes 1 FTE to meet the increased demands of purchasing. This proposal is funded with a net-zero adjustment within the appropriation unit. The proposed 2026-2027 budget includes \$350,000 for an evaluation of future updates to the DES's maintenance shops to meet electrical vehicles related safety and maintenance requirements.

KEY ISSUES

ISSUE 1 – FLEET PROPOSED BUDGET NOT ON TRACK TO MEET SCAP TARGETS

Both the 2025 Strategic Climate Action Plan (proposed for acceptance by Proposed Motion 2025-0172) and the related code update ordinance (Proposed Ordinance 2025-0174) include a target for 50% of the County's light-duty fleet to be electric by 2030. The 2026-2027 proposed fleet budget does not put the proposed EV target on track.

While FSD continues to pursue EV purchases when feasible, it reports that in order to meet the 50% target by 2030, 100% of light duty vehicle replacements over the next 5 years would need to be EVs, and that is not proposed for the 2026-2027 biennium. Additionally, Fleet would need to purchase early replacements of roughly 11% of the light duty fleet to achieve the target. The proposed budget also does not include needed charging infrastructure investments to support the scale of EVs needed to meet these targets.

Both the proposed ordinance and motion are scheduled for action at Council on October 7, 2025.

TRANSIT DEBT SERVICE (BOND) FUND

ANALYST: MARY BOURGUIGNON

Debt Service (Bond) Fund (8430)

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$1,852,014	\$21,042,771	\$69,350,968
Appropriations	\$12,915,853	\$17,194,711	\$71,617,367
Major Revenue Sources: Sales tax, Marine property tax, interest income, Federal debt service subsidies			

DESCRIPTION

The Public Transportation Fund has five subfunds:

- The **Operating Fund** supports the ongoing operation of transit services and includes direct operating labor and non-labor costs, administrative costs, and indirect and overhead costs.
- The **Infrastructure Capital Fund** (Fund 3641) supports capital infrastructure projects other than revenue fleet vehicle purchases, including the planning, design, acquisition, preservation, and replacement of infrastructure and other capital items needed to support Metro's operations.
- The **Revenue Fleet Capital Fund** (Fund 3642) supports new and replacement revenue fleet¹ purchases. To smooth large expenditure fluctuations associated with fleet replacement purchases, Metro maintains a Revenue Fleet Replacement Reserve and may also issue debt.
- The **Revenue Stabilization Reserve Fund** holds fund balance to offset the impacts of an economic downturn. Moneys in the Revenue Stabilization Fund can only be accessed through an appropriation ordinance and only under specific conditions in which sales taxes are declining.²
- The **Debt Service Fund** is required to be sufficient to meet annual debt service obligations for debt-financed Transit assets.

¹ Revenue fleet refers to vehicles used to transport customers, such as buses and vanpool vans, as opposed to vehicles used for internal purposes such as maintenance.

² Ordinance 19863, Attachment A, Section IV.A. Metro's largest single source of revenue is a 0.9% dedicated sales tax. The Revenue Stabilization Reserve Fund was developed following the last recession to provide a reserve against the volatility of the sales tax.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The **Debt Service Fund**, as described above, is required to be sufficient to meet annual debt service obligations for debt-financed Transit assets. Debt service payments reflect existing and planned debt proceeds and interest rates.

The Executive indicates that new long-term debt represents anticipated spending for a partial conversion of the central campus. New short-term debt represents anticipated fleet purchases.

KEY ISSUES

Staff have not identified any key issues with this fund (Transit Debt Service Fund).

A separate staff report covers the other four Transit appropriation units (the Operating Fund, Infrastructure Capital Fund, Revenue Fleet Capital Fund, and Transit Revenue Stabilization Reserve Fund). That staff report describes Metro's overall budget and related policy issues in detail.

TRANSIT

ANALYST: MARY BOURGUIGNON

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$2,876,094,268	\$2,580,507,120	6,164.0	101.0
2026-27 Base Budget Adjust.	(\$1,369,462)	(\$17,225,218)	(1.0)	(99.5)
2026-27 Decision Packages	\$158,447,353	\$482,810,853	385.0	96.5
2026-27 Proposed Budget	\$3,033,173,000	\$3,046,093,000	6,548.0	98.0
% Change from prior biennium, Biennialized	5.5%			
Dec. Pkg. as % of prior biennium, Biennialized	5.5%			

Major Revenue Sources: Sales tax, grants, contracts for services, fares

Transit Infrastructure Capital Fund (3641)

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	(\$36,672,158)	\$520,110,965	\$297,364,647
Appropriations	(\$36,672,158)	\$520,110,965	\$297,364,647
Major Revenue Sources: Sales tax, Marine property tax, Sound Transit payment, grants, interest income, debt proceeds			

Transit Revenue Fleet Capital Fund (3642)

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$103,672,663	\$256,574,615	\$741,512,800
Appropriations	\$103,672,663	\$256,574,615	\$741,512,800
Major Revenue Sources: Sales tax, Marine property tax, grants, interest income			

Transit Revenue Stabilization Reserve Fund (4643)

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$20,861,812	\$20,579,042	\$21,313,506
Appropriations	N/A	N/A	N/A
Major Revenue Sources: Sales tax, interest			

DESCRIPTION

The Metro Transit Department (Metro) is the largest provider of public transit services in the Puget Sound region. Metro operates fixed-route services, including bus and water taxi; flexible, shared, and accessible mobility services; and bus, light rail, and streetcar services under contract to Sound Transit and the City of Seattle. Metro is currently providing nearly 4,000,000 annual transit service hours through 11,500 bus trips each weekday, and will serve 89.9 million riders this year, 7% more than in 2024.

SUMMARY OF PROPOSED BUDGET AND CHANGES

2026-2027 Transit Budget Overview

Metro's 2025 budget, when adopted, anticipated a \$500 million shortfall in reserves by 2028-2029. For the proposed 2026-2027 budget, after cancelling construction of the South Annex Base, delaying the conversion to a zero-emission bus fleet from 2035 into the mid-2040s or beyond, reducing the scope of the future K and R RapidRide lines, and planning for a smaller bus fleet, Metro now estimates it will face a \$1 million reserve shortfall by 2030-2031 and a \$755 million reserve shortfall by 2032-2033.

This staff report provides an overview of Metro's budget proposal, then focuses on six key issue areas, including future funding needs.

Metro's proposed 2026-2027 combined operating and capital budget is **\$3.1 billion**. As Table 1 shows, \$3 billion would be for operating expenses, with a net negative \$36 million proposed for appropriations for capital infrastructure projects, and \$104 million for appropriations for revenue fleet purchases.

Table 1. 2026-2027 Transit Operating Expenditures + Capital Appropriations

	2026-2027 Proposed	Percent of Total
Transit Operating Fund	\$3,033,172,158	97.4%
Infrastructure Capital (Fund 3641)*	(\$36,672,158)	(1.2%)
Revenue Fleet (Fund 3642)	\$103,681,663	3.3%
Debt Service Fund	\$12,915,853	0.4%
TOTAL	\$3,113,097,516	100%

*The budget proposes \$338 million in new appropriations for capital infrastructure projects, offset by the disappropriation of \$375 million to cancel construction of the South Annex Base and defer other zero-emission projects. If the disappropriations are factored out and carryover capital appropriations from past years are factored in, Metro's anticipated capital and operating expenditures for 2026-2027 are **\$3.9 billion**.

Transit Operating Fund. Metro's proposed operating budget is 5.5% higher than the biennialized 2025 budget, an increase of \$158 million. Of this increase, \$67 million would be added for transit safety and security; \$19.5 million for additional fixed-route transit service; \$45 million for additional water taxi and flexible services; \$5.6 million to recruit, train, and retain Metro's workforce; and \$5 million to support the opening of the new Tukwila Base in 2026.

Metro's largest source of operating revenues is a dedicated 0.9% sales tax, which comprises nearly 60% of operating revenues. Metro also receives operating revenue from fares, grants, and contract payments from Sound Transit and Seattle.

In addition to its operating fund, Metro's budget includes four other funds.

The **Infrastructure Capital Fund**, as noted above, proposes a total of \$338 million in appropriations for capital infrastructure projects, which is offset by a disappropriation of \$375 million for construction of the South Annex Base and other zero-emission projects.

Key proposed capital appropriations for 2026-2027 include \$96 million for State of Good Repair projects; \$81 million to continue with the transition to a zero-emission fleet; \$22 million for speed and reliability improvements; \$18 million for passenger amenities; and \$22 million for Metro base perimeter security and a customer incident-reporting app.

The **Revenue Fleet Capital Fund** proposes \$103.7 million in appropriations for fleet vehicles during 2026-2027, including \$15 million toward two battery-electric water taxi vehicles; \$42 million to replace 600-700 vanpool vehicles; and \$33 million to purchase 83 Access paratransit and 79 Community Access Transportation (CAT) vehicles.

Metro's **Revenue Stabilization Reserve Fund** holds fund balance to offset the impacts of an economic downturn. Moneys in the fund can only be accessed by ordinance and under specific conditions in which sales taxes are declining.¹ The budget would add \$20.8 million in 2026-2027, for a total of \$357.8 million in the fund during 2026-2027.

Metro's **Debt Service Fund** must meet annual debt service obligations for debt-financed Transit assets. In 2026-2027, \$12,915,853 would be appropriated.

This staff report focuses on six key policy issues. Table 2 summarizes these issues and the associated 2026-2027 budget proposals. The pages that follow provide more detailed description and analysis, with a recap in the final, Key Issues section.

¹ Ordinance 19863. Metro's largest revenue source is a 0.9% sales tax. The Revenue Stabilization Reserve Fund was developed to provide a reserve against the volatility of the sales tax.

Table 2. Metro Transit 2026-2027 Budget Issues Summary

Issue	Summary	Key Budget Proposals
Service & Ridership	Metro is operating ~89% of pre-pandemic service for ~70% of weekday ridership	• \$19.5M and 242 FTEs for 411,900 additional service hours • \$45M for water taxi, flexible services, added service for World Cup
Safety & Security	Concerns about safety incidents and station/stop cleanliness Regional Transit Safety Task Force has released recommendations	• \$46M to sustain 275 transit security officers (TSOs) and 89 Metro Transit Police (MTP) deputies • \$10M for additional bus stop and bus cleaning, base safety staff • \$11M for SaFE Reform: behavioral health and Metro Ambassadors • \$22M capital appropriations for base security, passenger messaging app
Fares	Mismatch between service and ridership/fares means \$83M less in farebox revenues than 2019	• No fare increase proposed for 2026-2027: \$0.25 increase started 9/1/25 • \$4M to support the move to a fare system that does not accept cash on board buses (timing not determined)
Workforce	119 bus operator vacancies: 5% 7 bus mechanic vacancies: 2.5% CBA with ATU Local 587 expires October 31 (may have budget impacts)	• \$3.7M for bus operator recruitment, training, mentorship • \$1.9M to support bus operators on long-term leave • \$9M for business transformation, including records management, payroll, support, communications • (\$12M) in cuts to staff and services
Zero Emissions	Delay in 100% zero-emission bus fleet from 2035 to mid-2040s	• \$4.9M for staff for Tukwila Base 2026 opening: 120 BEBs • \$80.6M for zero-emission capital investments, including \$22M for trolley expansion • (\$373M) disappropriation to cancel South Annex Base: 250 BEBs
Future Funding	\$1M reserve shortfall by 2030-2031 \$755M reserve shortfall by 2032-2033	• Budget proposes cancelling the South Annex Base, delaying zero-emission, reducing the scope for the future K and R RapidRide lines • In 2026, Metro will develop a 10-year plan for what it could accomplish with additional funding • Without additional funding, service cuts could be needed by 2030-2031

Service & Ridership

Metro is currently providing approximately 89% of pre-pandemic service levels for approximately 70% of pre-pandemic ridership through 11,500 bus trips and 280,000 boardings each weekday. The 2026-2027 budget would add both fixed-route and flexible service.

Fixed-route bus service. As Table 3 shows, the 2026-2027 budget proposes to add a net 411,900 service hours during the biennium above the 4,005,887 annual service hours Metro is currently operating.

Table 3. Fixed-Route Bus Service Hours, 2026-2027 Proposed

Service Changes	Baseline	2026	2027	Total Add 2026-2027
Service Recovery	--	212,700	129,500	342,200
RapidRide (I and J Lines)	--	--	44,900	44,900
Run Time Impacts ²	--	30,000	--	30,000
Service Guidelines ³	--	16,000	8,000	24,000
WSBLE Construction Impacts	--	--	8,100	8,100
South Link Connections ⁴	--	15,000	--	15,000
Zero-Emission Adjustments	--	3,000	2,000	5,000
King County Metro funded	3,574,620	276,700	192,500	469,200
City of Seattle funded	160,000	16,000	--	16,000
Sound Transit funded ⁵	271,267	(73,300)	--	(73,300)
Partner funded	431,267	(57,300)	--	(57,300)
Total Hours	4,005,887	219,400	192,500	411,900

These additional service hours are proposed at \$19.5 million for 2026-2027,⁶ with 242.2 FTEs⁷ proposed to operate the new service, through a combination of full-time and part-

² These service hours would address the impacts of Revive I-5 and other major congestion issues.

³ The adopted King County Metro Service Guidelines (Ordinance 19367) identify three priorities for adding bus service: #1, to reduce Crowding; #2, to improve schedule Reliability; and #3, Service Growth to achieve the future transit networks envisioned in Metro Connects. Service needs based on these priorities are identified each year in Metro's System Evaluation Report.

⁴ A proposal for the Federal Way restructure is expected to be transmitted to the Council in early 2026.

⁵ Reflects Sound Transit express bus service hour reductions after future Link light rail extensions open.

⁶ Metro notes that the proposed budget add is approximately \$35 million smaller than it would be because Metro changed its assumptions about "unavailable time" when bus operators are not available to drive (such as leave, training, other detailed work). Because of the increase in long-term leaves for bus operators during the last several years, a significant portion of leaves are now unpaid. As a result, Metro split out long-term leaves from other unavailable time, lowering the cost of the proposed service hour increase from \$55M to about \$20M.

⁷ Metro estimates it will need to add a net of approximately 325 FTEs by the end of 2027 to account for attrition and training graduation rates.

time bus operators. Seattle- and Sound Transit-funded service will be revenue backed. Highlights of the proposed service additions include:

- **Service recovery:** 342,200 service hours to restore service that was suspended during the pandemic, focused around service restructures, including Phases 2 and 3 of the Lynnwood Link restructure,⁸ the remaining service for the East Link restructure,⁹ and the upcoming Federal Way restructure.¹⁰
- **RapidRide:** 44,900 service hours in 2027 for the RapidRide J Line between Downtown Seattle and the University District and the RapidRide I Line between Renton, Kent, and Auburn.
- **Construction impacts:** 30,000 service hours in 2026 to adjust to the delays anticipated as part of the Revive I-5 project.¹¹
- **Service Guidelines:** 24,000 service hours to address service needs based on the criteria in the adopted Service Guidelines,¹² the first time these needs have been addressed since the pandemic. Metro indicates it will focus on routes with schedule reliability needs.

Water Taxi and flexible mobility services. The 2026-2027 budget would add \$45 million to support the water taxi and flexible services, including:

- **Service cost adjustments:** \$26 million for service cost adjustments for Access paratransit, Vanpool, DART, and CAT, plus support for the procurement process for an Access contractor.¹³
- **Water taxi:** \$4.2 million [\$3.9 million revenue-backed] to continue additional Vashon weekday round trips and pilot additional West Seattle weekend service.
- **Snoqualmie Valley Transportation:** \$1.4 million in one-time funding to continue the Snoqualmie Valley Shuttle in rural East King County communities.
- **Pierce Transit Route 497:** \$400,000 in one-time funding to continue Route 497, which is operated by Pierce Transit, and which serves Lakeland Hills in Auburn.
- **Metro Flex:** \$6.5 million [\$5.2 million revenue backed] for Metro Flex in Auburn, Delridge/South Park, Federal Way, Issaquah, Northshore, and Overlake.¹⁴

⁸ Ordinance 19751. In addition to restoration of suspended County-funded service associated with the Lynnwood Link restructure, the proposed service plan would add 16,000 hours of Seattle-funded service in 2026 for Phases 2 and 3 of the Lynnwood Link restructure.

⁹ Ordinance 19899

¹⁰ A proposal for the Federal Way restructure is expected to be transmitted to the Council in early 2026.

¹¹ Washington State Department of Transportation, Revive I-5 – Ship Canal Bridge preservation ([link](#)). Metro's proposal would address Revive I-5 delays by adding 30,000 hours in additional run time to existing bus schedules and by providing standby buses that can be deployed flexibly for major delays.

¹² Ordinance 19367, Attachment B. The priorities for service additions are to: #1, reduce crowding, #2, address schedule reliability, and #3, grow the system toward what is planned in Metro Connects.

¹³ The Access operations contract with MV Transportation ends in 2026, with an option to extend through 2029 (2025-RPT0095). The original contract was for 2019 to 2024 but was extended to 2026.

¹⁴ Metro Flex pilots in Federal Way and Auburn are proposed to launch in 2026.

World Cup transit service. The budget proposes \$2.9 million (revenue-backed) for communications, marketing, and service increases on the West Seattle water taxi, water taxi shuttle, and additional Access and Metro Flex service during World Cup events.

Downtown Seattle Shuttle. The budget includes \$2.5 million for a Downtown Seattle Shuttle¹⁵ during the summer months. The budget ordinance includes an Expenditure Restriction and Proviso¹⁶ that restrict the \$2.5 million from being expended unless 60% of the fully allocated cost is funded by an outside partner such as the City of Seattle.

Sound Transit-funded service. Metro operates Sound Transit bus service and Link light rail service under contract.¹⁷ The 2026-2027 budget plans for a reduction of 73,300 Regional Express bus service hours as Sound Transit reduces its bus service in response to its planned extensions of Link light rail. In addition, it includes \$65.2 million (revenue-backed) to support Metro's operations of the expansions of Link light rail.

Safety & Security

In response to concerns about transit safety and security, the budget includes \$67 million in the operating budget and \$22 million in the capital infrastructure budget for safety and security investments, including:

- **Transit security officers (TSOs):** \$32 million [\$2 million revenue-backed] to fund a total of 275 contracted TSOs during 2026-2027. The TSOs will conduct fare enforcement;¹⁸ ride high-incident bus routes;¹⁹ monitor transit centers, Third Avenue, and Jackson Street; and provide late-night support at bus terminals. The City of Seattle will provide \$2 million to support TSOs deployments in Seattle.
- **Metro Transit Police (MTP):** \$14 million to fund an additional 10 MTP deputies, for a total of 89. MTP deputies patrol in areas with higher incident levels and respond to employee assaults and sexual misconduct violations.
- **Bus and customer facility cleaning:** \$8.5 million, including 14.0 FTEs and 21.0 TLTs, to continue enhanced cleaning of buses and bus stops.
- **Base security and support:** \$1.6 million for 5.0 FTEs to serve as base safety and security liaisons.
- **SaFE Reform Initiative.** \$11 million [\$1.7 million revenue-backed] and 31.0 TLTs to continue and the work of Metro's SaFE Reform Initiative through the Metro Ambassadors program and behavioral health workers at the Aurora Village and Burien Transit Centers.

¹⁵ A Seattle Waterfront Shuttle has been operated by Friends of the Waterfront since 2018. The Washington State Department of Transportation (WSDOT) funded the shuttle in 2018 and 2019 as mitigation for construction of the SR-99 tunnel. King County used General Fund to support the shuttle in 2022-2025 (the shuttle did not operate in 2020 or 2021).

¹⁶ Proposed Ordinance 2015-0288

¹⁷ Ordinance 19513

¹⁸ Metro resumed fare enforcement in Spring 2025. Approximately 52 TSOs will be deployed to fare enforcement in 2026-2027.

¹⁹ TSOs will ride Routes 7, 36, 106, A, B, C, D, E, F, and H.

- **Capital investments:** \$13 million for stronger perimeter security at Metro bases and \$9 million to develop a customer response messaging app that passengers can use in real time to report emergent and nonemergent issues.²⁰

Fares

The Strategic Plan for Public Transportation²¹ calls for Metro to use an income-based approach to fares: children, youth, and very-low-income people ride transit for free; and seniors, low-income people, and people with disabilities pay a reduced fare. As a result, Metro relies on adult, full-fare passengers for much of its fare revenue.²²

Farebox recovery. The combination of lower ridership, higher costs, fare evasion, and increased transfers between Metro and Sound Transit means that farebox recovery remains below the 10% target in Metro's adopted fund management policies.²³ Metro expects to collect \$80 million in bus fare revenue in 2025, \$83 million less than in 2019. Table 4 summarizes annual bus ridership, bus fare revenue, the average amount collected per boarding, and farebox recovery rates.

Table 4. Bus Ridership and Bus Fare Revenues

Year	Fare Revenue (\$ millions)	Ridership (millions)	Average Fare per Boarding	Farebox Recovery*
2019	\$162.50	121.41	\$1.34	23.8%
2024 (Actual)	\$73.12	83.33	\$0.88	8.6%
2025	\$79.53	89.90	\$0.88	8.5%
2026	\$94.10	93.74	\$1.00	9.6%
2027	\$100.32	95.71	\$1.05	9.8%

*Farebox recovery is fare revenue as a percentage of passenger-related operating costs.²⁴

A \$0.25 bus fare increase to \$3.00 for full-fare passengers²⁵ took effect September 1. Metro expects this will increase the average amount of fare revenue Metro collects from each boarding to \$1.00. The 2026-2027 budget does not propose additional fare increases. Metro indicates its next fare increase proposal will be in 2028.

Transition away from cash fares. The budget proposes \$3.9 million and 7.0 TLTs to support Metro's proposed transition away from accepting cash or paper transfers for

²⁰ Fund 3641 Project 1141996 and Project 1150686

²¹ Ordinance 19367, Attachment A

²² Approximately half Metro's fare revenue, or 53% between July 2024 and June 2025, but less than a quarter of all boardings came from business Passport accounts, through which local employers can subsidize their employees' transit fares. As of September 2025, Metro had 769 active business Passport accounts serving 450,000 employees.

²³ Ordinance 19863, Attachment A, Section III.A.

²⁴ Ordinance 19363, Attachment A, Section III.A.

²⁵ ORCA LIFT (low-income) and Regional Reduced Fare Permit (RRFP) fares for seniors and people with disabilities are set at \$1.00. Children and youth ride free (KCC 4A.700.010).

fares on board buses. The budget would fund an education campaign, alternatives to paper tickets for the human services bus ticket program,²⁶ and ticket vending machines.

The Metro Connects long-range plan envisions not collecting cash on board buses.²⁷ However, cash is identified in the King County Code as an approved way to pay transit fares,²⁸ so Council approval by ordinance would be needed to make this change.²⁹ Metro states that it does not plan to seek approval until late 2027, after open payment (phone tap-to-pay) has been implemented and it can support vulnerable riders.

Workforce

Since 2020, Metro has experienced significant staffing shortfalls for bus operators and vehicle mechanics. Currently, Metro has 119 bus operator vacancies, a 5% vacancy rate; and seven bus mechanic vacancies, a vacancy rate of 2.5%. The staffing shortfalls have led to a reliance on overtime: 34% for bus operators, compared to a goal of 17%; and 10% for mechanics, compared to a goal of under 6%. The proposed budget includes several initiatives to support recruitment, training, and retention:

- **Service & Workforce Initiative:** \$3.7 million [\$960,000 revenue-backed], 10.0 FTEs, and 7.0 TLTs to support Metro's Service & Workforce Initiative to recruit, train, and retain bus and rail operators, and to support the Mentors Moving Metro mentorship program for new bus operators.
- **Leaves and disability:** \$1.96 million, including 4.0 FTEs and 2.0 TLTs, to support an increasing number of disability-related requests and pilot a return-to-work coaching service for injured workers.

The budget also includes \$9.1 million, including 9.0 FTEs and 14.0 TLTs, to support Metro's efforts to improve internal functions, such as records management, capital project delivery, and asset management; and reductions of \$12.5 million, including 22.0 FTEs in Vehicle Maintenance, Transit Facilities, planning, and administration.

Zero Emissions

In early 2020, King County adopted goals for Metro to significantly lower its emissions, including that Metro's 1,000+ buses should be 100% zero-emission by 2035.³⁰

However, in response to increasing costs, technology limitations,³¹ and a shortage of domestic bus manufacturers,³² Metro has proposed to delay the transition of its bus

²⁶ Under the human services ticket program (KCC 4A.700.210), Metro subsidizes 90% of the fare value of tickets up to \$4 million in subsidy, while human services agencies pay the remaining 10% to provide these tickets to their clients. In 2023, Metro sold nearly 900,000 tickets to 107 participating agencies. Metro began piloting alternatives to paper tickets for this program in 2023. (See 2024-RPT0120, [link](#))

²⁷ Ordinance 19367, Attachment C, p. 49

²⁸ KCC 4A.700.010. Note that the allowance of cash for fare payment applies only to Metro services, not to Sound Transit (even the Sound Transit services operated under contract by Metro).

²⁹ The Council received a report on the future of fare collection in 2022 (Motion 16152).

³⁰ KCC 18.22.010.A, KCC 28.94.085.A.1 (Ordinance 19052)

fleet from 2035 to the mid-2040s or beyond.³³ To make this change, the proposed budget would disappropriate \$375 million to cancel construction of South Annex Base³⁴ and appropriate \$80.6 million for new zero-emission capital investments. The new Tukwila Base³⁵ would open as planned for 120 battery-electric buses in 2026, but Metro would change its approach to fleets, bases, and operations, including:

- **Mix of fleet purchases.** To achieve the 2035 zero-emission goal, Metro had planned to purchase only battery-electric buses after 2023. However, while the budget does not propose any new bus purchases during 2026-2027, the transmitted CIP plans for future purchases of a mix of battery-electric and hybrid diesel buses, including \$640 million for hybrid bus purchases in 2028-2029 and 2030-2031, and \$223 million for battery-electric bus purchases in 2030-2031.

To reduce emissions while continuing to use diesel hybrid buses, Metro proposes to use renewable diesel, which will cost an additional \$0.07/gallon, for \$1.2 million in additional fuel costs in 2026-2027. The 2025 Strategic Climate Action Plan estimates that renewable diesel could cut Metro's emissions by 60%.³⁶

- **Partial base conversion.** Metro's plan to achieve the 100% zero-emission bus fleet goal by 2035 required the full conversion of each of its bus bases. With the zero-emission delay, Metro proposes that, after opening Tukwila Base, it will plan a partial conversion of one Central Campus base³⁷ by 2031 but not plan any additional base conversions.
- **Trolleybus expansion.** Metro currently operates 174 electric trolley buses on routes within Seattle. The budget proposes \$22 million in appropriations for trolley projects, including to expand trolley service to Route 48 and to install replacement batteries so trolley buses can operate off-wire for longer distances.
- **Zero-emission water taxi vessels.** The budget would add \$16 million toward the procurement of two zero-emission water taxi vessels for the West Seattle route, as well as shoreside charging and additional berths at Pier 50. Metro notes that the full cost of the project could be more than the dedicated Marine property tax³⁸ could cover and that it is seeking grant or partner funding.

³¹ Metro's 2025 report, Maximizing Climate Benefits through Transit, reports on these issues, noting that zero-emission technology can currently meet only half of Metro service needs (2025-RPT0105, [link](#))

³² The King County Auditor reported on these challenges in its 2024 report, Zero Emissions: Metro Transit Working to Mitigate Risks to County's Ambitious 2035 Goal ([link](#))

³³ In addition, Proposed Ordinance 2025-0174 would change the zero-emission target date for the rideshare fleet from 100% zero-emission by 2030 to 40% by 2030 and 100% by 2040; and the paratransit fleet from 67% by 2030 to 67% by 2040.

³⁴ South Annex Base was proposed to open in 2028 for 250 battery-electric buses. Metro states that it will develop a realignment plan to adjust the other bases in the absence of the planned South Annex Base.

³⁵ Metro is planning to operate Routes 105, 106, 107, 128, 153, 156, 161, 168, 183, 184, 193, and the F Line out of Tukwila Base using 89 new battery-electric buses and 31 that are currently located at the Test Charging Facility at South Base. Metro is planning to add 5,000 service hours to accommodate the reblocking that will be needed to allow these routes to be fully operated with battery-electric buses.

³⁶ Proposed Motion 2025-0172. The estimate is that converting the fuel planned for 2026-2027 to renewable diesel would avoid ~132,000 metric tons of CO2 equivalent (MTCO2e) over the biennium.

³⁷ The Central Campus bases are Ryerson, Central, and Atlantic.

³⁸ The Marine property tax collected \$0.008/\$1,000 assessed value in 2025 for revenues of \$7.2 million.

- **Non-fixed revenue vehicles.** The budget includes \$42 million for 600-700 vanpool vehicles out of the total 1,255-vehicle fleet (type to be determined);³⁹ \$21.3 million to purchase 83 renewable propane Access vehicles; and \$11.7 million to purchase 79 vehicles for the CAT program.

Given the magnitude of changes proposed for the zero-emission program, Metro states that it will prepare a Zero-Emission Implementation Plan in 2026, which will provide more information about next steps and budget needs, as well as more clarity about a new target date to achieve a 100% zero-emission revenue bus fleet.

Future Funding

The adopted Metro Connects⁴⁰ long-range plan estimated a funding gap of \$28.3 billion for capital investments and \$1.46 billion a year for service investments by 2050,⁴¹ and indicated that additional funding would be necessary for Metro service. In 2024, when Metro's 2025 budget was transmitted to the Council, it estimated a \$500 million shortfall in reserves by 2028-2029 due to expenditures outpacing revenues.⁴² The Executive stated that the 2025 budget should be considered "transitional," and that the 2026-2027 budget would include proposals to mitigate the projected shortfall.

Despite the reductions proposed in the 2026-2027 budget, however, Metro estimates it will face a \$1 million reserve shortfall by 2030-2031 and a \$755 million reserve shortfall by 2032-2033, which could require transit service cuts beginning in 2030.

Metro states that it has begun work to develop a report on its funding needs, which it plans to complete by Spring 2026.

Other Issues

RapidRide. Metro currently operates eight RapidRide lines (A-H) and is working to develop four additional lines (I, J, K, R), which are planned to start service between 2027 and 2032. Work on the K Line between Kirkland and Bellevue and the R Line along Rainier Avenue in Southeast Seattle was paused during the pandemic and then restarted at the Council's request. The 2026-2027 budget proposes scope reductions for both lines. The K Line's total budget would be reduced from \$106 million to \$85.3 million. The R Line's total budget would be reduced from \$123.5 million to \$91.2 million.

³⁹ The goal of a 100% zero-emission vanpool fleet by 2030 meant Metro planned to purchase only zero-emission vehicles beginning in 2024. With the proposed delay to 2040 (Proposed Ordinance 2025-0174), Metro might return to purchasing gas hybrid vehicles.

⁴⁰ Ordinance 19367, Attachment C

⁴¹ Motion 16155

⁴² In August 2025, Metro estimated that, without further action to adjust the plans contained in the 2025 budget, it would face a \$55 million reserve shortfall by 2026-2027 and an \$830 million shortfall by 2028-2029. At that time, Metro noted that the proposed 2026-2027 budget would attempt to address the reserve shortfalls, but that Metro would need additional funding. (2025-B0115, [link](#))

Parking fees. In 2018, the Council authorized⁴³ Metro to charge parking fees at County parking facilities, following a rulemaking process. Metro implemented paid parking at nine facilities,⁴⁴ but then suspended the program in 2020. The budget proposes an appropriation of \$329,000, which Metro estimates would yield \$613,000 in revenue, to restore parking fees at facilities where parking utilization is 90% or more.⁴⁵

Information technology investments. Metro relies on technology applications and interfaces to plan routes and schedules, collect fares, communicate between buses and the base, and provide information to employees and customers. The 2026-2027 budget includes \$42.4 million in proposed appropriations for transit technology projects.

KEY ISSUES

ISSUE 1 – RIDERSHIP & SERVICE

Metro is currently operating approximately 89% of pre-pandemic service levels for 70% of pre-pandemic ridership. The 2026-2027 budget proposes to add \$19.5 million for 411,900 additional fixed-route service hours; \$45 million for additional water taxi and flexible service; and \$2.9 million for additional service during the World Cup. The proposed fixed-route service increases are larger than Metro has planned in recent years and could pose challenges to implement.

The budget ordinance also requires that Metro encumber an additional \$2.5 million to support a summertime Downtown Seattle Shuttle service. As the budget ordinance is drafted, this \$2.5 million could not be expended unless an outside partner contributes 60% of the shuttle's fully allocated costs.

ISSUE 2 – SAFETY & SECURITY

In response to concerns about safety and security incidents on buses and at transit stops and bases, the 2026-2027 budget includes proposed adds of \$67 million in the operating budget and \$22 million in the capital infrastructure budget for safety and security investments.

The Transit Safety Task Force presented its Implementation Plan to the Committee of the Whole on October 6, 2025, which includes recommendations for additional safety and security investments.

⁴³ Ordinance 18837

⁴⁴ In late 2019, paid parking was implemented at Redmond Park & Ride, Issaquah Highlands Park & Ride, South Kirkland Park & Ride, Tukwila Park & Ride, Aurora Village Transit Center, Kenmore Park & Ride, Bear Creek Park & Ride, Bothell Park & Ride, and Shoreline Park & Ride.

⁴⁵ Metro proposes to charge a \$3/day rate for regular customers, \$1/day for ORCA LIFT customers, and no charge for carpools. Fees would start at Northgate (Park & Ride D and Thornton Place) and potentially later at Redmond Park & Ride, Bear Creek Park & Ride, and Overlake Park & Ride. Metro will share a parking management vendor with Sound Transit.

ISSUE 3 – FARES

The combination of lower ridership, higher costs, fare evasion, and revenue sharing with Sound Transit when passengers transfer between services means that farebox recovery remains below the 10% target in Metro's adopted fund management policies. Farebox recovery is projected to be 9.6% in 2026 and 9.8% in 2027.

The budget does not propose a fare increase during 2026-2027 but does propose funding to support Metro's move away from accepting cash and paper transfers on board buses. Council approval would be needed, which Metro indicates it will not seek until 2027.

ISSUE 4 – WORKFORCE

Metro continues to have vacancies for bus operators and mechanics, requiring ongoing reliance on overtime. The budget includes funding to continue the Service & Workforce Initiative to rebuild its operational capacity and support an increasing number of bus operators on long-term leave.

The current collective bargaining agreement with the Amalgamated Transit Union, (ATU) Local 587 ends on October 31, 2025. Negotiations for a new agreement are underway. It is unclear when a new agreement will be ratified and transmitted to Council, but it may have budget impacts.

ISSUE 5 – ZERO EMISSIONS

In early 2020, King County adopted goals for Metro to significantly lower its emissions, including that Metro's 1,000+ buses should be 100% zero-emission by 2035. However, Metro has proposed delaying its move to zero-emission, with the bus fleet now expected to reach zero-emission in the mid-2040s or later.

Metro indicates that it is developing a Zero-Emission Implementation Plan to provide more information about the timing for the conversion to a zero-emission fleet. Metro indicates it will complete in this plan in 2026.

ISSUE 6 – FUTURE FUNDING

Metro's 2025 budget, when adopted, anticipated a \$500 million shortfall in reserves by 2028-2029. For the proposed 2026-2027 budget, even after the proposed reductions, Metro estimates it will face a \$1 million reserve shortfall by 2030-2031 and a \$755 million reserve shortfall by 2032-2033, which could require service cuts by 2030.

Metro indicates that it has begun work to develop a report on its funding needs, which it plans to complete by Spring 2026.

ROADS OPERATING
ANALYST: NICK BOWMAN

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$257,705,180	\$252,625,008	435.6	8.0
2026-2027 Base Budget Adjust.	\$5,465,204	(\$150,000)	0.0	(1.0)
2026-2027 Decision Packages	\$4,021,450	\$4,910,935	(26.0)	(1.0)
2026-2027 Proposed Budget	\$267,192,000	\$257,386,000	409.6	6.0
% Change from prior biennium, biennialized	3.7%			
Dec. Pkg. as % of prior biennium, biennialized	1.6%			
Major Revenue Sources: Unincorporated Area Road levy, share of state gas tax receipts, reimbursable fees for services, grants, and mitigation payments from developers				

DESCRIPTION

The Road Services Division of the Department of Local Services manages the unincorporated area roadway network that supports more than one million trips per day while providing pathways for essential public utilities. The system consists of about 1,500 miles of County roads and 188 bridges, plus numerous sidewalks and pathways, traffic signs and signals, drainage pipes and culverts and other critical transportation infrastructure. The Strategic Plan for Road Services (SPRS) defines the vision and mission for the Road Services Division (RSD), consistent with the King County Strategic and Comprehensive Plans.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2026-2027 Roads operating budget of approximately \$267.2 million would be an increase of \$9.5 million (3.7%) over the 2025 revised budget biennialized. The increase is primarily due to base budget adjustments accounting for staff wages and benefits and increased central rates, including a \$5 million increase in Roads Motor Pool charges resulting from a new rate methodology implemented by the Fleet Services Division.

Proposed operating revenues of approximately \$257.3 million are an increase of approximately \$4.8 million (1.9%) over the revised 2025 budget. The increase is the result of adjustments made to match revenue projections from the Office of Economic and Financial Analysis (OEFA) and County Road Administration Board (CRAB).

Some notable decisions in the proposed 2026-2027 Roads operating budget include:

Survey Monument Management and Preservation - \$803,245 & 2.0 FTEs. The Executive's proposed budget would authorize approximately \$803,000 in new operating expenditures and 2 FTEs to identify, uncover, and restore survey monuments in compliance with state law requiring County road departments to protect survey monuments within road rights-of-way.¹

Transfer Finance and Human Resource Positions – (\$10,195,806) & (28.0) FTEs & (1.0) TLT. The Executive's proposed budget would transfer Finance and Human Resources positions from Roads to the Department of Local Services Director's Office to create a more centralized reporting structure. This decision would transfer 28.0 FTEs and 1.0 TLT from Roads to the DLS Director's Office and reduce Roads operating expenditures by approximately \$10.2 million over the biennium. This proposed reduction is offset by a corresponding increase included in central rate charges for DLS Division Overhead, thus resulting in a net-zero change.

According to the Executive, Human Resource positions have been centrally organized since not long after the DLS' formation, however, the positions were spread between Permitting and Roads and the organization chart structure did not reflect the reporting structure. The proposed technical adjustment seeks to align the organization structure with the reporting structure.

For the finance positions, the Executive reports that, in December 2024, the decision was made to restructure the Roads' finance functions by having the finance managers report directly to the DLS Chief Financial Officer. The shift was made to support greater collaboration between finance managers and DLS leadership on key budget and financial decisions and provide enhanced support for Roads leadership.

Program and Service Reductions due to Funding Challenges – (\$2,196,301). The Executive's proposed budget would achieve approximately \$2.2 million in savings through several program and service reductions. According to the Executive, these reductions are a result of Roads' structural funding deficit which is discussed further in the Key Issues section of the Roads Capital Program budget.

The proposed reductions include:

- Approximately \$1.6 million in reductions for consulting, IT services, training and supplies, deferring key investments in consultant-led strategic planning, technology upgrades, and professional development initiatives. According to the Executive, while these adjustments would provide immediate budget relief, they would also incur long-term challenges in sustaining innovation, workforce readiness, and infrastructure support.

¹ RCW 58.24.040(8), RCW 36.86.050, and 332-120 WAC.

- Approximately \$352,000 in reductions from suspending the Roads Summer Internship Program. Over the past four years, Roads has provided full-time paid summer internships to college and graduate students, offering hands-on experience across a diverse range of transportation-related fields. Though Roads views the program as a success, its suspension will provide some cost savings without immediately impacting services. According to the Executive, Roads intends to restore this program should new funding become available.
- Approximately \$237,000 in reductions by delaying the hiring of a Managing Engineer position² intended to oversee the survey, materials lab, and construction inspection and management units by one year. This position was approved in the 2023-2024 biennial budget³, but Roads has not yet been able to fill the position. According to the Executive, the delay in hiring the position for one year will increase the workload of existing Managing Engineers, requiring them to absorb the responsibilities left unfilled. This will create a ripple effect, leading to project delays and necessitating the reprioritization of tasks to ensure critical needs are met.

KEY ISSUES

Staff have not identified any issues with this appropriation unit.

² The Executive's proposed budget book incorrectly describes the position as a Fish Passage Program Manager. Executive staff state that only the name is incorrect and that the naming error does not materially change the proposed request.

³ Ordinance 19546

ROADS CONSTRUCTION TRANSFER

ANALYST: NICK BOWMAN

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$11,811,828	NA	NA	NA
2026-2027 Base Budget Adjust.	\$1,399,438	NA	NA	NA
2026-2027 Decision Packages	(\$6,891,266)	NA	NA	NA
2026-2027 Proposed Budget	\$6,320,000	NA	NA	NA
% Change from prior biennium, biennialized	(46.5%)			
Dec. Pkg. as % of prior biennium, biennialized	(58.3%)			
Major Revenue Sources: NA				

DESCRIPTION

The Roads Service Division's budgeted Total Capital Revenue must support the Total Capital Appropriation. After calculating the combination of fund balance, grants and contributions from other County funds, the transfer from the Roads Operating Fund is utilized to achieve the balance necessary to support the capital portfolio.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive proposed 2026-2027 Roads Construction Transfer of \$6.3 million represents a decrease of approximately \$5.5 million (-46.5%) from the 2025 revised annual budget biennialized. The decrease in moneys transferred from the operating fund to the capital program reflects Roads' diminished capital portfolio resulting from Roads' structural funding deficit. The structural funding deficit and its impact are discussed further in the Roads Capital Improvement Program.

KEY ISSUES

Staff have not identified any issues with this appropriation unit.

KING COUNTY ROAD CONSTRUCTION FUND

ANALYST: NICK BOWMAN

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$21,927,867	\$0	\$0
Appropriations	\$21,927,867	\$0	\$0
Major Revenue Sources: Fund Balance, Transfer from County Road Operating Fund, State and Federal Aid, Grants, REET 1, and SWM.			

DESCRIPTION

The Roads Capital Improvement Program consists of two primary funds: the County Road Major Maintenance Fund (Fund 3855) and the King County Road Construction Fund (Fund 3865).¹ The County Road Construction Fund was established to report the creation of capital projects which create a new asset while Major Maintenance projects extend the life of an existing asset.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2026-2027 biennial budget includes approximately \$22 million in new appropriation authority for the King County Road Construction Fund (Construction Fund). Of the proposed \$22 million, only \$70,000 (0.3%) is supported by dedicated Roads revenues. The fund's diminishing capital revenues is a result of the Roads' structural funding deficit which is discussed further in the Key Issues section of this staff report. The fund's financial health is particularly dire in the outyears with the CIP budget financial plan showing no assumed revenues beyond the 2026-2027 biennium and limited expenditures dedicated to existing projects.

Notable capital programs/projects proposed for the Construction Fund include:

Culvert Replacement and Fish Passage Projects – \$16,300,000. The proposed budget includes approximately \$16.3 million to support five new and existing culvert replacement and fish passage projects² including:

- Approximately \$1.3 million in State grant moneys to continue final design and implementation of the High Point Way Culvert Replacement project in Council District 3;
- Approximately \$5.9 million in a combination of Federal Highway Administration grant, SWM fee, and County Road Fund moneys to support design,

¹ Ordinance 18323, adopted by the Council in 2016, created the two primary funds to better align with the reporting requirements for the County Road Administration Board (CRAB).

² Three projects in Council District 3 and two projects in Council District 9.

implementation, and acquisition of the new 180th Ave SE and SE 408th St Culvert Replacement project in Council District 9;³

- \$800,000 in Flood Control District grant moneys to support design of the new Avondale Road at Cottage Lake Creek Culvert Replacement project in Council District 3;
- Approximately \$6.1 million in Federal Highway Administration grant (\$3.7 million) and SWM fee (\$2.4 million) moneys to continue design, implementation, and acquisition of the 17401 SE 240th St Culvert Replacement project in Council District 9⁴; and
- Approximately \$2.1 million in REET 1 moneys to continue design, implementation, and acquisition of the 238th Ave NE and NE 70th Street Culvert Replacement project in Council District 3.⁵

Skyway Stormwater Park Property Acquisition – \$2,777,700. The proposed budget includes approximately \$2.8 million in new appropriation authority to support property acquisition for the development of a new stormwater park in the Skyway neighborhood of unincorporated King County. According to the Executive, the project would include the purchase of four parcels, totaling 4.37 acres, and is intended to improve the road drainage system by eliminating flooding of roads and private property, while providing additional open space for the community and increase stormwater capacity in support of developing more affordable housing.

Roads received recommendation for award of a King County Conservation Futures Tax Levy grant from the Department of Natural Resources and Parks in support of the project and funding is proposed in the Conservation Futures Levy (Fund 315).⁶

The current budget request only supports the land acquisition for this project. No revenue has been identified for the other phases of creating the proposed stormwater park and Roads anticipates pursuing grant opportunities to fund all future project phases.

³ This project was initially a child project in the Roads Culvert Replacement and Fish Passage Program (#1135045). The proposed budget would convert this child project to a standalone project in the County Road Construction Fund (#1150297). As part of the conversion, \$522,000 of previously allocated SMW fee and \$70,000 in County Road Fund moneys would be transferred to the standalone project.

⁴ This project includes a technical adjustment which would transfer approximately \$1.5 million of existing SWM fee revenue from project #1140905 in the Roads Major Maintenance Fund to this newly created standalone project #1150638. As a result, out of the total \$2.4 million in SWM fee moneys requested for this project, only \$900,000 would constitute new revenue. (See the Roads Major Maintenance Fund Staff Report for more details).

⁵ This project includes a technical adjustment which would transfer \$526,000 of REET 1 moneys from project in the Roads Major Maintenance Fund #1144166 to this newly created standalone project #1150639. As a result, out of the total \$2.1 million in REET 1 moneys requested for this project, only \$1.6 million would constitute new revenue. (See the Roads Major Maintenance Fund Staff Report for more details).

⁶ Project 1150285

Intersection Improvement Projects – \$1,120,000. The proposed budget includes approximately \$1.1 million in new appropriation authority for three existing intersection improvement projects⁷ including:

- \$670,000 in REET 1 moneys to continue final design and acquisition on the S 360th Street at Military Road S roundabout project in Council District 7;
- \$300,000 in REET 1 moneys to support continued design on the S 360th Street and 28th Avenue S intersection improvement project in Council District 7; and
- \$150,000 in REET 1 moneys to support continued design of the 148 Avenue SE at SE 224th Street intersection improvement project in Council District 9.

Berrydale Bridge Replacement & Corridor Improvements – \$1,000,000. The proposed budget includes \$1 million in new appropriation authority to continue design on the existing Berrydale Bridge and corridor improvement project. Approved in 2023, this project will replace the structurally deficient and functionally obsolete Berrydale bridge, construct two roundabouts at each end of the bridge on Kent Black Diamond Road SE, at SE 290th Street and at SE 292nd Street, and replace a fish barrier culvert over Jenkins Creek within the project corridor.

Roads Facilities and Electric Vehicle Infrastructure Program– \$775,000. The proposed budget would allocate \$775,000 in proceeds from the sale of the North Bend and Molasses Creek pit sites to support Roads facility improvements including electrical upgrades for the main Renton maintenance campus.

This action would be consistent with the adopted Roads Services Division Financial Policies and Practices⁸ and Strategic Plan for Road Services 2014 Update,⁹ which called for proceeds from surplus property sales to be used to make improvements to division facilities rather than road overlay or other routine asset maintenance projects.

KEY ISSUES

ISSUE 1 – ROADS FUNDING

The Roads Services Division is supported by revenue from three primary sources: a dedicated property tax on unincorporated properties,¹⁰ the state gas tax, and grant funding, with the property tax contributing over 80% of Roads-specific revenue. Over the years, the combined impact of municipal annexations, state limitations on available revenue options, lingering effects of the Great Recession, implementation of the state's Growth Management Act, voter initiatives, and aging infrastructure has resulted in a structural decline in the county's capacity to maintain and improve its road and bridge network. Using just the effects of the Great Recession as an example, average

⁷ Two projects in Council District 7 and one project in Council District 9.

⁸ Motion 13595

⁹ Motion 14190

¹⁰ RCW 36.82.040

assessed residential value in unincorporated King County fell by almost 40% between 2010 and 2013; sharply reducing roads levy funding, which has yet to fully recover.

In August of 2015, the Bridges and Roads Task Force (Task Force) was established to assess Roads' constrained finances and explore funding solutions to address the county's deteriorating road network. In January of 2016, the Task Force published its final report that identified a funding gap of \$250 million to \$400 million a year. Based on state property and gas tax data, Executive staff estimate that Roads will see average revenues of just over \$100 million annually – less than half of the estimated \$220 million needed annually to moderate the decline of the system and to minimize risk.

The financial situation for Roads' Capital Improvement Program is particularly dire. With existing revenues, current estimates from Executive staff show that dedicated funding for capital projects will be exhausted in 2028. At that time, the capital program would rely on non-dedicated revenue sources from the Surface Water Management Fee, Flood Control District, REET 1, and grants. All of these are sources that Roads must compete with other county agencies for, are not specifically prioritized to meet the greatest needs of the users of the county road system, and must be treated as one-time, rather than ongoing, sources of funds.

The most recent Roads Line of Business Report highlights the number of ways Roads has approached their funding challenge including: cutting costs, finding efficiencies, identifying new ways to do business, and engaging internal and external stakeholders, regional partners, and elected officials in discussions about the solutions to the structural funding gap.¹¹ Recent federal infrastructure funding has provided additional grant opportunities for Roads and the Council approved additional grant program staff in the 23-24 biennial budget to assist in preparing competitive applications. Roads have been awarded over \$63 million since the Council approved additional staff support in 2023 and over \$120 million in total since 2019. However, Roads staff state that their cost-cutting efforts, combined with even sizeable grant opportunities, are not sufficient to address the county's current and growing volume of unmet road and bridge needs.

Over 2020 and 2021, the Council considered legislation which would have proposed voter propositions authorizing a six-year permanent levy lid lift to support the maintenance and preservation of the King County roads system.¹² The 2021 proposal was estimated to generate approximately \$178 to \$236 million in additional annual revenue over the six-year levy period above what would be generated under the current levy rate. However, as the result of the COVID-19 pandemic and its uncertain impact on the economy, neither proposal moved forward.

¹¹ <https://cdn.kingcounty.gov/-/media/king-county/depts/local-services/roads/plans-reports/2023-24roadservicesbusinessplan.pdf?rev=bbac0a6f28eb45fd895115c48c73d182&hash=0B1335DC88113BF1EB2D9BFBB84CF15D>

¹² Proposed Ordinances 2020-0110 & 2021-0206

In June of this year, the King County Transportation Benefit District (KCTBD) heard Proposed Resolution TD2025-02 which would impose a countywide 10-year 0.1% sales and use tax for transportation improvements, with revenues distributed equally between Roads and the Metro Transit Department. The proposed 0.1% sales tax was estimated to collect approximately \$95 million per year in its first year of collections, of which approximately \$47.5 million would be directed to Roads. Proposed Resolution TD2025-02 is currently being considered by the KCTBD but has not been acted on.

With no new revenue options available, the Executive's proposed 2026-2027 proposed budget continues the recent trend of allocating SWM fee and REET 1 moneys to support Roads capital projects. Under the Executive's proposed budget, the Roads capital program will receive approximately \$9.9 million in SWM fee revenues and \$14.4 million in REET 1 funds, representing 44% of total Roads capital revenue for the biennium.

COUNTY ROAD MAJOR MAINTENANCE

ANALYST: NICK BOWMAN

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$33,305,270	\$7,231,347	\$0
Appropriations	\$33,305,270	\$21,501,610	\$21,501,610
Major Revenue Sources: Fund Balance, Transfer from County Road Operating Fund, State and Federal Aid, Grants, REET and SWM.			

DESCRIPTION

The Roads Capital Improvement Program consists of two primary funds: the County Road Major Maintenance Fund (Fund 3855) and the King County Road Construction Fund (Fund 3865).¹ The County Road Major Maintenance Fund reports major maintenance activities which extend the life of an existing asset. Major Maintenance projects are usually performed in response to unexpected damage to assets or based on condition ratings or inspections of specific road assets. Regular Maintenance differs from Major Maintenance in that it is performed cyclically, on a schedule informed by performance standards and available resources.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2026-2027 biennial budget includes approximately \$33 million in new appropriation authority for the King County Road Major Maintenance Fund (Maintenance Fund). Of the proposed \$33 million, only \$6.3 million (19%) is supported by dedicated Roads revenues. The fund's diminishing capital revenues is a result of the Roads' structural funding deficit which is discussed further in the Key Issues section of this staff report. The fund's financial health is particularly dire in the outyears with the CIP budget financial plan showing a revenue shortfall of approximately \$14.3 million in the 2028-2029 biennium of the \$21.5 million necessary to sustain minimum maintenance staff and services.

Significant capital programs/projects proposed for the Maintenance Fund include:

Culvert Replacement and Fish Passage Projects – \$17,100,000. The Executive's proposed budget would appropriate a net total of approximately \$17.1 million across fourteen new and existing culvert replacement and fish passage projects at various stages of completion. This includes approximately \$19.1 million in new appropriation authority across twelve new and existing culvert projects and the disappropriation of approximately \$2 million from two existing culvert projects.

¹ Ordinance 18323, adopted by the Council in 2016, created the two primary funds to better align with the reporting requirements for the County Road Administration Board (CRAB).

The twelve culvert projects² which would receive new appropriation authority include:

- \$7 million in REET 1 moneys to construct the SE Petrovitsky Road at 134th Ave SE Culvert Replacement project in Council District 9;
- \$100,000 in REET 1 moneys to supplement the construction phase of the 128th Way Culvert Replacement project in Council District 3;
- Approximately \$607,000 in a combination of Federal Highway Administration grant (\$537,000) and REET 1 (\$70,000) moneys to construct the Avondale Road NE at NE 144th Place Culvert Replacement project in Council District 3;
- \$1.3 million in Federal Highway Administration grant moneys to construct the NE 165th St at 176th Ave NE Culvert Replacement project in Council District 3;
- \$20,000 in REET 1 moneys to support continued design of the S 370th St Culvert Replacement project in Council District 7;
- Approximately \$4.9 million in Federal Highway Administration grant moneys to construct the 156th Ave SE & SE 240th St Culvert Replacement project in Council District 9;
- \$500,000 in REET 1 moneys to continue final design and right of way acquisition for the 8402 W Snoqualmie Valley Road NE Culvert Replacement project in Council District 3;
- \$1,000,000 in FEMA grant moneys to support continued design for the 25414 SE 424th St Near 254th Ave S Culvert Replacement project in Council District 9;
- \$400,000 in REET 1 moneys to continue final design and right-of-way acquisition for the SE Ravensdale Way on Rock Creek Culvert Replacement project in Council District 9;
- Approximately \$1,621,000 in a combination of Federal Highway Administration grant (\$1,296,4000) and SWM fee (\$324,200) moneys to support design of the 196th Ave SE at 40300 Block Culvert Replacement passage in Council District 9;
- \$1,290,000 in a combination of Federal Highway Administration (\$1,032,000) and SWM fee (\$258,000) moneys to support design of the 212th Ave SE at SE 396th St Culvert Replacement project in Council District 9; and
- \$400,000 in REET 1 moneys to support preliminary design on the NE Old Cascade Highway at 71671 Block Culvert Replacement project in Council District 3.

The two projects with proposed disappropriations include:

- (\$1.5 million) in SWM fee moneys are proposed to be transferred from the 17401 SE 204th St Culvert Replacement project to a new project in the County Road Construction Fund. According to the Executive, a 64-foot-long bridge was chosen as the preferred alternative to replace the existing 36-inch culvert. With the preferred alternative creating a new County asset, County guidelines require this project to be closed out of the Maintenance Fund and all associated revenue

² Six projects in Council District 9, five projects in Council District 3, and one project in Council District 7.

transferred to a newly created standalone project in the County Road Construction Fund; and

- (\$526,000) in REET 1 moneys are proposed to be transferred from the 238th Avenue NE & NE 70th St Culvert Replacement project to a new project in the County Road Construction Fund. According to the Executive, a 66-foot-long bridge was chosen as the preferred alternative to replace the existing 30-inch culvert. With the preferred alternative creating a new County asset, County guidelines require this project to be closed out of the Maintenance Fund and all associated revenue transferred to a newly created standalone project in the County Road Construction Fund.

Drainage Preservation Program – \$8,400,000. The Executive's proposed budget includes \$8.4 million in new appropriation authority for the drainage preservation program. The drainage preservation program is an ongoing program designed to protect road users and the existing roadway structures by eliminating failed or failing drainage systems. Revenue supporting the program includes a combination of SWM Fee (\$6 million) and County Road Fund (\$2.4 million) moneys. Projects may include new infrastructure, repairs of failing systems, ditches, and shoulders (which help water to properly drain off roads), as well as other necessary drainage features. A list of projects from the existing backlog is chosen at the beginning of each year as determined by the priority array but are subject to change throughout the year as new drainage problems arise.

Roadway Preservation Program – \$4,350,000. The Executive's proposed budget includes approximately \$4.35 million in new appropriation authority for the roadway preservation program. Revenue supporting the program includes a combination of County Road Fund (\$2.4 million) and REET 1 (\$1.95 million) moneys. Roads will determine roadway preservation projects that will be addressed throughout the biennium using pavement condition score, functional designation, and other factors. A final candidate list will be set in early 2026. The funding would also be used to continue supporting a local road chip seal program operated by the multi-benefit maintenance crew approved in the 2023-2024 biennial budget.³

High Collision Safety Program – \$1,276,000. The Executive's proposed budget includes approximately \$1.3 million in new appropriation authority for the High Collision Safety Program. This program improves the safety of the roadway network by identifying intersections and roadway sections with high collision rates throughout unincorporated King County and making improvements to reduce the likelihood of such collisions. The requested appropriation would provide \$1.1 million in Washington State Highway Improvement Grant moneys to construct sightline improvements on SE Covington-Sawyer Road, east of the intersection. The remaining \$150,000 will be

³ Ordinance 19546

dedicated to making improvements that may be recommended in the next High Collision Location report, scheduled for spring 2026.⁴

Bridge Priority Maintenance – \$1,100,000. The Executive's proposed budget includes \$1.1 million in new appropriation authority for the Bridge Priority Maintenance Program. This program finances high priority preservation and maintenance projects to keep the aging bridge inventory serviceable and safe for the traveling public. Projects may include load upgrades, scour mitigation, re-deck, bridge rail repairs or retrofits, superstructure and substructure repairs, painting, bridge washing, urgent repairs such as flood damage repairs, and vehicle damage repairs, etc.

Baring Bridge Replacement Project – \$1,000,000. The Executive's proposed budget includes \$1 million in new appropriation authority to support completion of final design and continued implementation of the Baring Bridge replacement project. These costs include extended project management costs, two years of escalation costs from previous amendments for 100% design and bid package tasks, the addition of grading plans, an approach slab on the near side of U.S. Highway 2, and other associated costs.

According to the Executive, additional funding is necessary to cover costs associated with the delay in construction which was anticipated to start in 2026 but is not expected to start in 2029. The delay is primarily caused by an extended three-year Endangered Species Act review process by the U.S. Fish and Wildlife Service (USFWS) due to capacity constraints. Additionally, the project requires a multi-agency review process involving the Washing State Department of Transportation and Federal Highway Administration approvals before the USFWS review can even begin. Finally, there are also project design changes required by new Federal Emergency Management Administration and King County floodway regulations and various procurement and consultant-related issues.

The current estimate to construct the bridge is \$31.1 million.

Culvert Replacement and Fish Passage Program – (\$592,000). The Executive's proposed budget would disappropriate \$592,000 from the Culvert Replacement and Fish Passage Program. The disappropriation reflects the conversion of a child project within the program to a standalone project in the County Road Construction Fund which would transfer \$522,000 of previously appropriated SWM fee moneys and \$70,000 in previously appropriated County Road Fund moneys to the standalone project.⁵

⁴ The Roads High Collision report identifies locations which have high collision rates and recommends counter measures that seek to reduce the rate of collisions at these locations. Project examples include low-cost measures such as, rumble strips, flashing lights, high-surface friction treatment, additional signage, painting, pylons, and seed money to explore larger solution.

⁵ 180th Ave SE and SE 408th St Culvert Replacement project (#1150297)

KEY ISSUES

ISSUE 1 – ROADS FUNDING

The Roads Services Division is supported by revenue from three primary sources: a dedicated property tax on unincorporated properties,⁶ the state gas tax, and grant funding, with the property tax contributing over 80% of the Roads-specific revenue. Over the years, the combined impact of municipal annexations, state limitations on available revenue options, lingering effects of the Great Recession, implementation of the state's Growth Management Act, voter initiatives, and aging infrastructure has resulted in a structural decline in the county's capacity to maintain and improve its road and bridge network. Using just the effects of the Great Recession as an example, average assessed residential value in unincorporated King County fell by almost 40 percent between 2010 and 2013; sharply reducing roads levy funding, which has yet to fully recover.

In August of 2015, the Bridges and Roads Task Force (Task Force) was established to assess Roads' constrained finances and explore funding solutions to address the county's deteriorating road network. In January of 2016, the Task Force published its final report that identified a funding gap of \$250 million to \$400 million a year. Based on state property and gas tax data, Executive staff estimate that Roads will see average revenues of just over \$100 million annually – less than half of the estimated \$220 million needed annually to moderate the decline of the system and to minimize risk.

The financial situation for Roads' Capital Improvement Program is particularly dire. With existing revenues, current estimates from Executive staff show that dedicated funding for capital projects will be exhausted in 2028. At that time, the capital program would rely on non-dedicated revenue sources from the Surface Water Management Fee, Flood Control District, REET 1, and grants. All of these are sources that Roads must compete with other county agencies for, are not specifically prioritized to meet the greatest needs of the users of the county road system, and must be treated as one-time, rather than ongoing, sources of funds.

The most recent Roads Line of Business Report highlights the number of ways Roads has approached their funding challenge including: cutting costs, finding efficiencies, identifying new ways to do business, and engaging internal and external stakeholders, regional partners, and elected officials in discussions about the solutions to the structural funding gap.⁷ Recent federal infrastructure funding has provided additional grant opportunities for Roads and the Council approved additional grant program staff in the 23-24 biennial budget to assist in preparing competitive applications. Roads have been awarded over \$63 million since the Council approved additional staff support in

⁶ RCW 36.82.040

⁷ <https://cdn.kingcounty.gov/-/media/king-county/depts/local-services/roads/plans-reports/2023-24roadservicesbusinessplan.pdf?rev=bbac0a6f28eb45fd895115c48c73d182&hash=0B1335DC88113BF1EB2D9BFBB84CF15D>

2023 and over \$120 million in grants in total since 2019. However, Roads staff state that their cost-cutting efforts, combined with even sizeable grant opportunities, are not sufficient to address the county's current and growing volume of unmet road and bridge needs.

Over 2020 and 2021, the Council considered legislation which would have proposed voter propositions authorizing a six-year permanent levy lid lift to support the maintenance and preservation of the King County roads system.⁸ The 2021 proposal was estimated to generate approximately \$178 to \$236 million in additional annual revenue over the six-year levy period above what would be generated under the current levy rate. However, as the result of the COVID-19 pandemic and its uncertain impact on the economy, neither proposal moved forward.

In June of this year, the King County Transportation Benefit District (KCTBD) heard Proposed Resolution TD2025-02 which would impose a countywide 10-year 0.1% sales and use tax for transportation improvements, with revenues distributed equally between Roads and the Metro Transit Department. Estimates provided by the King County Office of Performance, Strategy, and Budget in March 2025 indicate that 0.1% sales tax imposed countywide would collect approximately \$95 million per year in its first year of collections, of which approximately \$47.5 million would be directed to Roads. Proposed Resolution TD2025-02 is currently being considered by the KCTBD but has not been acted on.

With no new revenue options available, the Executive proposed 2026-2027 proposed budget continues the recent trend of allocating Surface Water Management fee and REET 1 funding to support Roads capital projects. Under the Executive's proposed budget, the Roads capital program will receive approximately \$9.9 million in SWM fee revenues and \$14.4 million in REET 1 fund, representing 44% of total Roads capital revenue for the biennium.

⁸ Proposed Ordinances 2020-0110 & 2021-0206

OFFICE OF CLIMATE

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$12,120,906	\$00,000,000	13.0	3.0
2026-2027 Base Budget Adjust.	(\$602,876)	(\$301,170)	0.0	0.0
2026-2027 Decision Packages	\$2,243,262	\$1,261,092	1.0	(1.0)
2026-2027 Proposed Budget	\$13,762,000	\$13,762,000	14.0	2.0
% Change from prior biennium, annualized	13.5%			
Dec. Pkg. as % of prior biennium, annualized	18.5%			

Major Revenue Sources: Climate Cost Share Internal Rate, grants.

DESCRIPTION

The Office of Climate is tasked with leading King County's response to the emergency created by human-caused climate change. The office elevates the priority of addressing climate and enhances collaboration across departments, with external partners, and with the community. The office provides cross-departmental policy support and leadership in the implementation of the Strategic Climate Action Plan (SCAP). The other main role is looking forward to new actions and innovations the county should be pursuing to mitigate climate change and to advance sustainable and resilient frontline communities. The office is focused on policy development and creating bridges where there are complex, interdepartmental efforts to mitigate and prepare for climate change.

The Office of Climate will also be managing all of the grants discussed in the Climate Office Grants staff report, which amount to \$63.7 million. The 7 FTEs associated with the grants are appropriated in the Grants Fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2026-2027 Biennial Budget would appropriate \$13.8 million to the Office of Climate and authorize 14 FTEs. This is a 13.5% increase from the 2025 biennialized budget and an increase of 1 FTE. The changes proposed for 2026-2027 include shifting the green building programmatic costs of \$1,454,158 to the Office of Climate appropriation, increasing the climate cost share allocation by \$701,092 to cover increases in salary and central rates, and appropriating \$560,000 for programs supported the Office and Climate and backed by external revenue.

The Office of Climate is funded by the climate cost share which is a central rate allocated to departments and divisions on the basis of operational greenhouse gas emissions. The costs are only allocated to agencies with direct operational emissions (DNRP, Metro, Roads, and a few divisions of DES).

Climate Cost Share Decision Packages. For the 2026-2027 proposed budget, cost allocations are increasing to cover the increased expenditures for Office of Climate. Additionally, the Office of Climate has adjusted the methodology to allocate the climate costs. These cost allocation changes from both the change in methodology and increased expenditures are reflected in decision packages throughout the proposed budget and are listed in Table 1.

Previous cost share allocations were based on 2017 GHG emissions and a previous allocation methodology and shown in the second column of Table 1. For 2026-2027, the cost allocation was based on 2022 data and used an updated methodology for the inventory. The most notable change is for the Wastewater Treatment Division (WTD) for which its proportional share of county GHG emissions increased from 16.55% to 23.11%. Executive staff report WTD's reported emissions are nearly the same, however the cost share allocation changed based on the updated methodology.

Table 1
2026-2027 Climate Cost Share Model and Decision Package Changes

Agency	Percent of County Operation GHG (2017 data)	Percent of County Operation GHG (2022 data)	2026-2027 Proposed Cost Share	Decision Package Changes (DS_120)
DNRP-SWD	26.62%	21.30%	\$2,800,360	\$(467,040)
DNRP-WTD	16.55%	23.11%	\$3,010,812	\$983,012
DNRP-Parks	0.86%	0.23%	\$62,116	\$(116,884)
DNRP-WLRD (Shared Services & SWM)	0.18%	0.16%	\$69,072	\$1,872
Metro	45.65%	45.3%	\$5,904,992	\$278,392
DES-FMD	4.01%	3.04%	\$425,168	\$(135,232)
DES-Airport	0.16%	0.12%	\$46,104	\$(1,296)
Local Services-Roads	0.42%	0.01%	\$24,692	\$(46,108)
DES-Fleet	5.55%	6.78%	\$875,976	\$204,376
Total	100.0%	100.0%	\$13,219,292	\$701,092

KEY ISSUES

ISSUE 1 –REMAINING GREEN BUILDING COSTS [\$1.4 MILLION] ADDED TO THE CLIMATE COST SHARE MODEL

The 2025 adopted budget moved salary costs for three green building positions, totaling \$655,000, in Solid Waste Division into the climate cost share model. Similarly, the proposed 2026-2027 budget requests that the programmatic costs [\$1.4 million] associated with the green building program be included in the climate cost share model and that those moneys be located in the Office of Climate's appropriation as the sponsor of this work. With this proposed add, all the programmatic Green Building costs would be funded by the climate cost share model. Since Solid Waste Division (SWD) previously used fund balance to cover the expenditures related to the green building team, there is no corresponding reduction in the 2026-2027 proposed SWD budget.

WASTEWATER TREATMENT OPERATING

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$473,394,808	\$1,387,308,490	946.0	8.0
2026-2027 Base Budget Adjust.	(\$6,815,327)	(\$2,000,000)	0.0	0.0
2026-2027 Decision Packages	\$36,093,460	\$173,606,051	69.0	8.0
2026-2027 Proposed Budget	\$502,673,000	\$1,558,915,000	1015.0	16.0
% Change from prior biennium, annualized	6.2%			
Dec. Pkg. as % of prior biennium, annualized	7.6%			
Major Revenue Sources: Sewer rate and capacity charge revenue, etc.				

DESCRIPTION

The Wastewater Treatment Division (WTD) is responsible for collecting and treating wastewater from its designated service area, and for reclaiming wastewater, recycling solids, and generating energy. WTD expenditures are organized in three budgets, including the Wastewater Operating, Water Quality Construction, and Wastewater Debt Service budgets. The operating budget includes both expenditures to operate the five wastewater treatment plants and 390 miles of conveyance pipeline, and rate revenues to support operating, capital, and debt service needs. As such, revenues associated with the operating budget significantly exceed operating costs; the bulk of revenues have historically been transferred to the capital fund, debt service fund, and used for debt defeasance.

Operating programs are focused on the conveyance, treatment, and recycling of wastewater and its treatment residuals. Wastewater is received from cities and sewer districts, who deliver it to County interceptor pipelines; generators include both households and business/industry. The West Point, South, and Brightwater treatment plants are considered regional treatment plants and receive and process the bulk of the region's wastewater; the Carnation and Vashon plants address more limited and localized wastewater processing needs. Agency services also support resource recovery efforts, including biosolids recycling, reclaimed water utilization and distribution, and natural gas/biomethane processing and reuse. The agency's Industrial Waste program issues permits, and conditions discharge of industrial waste into the sewer system, requiring pretreatment of discharges to minimize impacts on treatment facilities.

Primary revenue sources include the sewer rate, paid by all dischargers, and the capacity charge, assessed for new connections to the wastewater system. In June

2025, the Council approved a sewer rate increase of 7.5% for 2026 and at that time WTD projected an increase of 12.75% for 2027. Increases in operating expenditures can have a larger impact on the rate than an equivalent increase in capital costs because operating expenditures must be funded by cash (rate revenue).

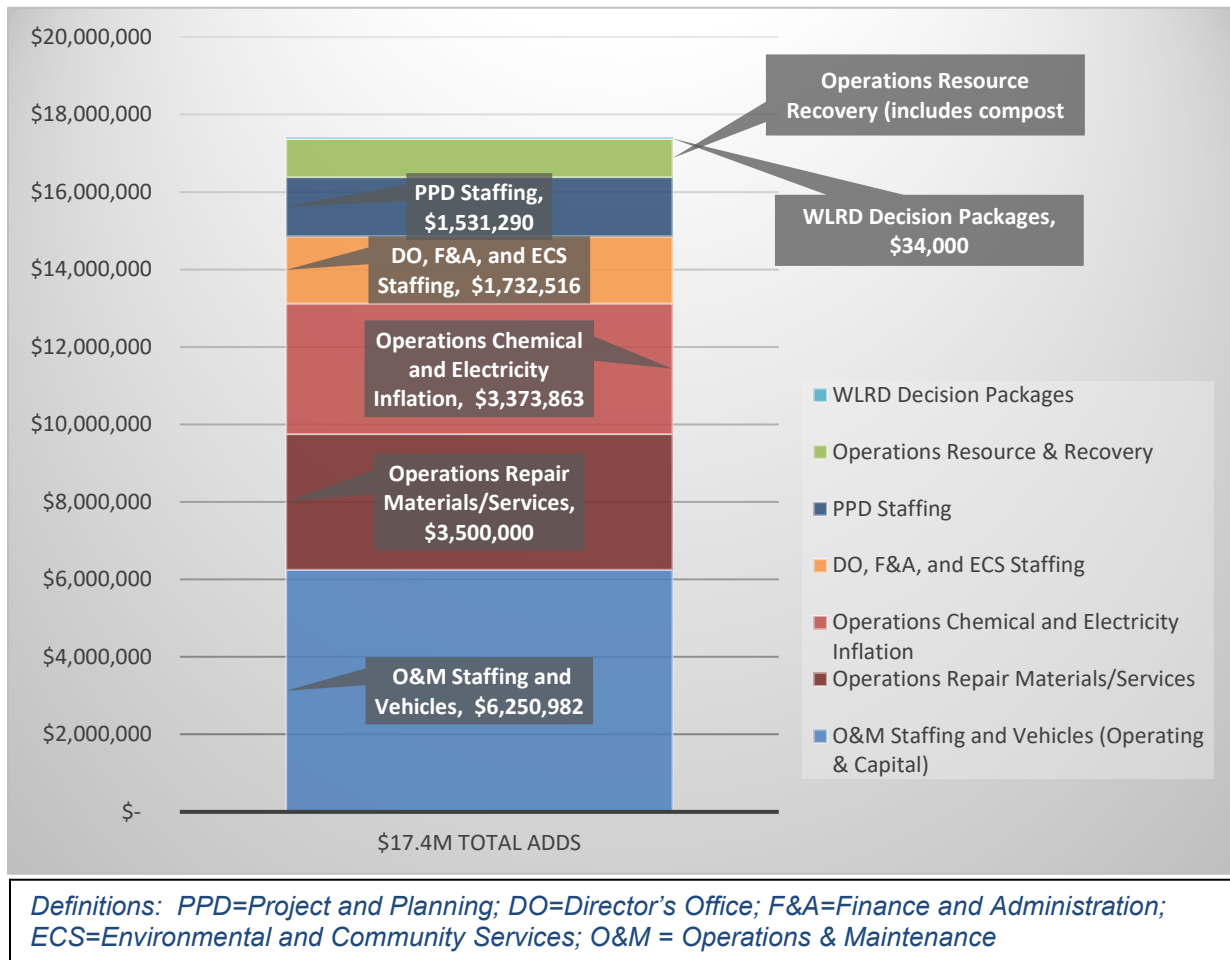
SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed operating budget is 6.2% higher than the 2025 annual biennialized budget. The increase reflects inflationary operational costs, additional funding for major maintenance repairs, and additional staffing for operations, capital, and administrative support. For the FTE requests related to capital, only the share of the FTE costs related to operations is requested in this operating budget. The remaining costs are charged to capital projects.

How the Annual Sewer Rate Adoption Process Works with WTD's Biennial Budget. As WTD is largely funded by the sewer rate and capacity charge, its projected operating expenditures and FTEs are based on the annual rate adoption, which by contract with local sewer agencies, must occur prior to June 30 each year. WTD budgets only based on adopted rates, not projected rates. Therefore, the proposed 2026-2027 budget only assumes the expenditure level and FTEs for the biennium that are supported at the 2026 adopted sewer rate level. After the 2027 rate is adopted by June 30, 2026, for the 2027 fiscal year, the Executive will have an opportunity to transmit a supplemental budget ordinance to reflect any changes in expenditures for 2027 based on revenues from the new 2027 adopted rate. Additional staffing and operational needs beyond those supported by the 2026 rate will be considered based on the 2027 adopted rate. During the 2026 rate adoption, WTD forecasted the rate in 2027 would increase 12.75%. If this rate increase is proposed by the Executive and adopted by the Council, there would likely be a corresponding supplemental budget request in 2027.

WTD provided the figure below to illustrate the major categories of new operational investments requested in the 2026-2027 proposed budget.

Figure 1
2026-2027¹ Proposed WTD Operating Adds



Key decision packages are listed below.

Major maintenance repairs - \$6.7 million. This decision package includes funding to address aging assets, failing assets, and unforeseen repairs of assets. WTD reports its current repair budget of \$3 million is insufficient and it can no longer absorb additional costs to complete this work.

West Point Treatment Plant - \$5.2 million and 13 FTEs. Five decision packages including requests for five mechanics, three instrument technicians, three maintenance electricians, one industrial maintenance specialist, and one process engineer.

Transfer to Water and Land Resources Division (WLRD) - \$4.6 million. This decision package would increase the transfer to WLRD to reflect inflationary cost increases to the approximately \$42 million of biennial operating transfer to WLRD for

¹ See the discussion above explaining the 2027 portion of WTD's 2026-2027 proposed budget.

environmental lab services and other science services. This is in addition to the \$1.5 million increase to WLRD in the 2025 budget.

Project Planning and Delivery - \$2.2 million and 27 FTEs. This decision package would add an additional 27 FTEs to support the expanding capital portfolio of programs and projects. Additionally, the 2026-2027 proposed budget includes two Water Quality Planner/Project Manager positions at \$74,201, related to the expanding capital program. An additional \$14.7 million is included in the appropriation for the capital projects to support the capital portion of the FTEs requested in the operating budget.

Increasing Electricity Costs - \$2.9 million. This includes \$2.1 million for South Plant electricity costs and \$799,152 for projected increasing costs at West Point Treatment. The increase at South Plant is due to both increased consumption and Puget Sound Energy rate increases. This is in addition to the \$1.3 million added in 2025 and represents an approximate 18% increase from South Plant's current budget for electricity. The increase at West Point is largely due to expected Seattle City Light rate increases.

South Plant Staffing - \$2.5 million and 7 FTEs. The decisions packages would add 5 FTEs for South Plant mechanics with corresponding tools and vehicles, one South Plant industrial procurement specialist and one additional South Plant Treatment Engineer. These 7 FTEs will be added to the existing 130 staff for South Plant.

Administrative, Business and Finance staff - \$1.5 million and 8 FTEs. The 2026-2027 proposed budget includes five decision packages adding a total of eight positions related to administrative, business, and finance support.

Biosolids - \$1.9 million. This includes \$1.4 million for increased costs for biosolids hauling and application and \$500,000 (one-time) for the operational costs of the biosolids compost pilot located at South Treatment Plant. The pilot which began producing a compost in late November of 2024 has provided proof of concept in WTD's ability to produce a high-quality biosolids-derived compost that meets Class A requirements. The pilot is performing as expected and is anticipated to run for a five-year period to allow for testing and evaluation of the product.

Brightwater Treatment Plant Staffing - \$980,693. This decision package includes one gardener and two supervisor FTEs at Brightwater Treatment Plant.

Expand Director's Office - \$905,829 and 3 FTEs. This decision package would add one Chief of Staff, one Special Projects Manager, and one Construction Safety Specialist to the Director's Office. The Special Projects Manager will manage politically sensitive, inter-governmental, strategic, regulatory, and confidential projects/programs for the WTD's Director's Office. These staffing adds would bring the total FTEs in the Director's Office to 41 FTE.

WaterWorks Grant Program - \$797,450. This decision package would add an inflationary increase to the WaterWorks Grant Program based on 1.5% of WTD operating budget.

The budget also includes a large revenue adjustment of \$173.6 million to revise budgeted revenues to match the current forecast projected to increase, largely due to increasing rate revenues. In addition, there are technical budget expenditure reductions totaling \$14.1 million.

KEY ISSUES

ISSUE 1 – CONTINUED INCREASE IN STAFFING

The proposed budget would add 69.0 FTEs to the existing 946 FTEs, for an increase of 7.2% in the size of the employee pool. The specific positions are identified in the summary above and requested positions address both operating and capital needs.

As shown in Table 1, this increase reflects the continued growth in WTD staffing beginning in 2023 and is expected to continue as the capital program continues to grow. In addition to the 2026-2027 proposed positions, WTD anticipates seeking a supplemental appropriation to address staffing needs based on the 2027 sewer rate. Council staff have requested additional information on potential anticipated adjustments to the 2026-2027 budget.

The 2025 budget authorized an additional 78 FTEs of which 48 are reported vacant as of September 10, 2025. Overall, WTD has 131 vacancies, which is about 14% of WTD's total FTEs and represents a higher vacancy rate than September 2024.

Table 1
WTD FTE Growth 2013-2025²

FTE Adds	Adopted										Proposed	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*	Total
Director's Office	-	1	-	0	-	0	-	5	-	5	3	14
Environmental & Community Svcs	-	4	-	2	-	6	-	20	17	1	3	53
Finance & Administration	-	4	-	-	-	1	-	6	-	1	6	18
Operations	-	-	-	15	5	-	-	15	4	25	30	94
Resource Recovery	-	2	1	-	-	4	-	9	5	0		21
Project Planning & Delivery	2	7	-	7	-	4	31	42	47	46	27	213
Total New FTEs	2	18	1	24	5	15	31	97	73	78	69	413
Total FTEs												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*	Total Change (2016-2026)
Director's Office	26	27	27	27	27	27	27	32	32	37	41	15
Environmental & Community Svcs	52	56	56	58	58	64	64	83	100	101	104	52
Finance & Administration	28	32	32	32	32	33	33	39	39	40	54	26
Operations	304	304	304	319	324	324	324	339	343	368	398	94
Resource Recovery	16	18	19	19	19	23	23	31	36	36	36	20
Project Planning & Delivery	180	187	187	194	194	198	229	271	318	364	382	202
Total Adopted FTEs	606	624	625	649	654	669	700	795	868	946	1015	409
Total Adopted TLTs	3.08	17	17	16.4	8.5	5	3.42	5	5	8	8	4.92
*Includes proposed 2026 FTEs and TLTs												

WTD reports additional operating staff are needed because:

- WTD facilities are aging, requiring attention to address hundreds of minor repairs and adjustments.
- With an increasingly large capital portfolio, operations staff are needed to participate in systems planning, construction, start-up, and commissioning process.
- Permit conditions are more complex, requiring more monitoring and adjustment to meet water and air quality requirements.
- Contracts and policy goals require more investments in biosolids, biogas, recycled water, and sewer heat.

For the capital staffing FTE requests, at the request of Council staff, WTD provided a detailed discussion of the division's approach to forecasting additional FTEs to support the expanded capital appropriation request. The discussion describes an informed-decision making process that primarily relies on a qualitative review that is based on the extensive experience WTD has with capital staffing. As part of this approach, WTD assesses the specific staffing needed for each WTD section to staff the projected projects. WTD confirmed the existing approach using a pilot forecasting model that estimates FTE needs for both current projects and new projects in the 2026-2027 capital budget proposal by using historical project labor expenditure data and current and planned capital project labor expenditure forecasts. Both approaches confirmed the request for an additional 27 FTEs for the capital program. As the growth in the capital program and the corresponding hiring rate is unprecedented for WTD, the division will continue to evaluate staffing needs and the capacity to hire and onboard staff.

² The Total FTE figures are inclusive of new FTE add as well as internal transfers.

WASTEWATER DEBT SERVICE

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$955,638,974	\$977,092,452	0.0	0.0
2026-2027 Base Budget Adjust.	\$0.0	0.0	0.0	0.0
2026-2027 Decision Packages	\$119,030,888	\$97,577,410	0.0	0.0
2026-2027 Proposed Budget	\$1,074,670,000	\$1,074,670,000	0.0	0.0
% Change from prior biennium, annualized	12.4%			
Dec. Pkg. as % of prior biennium, annualized	12.4%			

Major Revenue Sources: Transfer from the Wastewater Operating budget.

DESCRIPTION

The Wastewater Treatment Division capital program is supported primarily by bonded indebtedness, in the form of general obligation bonds, sewer revenue bonds, and variable rate bonds. Low-interest loans from the State Revolving Fund and the Public Works Fund are also used to support the capital program. The Wastewater Debt Service budget is used to make required payments on bonded indebtedness and loans.

The Wastewater Debt Service budget is supported by transfers from the Wastewater Operating appropriation unit for debt service and debt defeasance.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed Debt Service budget is \$1.1 billion and covers the total debt service payments and potential defeasance opportunities for 2026-2027. The 2026-2027 proposed Water Quality Operating budget provides for a transfer of \$442.2 million into the Wastewater Debt Service appropriation unit; expenditures of \$1.1 billion are supported by this transfer, together with existing fund balance. The 2026-2027 proposed budget of \$1.1 billion represents about a 12.4% increase over the 2025 biennialized debt service appropriation. Outstanding wastewater debt at year end in 2024 amounts to approximately \$3.5 billion¹ which is similar to the level reported for 2023.

Each budget cycle, the WTD finance team determines the amount of appropriation required to cover total debt service payments and potential defeasance opportunities. WTD then submits a technical adjustment decision package with the budget to raise the appropriation to this determined level. Because debt service amounts and defeasance

¹ 2024 outstanding year-end debt balance as reported in the Proposed 2026 Sewer Rate and Capacity Charge and 2026-2035 Financial Forecast (April 2025).

opportunities change from year to year and to avoid large adjustments each budget cycle, WTD changed its process (starting in 2025) to make these technical adjustments on an on-going basis. Therefore, the total amount budgeted in the prior budget cycle is rolled into the current budget cycle (in this case, 1 year was doubled to get a 2-year starting base budget) and then WTD makes an on-going incremental adjustment to fund the current budget cycle's debt service. For 2026-2027 the incremental adjustment is \$119 million which will then become part of the base appropriation.

KEY ISSUES

Staff have not identified any key issues with this appropriation unit.

WASTEWATER CONSTRUCTION

ANALYST: JENNY GIAMBATTISTA

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$1,295,305,263	\$1,481,773,150	\$2,147,454,212
Appropriation	\$1,295,305,263	\$1,148,773,150	\$2,147,454,212
Major Revenue Sources: Proceeds from Bond Sales, Revolving Fund/Public Works Fund loans, Commercial Paper, etc.			

DESCRIPTION

The Water Quality Construction capital budget of the Wastewater Treatment Division (WTD) finances construction, maintenance, upgrade, and expansion of the wastewater system physical plant, including treatment facilities and the conveyance system. Over recent biennia, the regional system has been focused on constructing the Combined Sewer Overflow (CSO) projects required by a consent decree between King County and the federal Environmental Protection Agency and Department of Justice, and the Washington State Department of Ecology. Additionally, the agency is continuing its work on the Conveyance System Improvement and Treatment Planning programs, to assure the capacity of the conveyance and treatment system to meet the demands of regional growth, and facility maintenance. However, as the system continues to age, the two larger regional plants (West Point and South Plant) and hundreds of miles of interceptor pipeline that were completed in the 1960s and expanded in the 1970s and 1990s, and the Brightwater regional plant that was completed in the 2010s, the need for maintenance, repair and upgrade of facilities is becoming more urgent. WTD is accelerating its Asset Management program in response, focusing on both treatment plant and interceptor pipeline evaluation, repair, upgrade, and replacement. Meanwhile, the Washington Department of Ecology is continuing to pursue regulatory action requiring wastewater generators of nitrogen, which is the chemical element that can accelerate the growth of algae in the marine environment, to limit discharges according to the terms of a state-issued permit.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed budget includes 77 capital projects and an appropriation request of \$1.3 billion. The 2026-2027 requested projects reflect a mix of new and continuing projects with most projects not seeking full appropriation. As is discussed in Issue 1 of this staff report, planned expenditures over the six-year CIP spending forecast are increasing significantly, with regulatory compliance and asset management projects representing an increasing share of the capital program. Additionally, the proposed capital budget includes budgeting more capital investments as “programmatic capital projects” versus “standalone” projects. In programmatic budgeting, sub projects

are rolled into one “programmatic” project appropriation. In the 2026-2027 budget there are system wide programmatic projects as well two new large CIP projects. WTD reports this creates efficiencies and flexibility in contracting, budgeting, and administrative labor. However, it does reduce transparency in tracking appropriations when compared to budgeting as a standalone project because sub-projects are not appropriated in the budget.

The Water Quality Construction budget is categorized according to major “portfolios” to delineate the primary functions that the budget addresses. Listed below are the 2026-2027 proposed appropriations for the largest CIP projects in each of the major WTD capital portfolios:

Asset Management - \$515.4 million. Projects in this portfolio maintain level of service through the rehabilitation or replacement of critical assets. WTD reports the 2026-2027 proposed budget includes an intentional increased investment in minor asset “programmatic” projects because investments in these types of relatively smaller projects allows for maximum benefits per dollar.

Key proposals include:

- West Point Electrical Improvements: \$142.7 million (Discussed below)
- M Street Trunk Rehabilitation: \$40.6 million (Discussed below)
- South Interceptor Rehabilitation: \$30.6 million
- Interbay Force Main & Odor Control: \$30.6 million
- Mechanical Upgrade & Replacement: \$27.6 million
- West Point PE and RAS Pipe Restoration/Replacement: \$24.8 million
- Electrical / Instrumentation and Control: \$21.1 million
- Odor/Corrosion Control: \$16.2 million
- South Plant Electrical Improvements Program: \$14.3 million
- West Point Treatment Plant Instrument & Service Air Replacement: \$14.2 million
- HVAC Replacements and Refurbishments: \$13.0 million
- Pipeline Replacement: \$12.0 million
- Ovation Lifecycle Controls Lifecycle Program: \$11.0 million
- Lakeland Hills PS Facility Replacement: \$10.9 million

Regulatory - \$525.5 million. Projects in this portfolio respond to permit, regulation, and/or consent decree legal deadlines.

Key proposals include:

- CSO Mouth of Duwamish Wet Weather Treatment Station and Conveyance: \$351.5 million (Discussed below)
- CSO Mouth of Duwamish Chelan Storage Program: \$49.0 million (Discussed below)
- NPDES Elliott West Wet Weather Treatment Station: \$37.4 million (Discussed below)

- CSO East Ship Canal Wet Weather Facilities: \$22.3 million
- CSO Supplemental Compliance and Corrective Action (\$15.9 million)

Capacity Improvement - \$164.9 million. Projects in this portfolio increase capacity in WTD facilities to accommodate future growth.

Key proposals include:

- Black Diamond Trunk Capacity Upgrade: \$119.3 million (Discussed below)
- North Mercer Island & Enatai Interceptors Upgrade: \$12.6 million
- Treatment Planning Program: \$9.6 million
- West Point Digestion Capacity Expansion: \$6.4 million
- Sammamish Plateau Diversion: \$6.3 million

Operational Enhancements - \$24.5 million. Projects in this portfolio are intended to reduce/improve operating costs at treatment plants through the delivery of projects that create efficiencies

Key proposals include:

- Process Replacement/Improvement: \$17.2 million
- Alki Permanent Standby Generator: \$4.5 million
- Technology Assessment and Innovation Project: \$2.9 million

Planning and Administration- \$45.3 million. Projects in this portfolio incorporate programs and projects that facilitate execution of the overall capital portfolio through a series of planning and administration related efforts.

Key proposals include:

- WTD CIP Contingency Fund: \$20 million
- Regional Wastewater Services Plan (RWSP): Conveyance System Improvements: \$10.7 million
- RWSP Update: \$7.4 million (Discussed below)

Resiliency - \$4.5 million. Projects in this portfolio improve the survivability and operability of core assets against natural disasters through the delivery of projects that address known deficiencies.

Key proposals include:

- Climate Adaptation Planning Program: \$1.9 million
- West Point Primary Sedimentation Area Roof Structure: \$2.6 million

Resource Recovery - \$43.2 million. Projects in this portfolio support the King County Strategic Climate Action Plan initiative through the delivery of projects that reduce energy or recover resources from wastewater.

Key proposals include:

- Brightwater Space Heating – Heat Pump Installation \$5.5 million
- West Point Biogas Utilization Improvement Program: \$3.8 million
- WTD Electric Vehicle Charging Stations: \$3.4 million

Five Largest WTD 2026-2027 Capital Appropriation Requests. Below, the five largest capital appropriation requests for WTD are discussed.

Mouth of Duwamish Wet Weather Treatment Station and Conveyance - \$351.5 million. The Mouth of Duwamish Wet Weather Treatment Station (WWTS) and Conveyance will control pollution from three CSO outfalls at the mouth of the Duwamish River. The Wet Weather Treatment Station (WWTS) is anticipated to provide peak wet weather treatment capacity and significant onsite storage. WTD estimates the new facility will be approximately 3.25 times larger than the Georgetown Wet Weather Station by volume. Building a treatment plant, storage, and pipelines for this volume is a large, complex and expensive project that will require approximately 1,240 linear feet of open trench piping, 360 linear feet of trenchless, a new pump station, marine dredging and shoreline installation. WTD reports this project will also require the purchase of an estimated 4 to 8 acres in SODO. WTD reports construction for this project will impact community members who live, work, and travel through the SODO neighborhood. This project is to be completed by December 31, 2034, in accordance with the modified consent decree.

This is the initial appropriation for this project and includes \$254.5 million for planning and design, \$37 million for implementation and \$60 million for acquisition. The early cost estimate at completion for this project is \$2.6 billion with an accuracy range of - 50% to +100%. A new cost estimate is anticipated in February 2026.

Mouth of Duwamish Chelan Storage Program - \$49 million. The Mouth of Duwamish Chelan Storage Facility project is a part of the Mouth of Duwamish CSO project. This specific project will control the Chelan Avenue CSO outfall to regulatory requirements by constructing a large storage tank and supporting conveyance to manage peak flows. This will involve mass excavation, deep soil stabilization, installation of a specialized slab, regulator station modifications, a diversion structure, and approximately 1,490 linear feet of tunneled conveyance pipe. This is the initial appropriation for this project and includes \$44.8 million for planning and design and \$4.2 million for implementation. The early cost estimate at completion for this project is \$807.2 million with an accuracy range of -50% to +100%.

West Point Electrical Improvements - \$142.7 million. This project will modernize and enhance electrical infrastructure at the West Point Electrical Plant. WTD reports the electrical assets installed in West Point's original construction in the 1960s and secondary expansion in the 1990s are beyond or near end of expected life and many no longer meet current code requirements which presents risk of failure and potential safety concerns to staff. The project will replace 330 aged electrical assets to increase

system reliability and reduce unplanned downtime, relocate nine flood-prone electrical assets to improve operational resiliency, and integrate significant infrastructure upgrades, including the installation of solar photovoltaic (PV) systems, deployment of EV charging stations, fiber optic enhancements, and the construction of an electrical building.

This is the initial appropriation for this project and includes \$44.8 million for planning and design and \$4.2 million for implementation. The early cost estimate at completion for this project is \$807.2 million with an accuracy range of -50% to +100%.

Black Diamond Trunk Capacity Upgrade - \$119.3 million. The Black Diamond Interceptor, built in 1992, is not sufficiently sized to accommodate the projected sewer flows. This project will determine the best available alternative to upgrade the capacity of approximately six miles of 10–16-inch conveyance pipe to provide the needed conveyance capacity for the contributing area, considering future population growth.

Prior appropriations for this project total \$19.7 million. This appropriation request of \$119.3 million includes \$7 million for final design and \$112 million for implementation and \$5.8 million for closeout. The early cost estimate at completion for this project is \$166.8 million with an accuracy range of -50% to +100% and an estimated completion date of March 2030.

M Street Trunk Rehabilitation - \$40.6 million. The M Street Trunk Rehabilitation Project will rehabilitate 13,900 linear feet of severely deteriorated reinforced concrete pipe and rehabilitate 45 precast concrete maintenance holes and restore over 100 lateral connections along the M Street Trunk between maintenance holes located in the City of Auburn. The total estimated costs have increased since the last time budget was requested as the project has completed alternatives analysis and has refined design details, updated construction methods.

Prior appropriations for this project total \$36.7 million. This appropriation request of \$40.6 million includes \$7.5 million for design and \$33.1 million for implementation. The cost estimate at completion for this project is \$77.3 million with an accuracy range of -20% to +30% and an estimated completion date of May 2028.

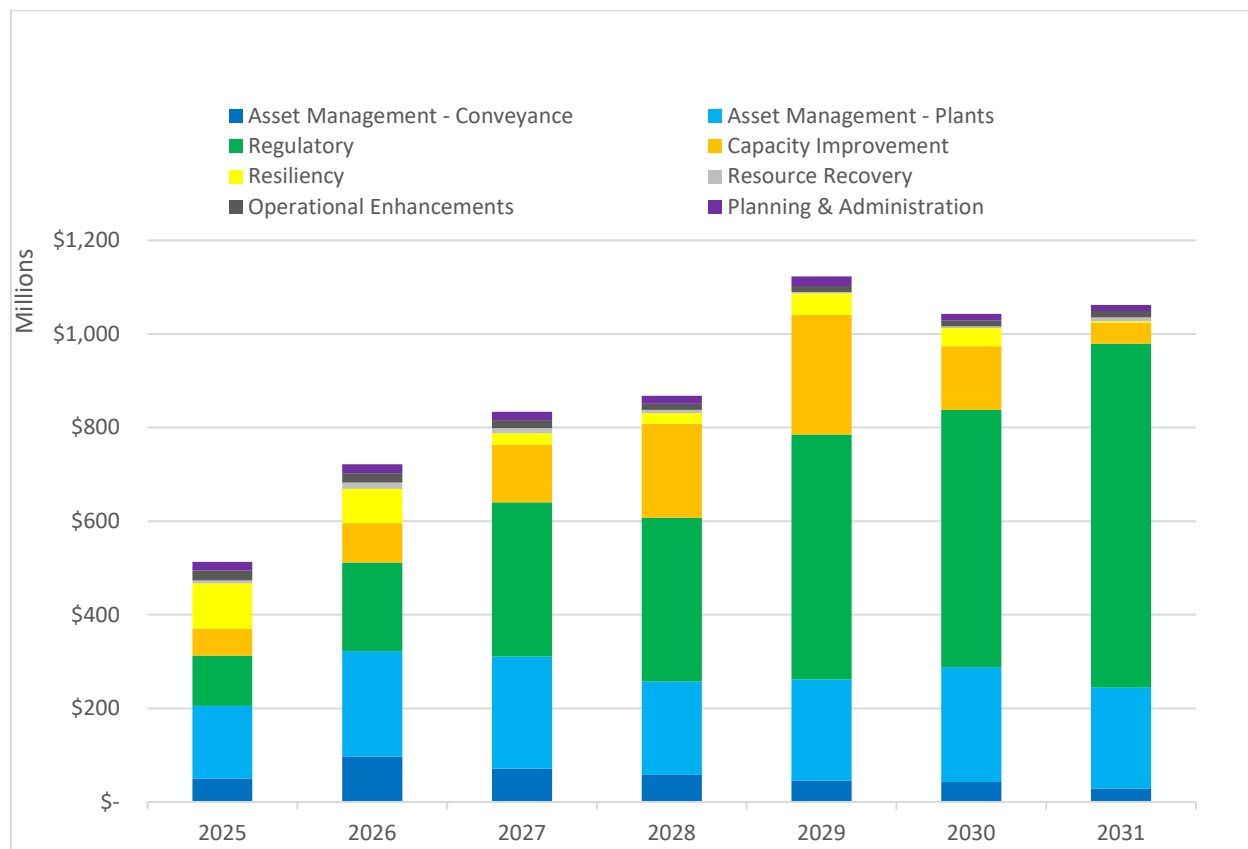
KEY ISSUES

ISSUE 1 –CAPITAL PROJECT SPENDING CONTINUES TO INCREASE SIGNIFICANTLY

As shown in Figure 1 below, planned expenditures over the six-year CIP spending forecast are increasing significantly. WTD reports these increases are driven by multiple concurrent state and federal regulatory requirements, pressing needs for asset renewal and replacement, and capacity improvement needs to support growth mandated by state Growth Management Act and local comprehensive plans. WTD's capital program is forecasted to triple or more in size in the next five years from \$300 million to \$1 billion

per year or more. As shown in Figure 1, much of this increase in cost is related to regulatory requirements, notably the Modified Combined Sewer Overflow (CSO) Consent Decree to control CSOs discussed below.

Figure 1
Proposed 2026-2027 Budget 6-Year CIP Spending Forecast



Modified Combined Sewer Overflow Consent Decree. WTD has been implementing King County's Combined Sewer Overflow (CSO) program for over three decades to control the County's CSO outfalls to the Washington State standard of no more than one untreated CSO discharge per year on a 20-year average. This proposed budget includes the largest investments in the modified CSO consent decree to date with significantly more investments expected over the decade. The total cost estimate at completion for the remaining CSO consent decree projects is \$6 billion. This is a rough estimate as most of the projects are still in early in the planning stages and therefore have an expected accuracy range of -50% to + 100% at this stage and each will have updated cost estimates during 2026.

RWQC Motion 2025-0327. On October 1, 2025 the Regional Water Quality Committee voted to approve a motion for introduction to the Council which identifies WTD actions related to improving transparency on large project planning and requests a proposal to procure an independent consultant to review WTD's capital program, including large capital projects.

Given the significant costs of many these projects, the Council may wish to request briefings for the Budget and Fiscal Management Committee on the largest projects with significant changes in their cost estimates.

ISSUE 2: STATE NUTRIENT REQUIREMENTS MAY COST \$10 TO \$20 BILLION

In June 2025, the Department of Ecology (Ecology) issued the Draft Voluntary Puget Sound Nutrient General Permit (PSNGP) and a draft Puget Sound Nutrient Reduction Plan for public comment. The draft permit seeks to address adverse impacts from low dissolved oxygen in Puget Sound by regulating the wastewater treatment plants that discharge nutrients (e.g., nitrogen) to Puget Sound. WTD provided written comments on the draft documents by the August 27, 2025 deadline and noted that upgrading King County's wastewater treatments plants to achieve nitrogen removal targets specified in the PSNGP may cost on the order of \$10 to \$20 billion in today's dollars, will require even higher sewer rates, and could take decades to implement. It is important to note that these cost estimates will need to be further updated once Ecology has issued final nutrient control requirements. Ecology has indicated it will issue the PSNGP in early 2026 and issue final facility-specific effluent limits (implemented in future permits) by 2031. The six-year forecast includes \$67.6 million for planning and initial capital projects related to the draft general permit.

ISSUE 3 – LONG TERM PLANNING UNDERWAY: REGIONAL WASTEWATER SERVICES PLAN UPDATE

The Regional Wastewater Services Plan (RWSP) was adopted by Ordinance 13680 in November 1999 to ensure the continuation of high-quality wastewater treatment services through 2030. The RWSP outlines programs and projects through 2030 to increase wastewater system capacity and function; gives guidance on recovering and recycling beneficial resources from the wastewater treatment process; and provides direction on protecting and monitoring water quality and meeting permit conditions. Many of the major projects outlined in the RWSP have been completed as the plan reaches the end of its intended planning period of 2030. The process to update the RWSP started in 2019 and was paused by WTD at the end of 2021 to consider feedback it had received. WTD re-launched the planning effort in 2024 to update the Regional Wastewater Services Plan.

The Regional Water Quality Committee has been closely following the launch of the RWSP Update and adopted resolutions in support of the RWSP's scope and charter. In early 2025, RWQC adopted resolutions¹ in support of the scope and charter for the RWSP. The committee has requested briefings on the RWSP Update each month.

The 2026-2027 proposed budget requests \$7.4 million for the RWSP Update. PSB reports about half of the appropriation will be used for internal staff and half for consultants. Prior appropriations total \$32.1 million. PSB reports the project has spent

¹Resolution RWQC2025-01 and Resolution RWQC2025-02

\$19.6 million to date and anticipates spending \$6.6 million in 2025 and an additional \$13.1 million in 2026-2027. The total estimated cost at completion is estimated to be \$51.4 million.

ISSUE 4 – PROJECTS WITH SIGNIFICANT CHANGES IN SCOPE OR BUDGET SINCE 2025

WTD reports notable changes in the scope or budget of the following projects since the 2025 budget.

Elliot West Wet Weather Treatment Station. The 2026-2027 budget requests \$37.4 million for this project to bring the Elliot West Wet Station into full compliance with discharge permit and water quality standards. WTD reports the cost estimates have increased approximately \$75 million and the scope has expanded. The current cost estimate at project completion is \$568 million, of which \$31 million has been appropriated in prior budgets. WTD anticipates further increases during the 2027 proposed sewer rate process.

Division Wide Offsite Level Controls and Communication Upgrade. The 2026-2027 budget requests \$6.8 million for this programmatic project. This program addresses obsolete wet well level controls at offsite facilities which help prevent overflows and keep systems running efficiently. The cost estimate has increased between \$320 million to \$500 million upon completion of programmatic alternatives analysis driven by increased scope complexity. There are no direct replacements available for the existing equipment. WTD reports it is phasing this project to reduce near-term impacts on rates.

South Plant Electrical Improvements. The 2026-2027 budget requests \$14.3 million for this project. Programmatic charter level cost estimate has increased between \$170 million to \$240 million versus the initial conceptual cost estimate. These increases are driven by additional identified scope and updated material pricing.

Sammamish Plateau Diversion. The 2026-2027 budget requests \$6.3 million for this project. WTD reports the cost estimate for this project has been updated and has increased between \$160 and \$270 million versus the initial cost estimate.

SOLID WASTE OPERATING

ANALYST: WENDY SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$414,628,314	\$369,264,602	517.8	3.0
2026-2027 Base Budget Adjust.	\$6,652,414	\$0	0.0	-1.0
2026-2027 Decision Packages	\$50,178,769	\$107,061,077	8.0	2.0
2026-2027 Proposed Budget	\$471,460,000	\$476,326,000	525.8	4.0
% Change from prior biennium, biennialized	13.7%			
Dec. Pkg. as % of prior biennium, biennialized	10.6%			

Major Revenue Sources: Disposal fees

DESCRIPTION

The Solid Waste fund is an enterprise fund that pays for operating activities for the King County Solid Waste Division (SWD). SWD provides waste transfer and disposal services for 37 partner cities with interlocal agreements and the unincorporated area, as well as operates eight transfer stations, two drop boxes, and the Cedar Hills Regional Landfill. SWD also manages a variety of waste reduction and recycling programs targeted at residents and businesses.

The SWD operating budget is supported by a variety of disposal fees that are approved by the council. Earlier this year the council approved an ordinance increasing fees effective 2026.¹

SUMMARY OF PROPOSED BUDGET AND CHANGES

The SWD operating budget is proposed to increase by approximately 14% compared to the biennialized 2025 budget. This is largely driven by a \$37 million increase in debt service. Revenues are also proposed to increase significantly as a result of the sale of landfill gas and associated environmental attributes², as well as the solid waste fee increase.

The SWD operating budget also proposes to add 8.0 FTE, of which 5.0 FTE and \$1.4 million would be dedicated to compliance with new or changing regulatory requirements related to leachate leak testing and reporting, groundwater monitoring, and stormwater sampling. The remaining 3.0 FTE proposed to be added are discussed in the Key Issues section of this staff report.

¹ Ordinance 19970

² Ordinance 19967

In addition to the FTEs requested, SWD proposes to add \$506,000 for TLT support for processing financial transactions, which have increased to pre-pandemic levels in recent years; the additional temporary support is expected to allow existing staff to identify process improvements.

KEY ISSUES

ISSUE 1 – 3.0 FTEs AND \$1.1 MILLION PROPOSED FOR NEW STRATEGIC PLANNING EFFORT TO SUPPORT SWD WORKFORCE AND OPERATIONS

The proposed 2026-2027 budget would add 3.0 FTEs and \$1.1 million to support internal goal setting and priorities. According to SWD, the positions and their responsibilities would be as follows:

- **Chief of Staff:** Develop and implement workforce strategies that foster a culture of engagement, transparency, and alignment among employees, while leading efforts to promote diversity, equity, and inclusion. The position would evaluate training programs and identify training gaps.
- **Strategic Planning Manager II:** Drive internal goal setting as SWD plans for closing the landfill. The position would collaborate across functions to develop and implement a strategic roadmap to turn environmental goals into measurable outcomes.
- **Special Projects Manager II:** Develop and implement internal communication strategies to enhance employee engagement. This position would also assist in crisis communication by ensuring internal awareness of SWD's crisis response messaging and communication activity.

SWD indicates that it does not currently have internally focused strategic planning staff, therefore this would be a new effort within the Division to support internal goal setting and program evaluation. Existing strategic planning staff focus on external efforts, such as the Comprehensive Solid Waste Management Plan. The Council may wish to consider whether these positions are consistent with its budget priorities for a rate-supported agency.

SOLID WASTE CONSTRUCTION CAPITAL FUND

ANALYST: WENDY SOO HOO

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$110,228,942	\$114,393,626	\$180,240,196
Appropriations	\$110,228,942	\$114,393,626	\$180,240,196
Major Revenue Sources: Bond proceeds and transfers from Solid Waste Operating Fund (disposal fees and other Solid Waste Division revenues)			

DESCRIPTION

The Solid Waste Capital Improvement Program is comprised of three funds: the Solid Waste Construction Fund, the Capital Equipment Recovery Fund, and the Landfill Reserve Fund. The Solid Waste Construction Fund, which is the subject of this staff report, is used to finance the new construction and major maintenance of division transfer facilities and some closed landfill projects. Projects in this fund are financed through bond proceeds and transfers of revenue from the Solid Waste Operating Fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed budget for the Solid Waste Construction Fund totals \$110 million, most of which will be financed with debt. The proposals include¹:

South County Recycling and Transfer Station – \$5.6 million. This appropriation would support acquisition of rolling stock (i.e., forklifts, backhoes, etc.) at the South County Recycling and Transfer Station. The original project budget was based on the Factoria Transfer Station budget, which only covered major equipment and not rolling stock. Note that additional staff were included in the 2025 budget to operate the rolling stock. This project is expected to be completed in summer 2026; SWD indicates that roadwork prior to opening could involve some roadway interruptions in spring 2026.

Environmental Control Improvements at Closed Landfills – \$17.8 million. This project would improve the systems used to control gases and liquid contaminants at closed landfills. The county is required by regulators to monitor and manage groundwater, surface water, wastewater, and landfill gas at its closed landfills and this appropriation would support improvements at seven closed sites. This project is

¹ This staff report only summarizes project requests above \$5 million. Additional requests below that amount are proposed for projects related to emergent needs; project management; capital project oversight; a hazardous waste database project (discussed in the Local Hazardous Waste appropriation unit staff report); stormwater improvement at the Factoria Recycling and Transfer Station; and Harbor Island dock repair.

anticipated to increase efficiency at the closed landfills, resulting in reduced operational and maintenance costs.

Electric Vehicle Infrastructure – \$19.8 million. SWD is adding electric vehicle infrastructure to all transfer stations and landfills. The project is expected to be completed in 2028. This project was previously appropriated \$9.0 million. SWD indicated that the additional \$19.8 million is needed because of revised construction cost estimates after site and fleet assessments were completed. In addition, tariffs are expected to add 25% to all material costs.

Hobart Landfill New Final Cover – \$25.3 million. According to transmitted budget documents, the current final cover at Hobart Landfill is failing, resulting in water pooling on top of the cover and filtering through the damaged cover. This results in higher water levels beneath the landfill, which mix with waste. SWD considered alternatives such as making no improvements but increasing monitoring or repairing only the damaged parts of the cover; however, those alternatives carry higher risk to human health and the environment than installing a new cover. The new final cover is anticipated to be installed by 2030 and the \$25.3 million request is expected support the entire project cost.

Cedar Falls Landfill Gas Improvement Project – \$14.2 million. The Cedar Falls Landfill closed in 1990. Groundwater quality monitoring indicates increased presence of volatile organic compounds and metals, such as arsenic, is occurring and trending upwards in spite of the existing passive collection and treatment system. This new proposed project would support a new landfill gas source control system to remediate groundwater contamination on-site and reduce risk to human health and the environment. The requested appropriation is expected to support the entire project. Transmitted budget documents indicate that operational costs are also likely to increase to support moving to the new control system, which will involve active collection.

Vashon Island Landfill Cleanup – \$17.8 million. This project would (1) address vinyl chloride contamination in the groundwater at the Vashon Island Landfill and (2) increase the capacity of the existing lagoon that stores and treats leachate. Regarding the contamination, this project follows a feasibility study that considered multiple alternatives and is expected to be completed this year. This project will support moving into the cleanup action plan, design, and implementation. Transmitted budget documents indicate monitoring and maintenance operational costs will likely increase as part of this effort.

Regarding the leachate lagoon project component, storage and conveyance alternatives will be considered as part of the project.

KEY ISSUES

Staff have not identified any key issues for this fund.

SOLID WASTE LANDFILL POST-CLOSURE MAINTENANCE

ANALYST: WENDY SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$4,108,846	\$5,725,636	0.0	0.0
2026-2027 Base Budget Adjust.	(\$384)	\$0	0.0	0.0
2026-2027 Decision Packages	\$33,910	(\$4,525,636)	0.0	0.0
2026-2027 Proposed Budget	\$4,143,000	\$1,200,000	0.0	0.0
% Change from prior biennium, biennialized	0.8%			
Dec. Pkg. as % of prior biennium, biennialized	0.8%			
Major Revenue Sources: Transfer from Solid Waste Operating Fund (i.e., disposal fees and other SWD revenues) and interest earnings				

DESCRIPTION

The Solid Waste Division (SWD) is responsible for the maintenance and monitoring of seven closed landfills located in King County. The Solid Waste Post-Closure Maintenance Fund is an operating fund that pays for routine maintenance and monitoring of engineering control systems (e.g., soil cover, landfill gas control and treatment, groundwater monitoring wells) already installed at the closed landfills. The Solid Waste Construction capital fund pays for planning, design, and construction of *new* systems at the closed landfills.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total appropriation for the Solid Waste Post-Closure Maintenance Fund for 2026-2027 is proposed to increase by less than 1% due to changes in central rates. Revenues (i.e., transfers from the Solid Waste Operating Fund) are proposed to decrease by \$4.5 million due to a mistimed transfer that resulted in an overage in the Post-Closure Maintenance Fund.

KEY ISSUES

Staff have not identified any key issues for this fund.

LOCAL HAZARDOUS WASTE

ANALYST: WENDY SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$47,331,450	\$40,411,614	0.0	0.0
2026-2027 Base Budget Adjust.	\$0	\$0	0.0	0.0
2026-2027 Decision Packages	\$6,142,608	\$193,944	0.0	0.0
2026-2027 Proposed Budget	\$53,475,000	\$40,606,000	0.0	0.0
% Change from prior biennium, biennialized	13.0%			
Dec. Pkg. as % of prior biennium, biennialized	13.0%			

Major Revenue Sources: Surcharge on solid waste and wastewater disposal services

DESCRIPTION

The Local Hazardous Waste Management Program provides services to the approximately 2.1 million residents and 60,000 businesses in the county. The program provides a range of residential and business services to reduce exposure to toxic materials. Services include collection and disposal, technical assistance, incentives, prevention programs, and policy initiatives. The program is a regional partnership guided by a multi-jurisdictional Management Coordination Committee, which is charged with recommending the Local Hazardous Waste Management Program's management plan and budget, as well as recommending contracts with partners located in the county to implement the plan. The program is funded through surcharges on solid waste and wastewater services, which are set by the King County Board of Health.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total appropriation for Local Hazardous Waste Management Program for 2026-2027 is proposed to increase by 13% due to:

- Increased costs of \$4.5 million from program partners¹; and
- A one-time request of \$1.7 million to replace a 14-year-old database system.

The database tracks customer information and hazardous waste disposal information and has not kept up with the growing demands of the Local Hazardous Waste Management Program. According to transmitted budget documents, the current system is at risk of failure and an upgraded system would also increase transparency and accessibility of data through queries and dashboards. The Local Hazardous Waste

¹ King County Water and Land Resources Division, Solid Waste Division, and the Local Hazardous Waste fund, Public Health-Seattle & King County, City of Seattle Seattle Public Utilities

Management Program indicates that it relies on data to understand racial and geographic disparities in service delivery and to support policies, funding, and decision-making.

The requests in the Local Hazardous Waste Management Program's 2026-2027 proposed budget were approved by the Management Coordination Committee in May of this year.

KEY ISSUES

Staff have not identified any key issues for this fund.

SOLID WASTE CAPITAL EQUIPMENT RECOVERY FUND

ANALYST: WENDY SOO HOO

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$11,000,000	\$19,500,000	\$22,600,000
Appropriations	\$11,000,000	\$19,500,000	\$22,600,000
Major Revenue Sources: Bond proceeds and transfers from Solid Waste Operating Fund (disposal fees and other Solid Waste Division revenues)			

DESCRIPTION

The Solid Waste Capital Improvement Program is comprised of three funds: the Solid Waste Construction Fund, the Capital Equipment Recovery Fund, and the Landfill Reserve Fund. The Solid Waste Capital Equipment Recovery Fund, which is the subject of this staff report, is used to replace and provide for major maintenance of rolling stock (e.g., long-haul trucks and trailers) and stationary compactors. New equipment is purchased from the Solid Waste Operating Fund, but after the initial purchase, replacements are funded out of the Capital Equipment Recovery Fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Capital Equipment Recovery Fund requests \$11 million for acquisition of rolling stock (i.e., forklifts and backhoes, etc.).¹ Transmitted budget documents indicate this request will allow SWD to catch up on deferred asset replacement and enable timely procurement and deployment of new equipment. This request would be supported by transfers from the Solid Waste Operating Fund.

KEY ISSUES

Staff have not identified any key issues for this fund.

¹ SWD typically purchases at least 12 pieces of equipment each year, ranging from small floor sweepers valued at \$27,000 to large waste-handling dozers that cost \$2.5 million.

LANDFILL RESERVE CAPITAL FUND

ANALYST: WENDY SOO HOO

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$3,755,720	\$26,174,640	\$0
Appropriations	\$3,755,720	\$26,174,640	\$0
Major Revenue Sources: Bond proceeds and transfers from Solid Waste Operating Fund (disposal fees and other Solid Waste Division revenues)			

DESCRIPTION

The Solid Waste Capital Improvement Program is comprised of three funds: the Solid Waste Construction Fund, the Capital Equipment Recovery Fund, and the Landfill Reserve Fund. The Landfill Reserve Fund, which is the subject of this staff report, covers the costs of new area development at the Cedar Hills Regional Landfill, capital investments to sustain landfill infrastructure and operations, closing areas within the landfill, and accumulating funds for post-closure maintenance of Cedar Hills. Projects in this fund are paid for with a combination of bond proceeds and cash.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Landfill Reserve Capital Fund proposes appropriations totaling \$3.8 million for 2026-2027. Of that amount, \$3.0 million is proposed to support acquiring property to reestablish the buffer around the western portion of the Cedar Hills Regional Landfill as neighboring property owners decide to sell. The remaining budget requests total less than \$800,000 and relate to project management and oversight.

The proposed 2026-2027 appropriation for this fund is significantly lower than the 2025 adopted appropriation of \$142 million; SWD determined that existing appropriation authority is adequate to continue existing projects at Cedar Hills Regional Landfill.

KEY ISSUES

Staff have not identified any key issues for this fund.

2026-2031 PARKS REC TRAILS OPEN SPACE LEVY

ANALYST: JAKE TRACY

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$0	\$0	0.0	0.0
2026-2027 Base Budget Adjust.	\$0	\$0	0.0	0.0
2026-2027 Decision Packages	\$429,049,386	\$429,049,386	0.0	0.0
2026-2027 Proposed Budget	\$429,050,000	\$429,050,000	0.0	0.0
% Change from prior biennium, biennialized	N/A			
Dec. Pkg. as % of prior biennium, biennialized	N/A			

Major Revenue Sources: 2026-2031 Parks Levy

DESCRIPTION

King County voters approved the 2026-2031 King County Parks, Recreation, Trails, and Open Space Levy ("Parks Levy") in August 2025. The revenue generated by the levy provides more than 80% of the division's operating revenues, as well as the majority of the division's capital funding. Proceeds from the levy are governed by the levy ordinance and the levy motion.¹

The purpose of this budget fund is to pass funding to the various entries and programs named in the ordinance. For County projects, operations, and grant programs, moneys are then appropriated through either the Parks Capital fund or Parks and Recreation operating appropriation unit.

The distributions listed in the levy ordinance are as follows over the six years:

Table 1. Parks Levy Ordinance Allocations

Category	Levy Allocation
<i>Off-the-top Allocations</i>	
Woodland Park Zoo	No more than \$40M
Seattle Aquarium	No more than \$12M
Seattle Waterfront	No more than \$6M
Memorial Stadium	No more than \$2.5M
Pacific Science Center	No more than \$6 million

¹ Ordinance 19922 and Motion 16797.

Category	Levy Allocation
Municipal Parks Capital and Open Space Passthrough	No more than \$25 million
Aquatic Facilities	No more than \$68 million, including \$22 million for King County Aquatic Center
Get Active Stay Active Grants	No more than \$10 million
Healthy Communities and Parks Grants	At least \$30 million
Community Partnerships and Grants	No more than \$12.5 million
Ballfield Access and Preservation Grants	No more than \$13.5 million
<i>Percentage-remainder Allocations</i>	
Operations and Maintenance	40% of remainder
Acquisitions and Capital Projects	50% of remainder
Town/City Passthrough	10% of remainder

For allocations to outside entities, 1% of levy proceeds is reserved for administration.

SUMMARY OF PROPOSED BUDGET AND CHANGES

As noted above, this is a passthrough appropriation unit only. The proposed 2026-2027 Biennial Budget would appropriate the first two years of Parks Levy funding in accordance with the Parks Levy ordinance and the Allocation Plan attached to Motion 16797. The total proposed appropriation is approximately \$429 million, which is roughly one third of the total anticipated \$1.422 billion over the life of the levy (money is not proposed to be split precisely evenly over the three biennia, with slightly higher total appropriations shown in 2028-2031).

Staff notes that this \$1.422 billion in anticipated revenue over the life of the levy is a revised number based on the July forecast from the Office of Economic and Financial Analysis. This is approximately \$19 million less in collections than anticipated at time of levy passage in spring 2025.

Executive staff confirmed that they plan to distribute all levy funding in accordance with the terms of the Parks Levy ordinance and Allocation Plan. If future forecasts continue to reflect a lower number than anticipated at time of levy passage, Executive staff may request changes to the adopted Allocation Plan, but there are no plans to do so at this time.

Specifics of appropriations to grant programs, capital projects, acquisitions, and Parks operations and maintenance are discussed in the staff reports for Parks Capital fund and the Parks and Recreation operating appropriation unit.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.

PARKS AND RECREATION

ANALYST: JAKE TRACY

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$178,781,204	\$163,249,970	345.3	28.0
2026-2027 Base Budget Adjust.	(\$12,686,780)	(\$9,655,098)	0.0	(1.0)
2026-2027 Decision Packages	(\$156,097)	\$7,048,716	53.0	(9.0)
2026-2027 Proposed Budget	\$ 165,939,000	\$160,644,000	398.3	18.0
% Change from prior biennium, biennialized	(7.18%)			
Dec. Pkg. as % of prior biennium, biennialized	(0.08%)			
Major Revenue Sources: 2026-2031 Parks Levy; Business Revenue				

DESCRIPTION

The mission of the Parks and Recreation Division (Parks) of the Department of Natural Resources and Parks (DNRP) is to steward, enhance, and acquire parks to inspire healthy communities.

The Parks and Recreation appropriation unit provides moneys for operation and maintenance of King County's parks and open space system, and is supported through a combination of voter-approved levies¹ and business revenue from user fees, special events, sponsorships, and partnerships.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's 2026-2027 Biennial Budget proposal for the Parks and Recreation appropriation unit includes \$165.9 million in expenditures and \$160.6 million in revenues. Roughly 89% of revenue is expected to come from the 2026-2031 Parks Levy.

Key Decision Package adjustments proposed for the 2026-2027 Biennial Budget include the following items:

New Capital, Operations and Administration, and Operations and Maintenance Staff – \$6.2 million, 48 FTE, (9) TLT. The Executive's proposal includes three decision packages that, combined, would add new staffing for capital project support, Parks

¹ The current levy, approved by voters in 2025, is a six-year property tax levy in place through 2031. The levy is discussed further in the staff report on the Parks, Recreation, Trails, and Open Space Levy appropriation unit.

operations and administration, and Parks operations and maintenance. The proposal breaks down as follows:

- Capital – Five new FTEs, 13 TLT conversions.
- Operations and Administration – 13 new FTEs, four TLT conversions, four new TLTs.
- Operations and Maintenance – 13 TLT conversions.²

The Executive cites new levy programs, additional acquisitions, and backlogged work as the need for the additional staffing.

Jobs and Housing Program – \$809,872, 3 FTE. The Jobs and Housing Program was established by the Council in the COVID 7 budget³ passed in 2021, using Coronavirus Local Fiscal Recovery (CLFR) dollars. This initiative was intended to support a jobs and rehousing program for individuals experiencing homelessness. Funding was housed in the Office of Performance, Strategy, and Budget (PSB).

The 2025 Annual Budget appropriated the last of the CLFR funding for the Jobs and Housing Program, with the program intended to sunset at that time. Simultaneously, however, the budget appropriated \$851,000 to continue the Parks portion of the program, known as the Parks Beautification Program, through 2025, using solely Parks Levy moneys. This program was earmarked for continued funding in the 2026-2031 Parks Levy Allocation Plan.⁴ The total earmarked for the levy period is \$5 million.

The proposed 2026-2027 Biennial Budget would add 3 FTEs for this work, which would continue to focus only on the “jobs” portion of the Jobs and Housing program, and only within parks. According to Executive staff, Parks plans to work with the Department of Community and Human Services (DCHS) to leverage any existing resources for case manager support, which is the housing part of the program. To date, housing support from County or other entities has not been solidified.

Safety and Security Program Expansion – \$538,789, 2 FTE. The Parks Levy Allocation Plan earmarked \$5 million for a Safety and Security program over the six-year levy period. With this proposal, the Executive would add 2 FTEs to manage the division-wide safety training system and expand the existing safety program. Goals of the safety program include accident and injury prevention, ensuring compliance with safety regulations, and promoting a proactive and team-oriented safety-first culture. The “security” portion of the Safety and Security program – which would expand the Parks Patrol partnership with the King County sheriff’s office, is not included in this appropriation, but is still planned at a future date.

KEY ISSUES

ISSUE 1 – STAFFING INCREASE

² The numbers given here do not exactly match the totals in the header of the section due to TLT accounting practices.

³ Ordinance 19289.

⁴ Attachment A to Motion 16797.

While a majority of the proposed new FTEs for this appropriation unit are TLT conversions, there would be 23 new FTE employees hired and 4 new TLT employees hired under the proposal. Council staff inquired as to the hiring plan and timeline for these positions, and how Parks will prioritize recruitment to ensure critical roles are filled in time to execute 2026 projects. Executive staff state that Parks HR has begun outreach and planning with key leaders on the proposed positions and hiring priorities for each section. They anticipate that majority of high-priority new positions will be recruited for in Q1 and Q2 of 2026, and the rest in Q3 and Q4 of 2026. Parks HR may also do a group recruitment for positions with the same classification to expedite filling the new positions, if needed.

PARKS CAPITAL

ANALYST: JAKE TRACY

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$266,582,848	\$268,856,419	\$213,654,846
Appropriations	\$266,582,848	\$268,856,419	\$213,654,846
Major Revenue Sources: 2026-2031 Parks Levy, REET 1 and 2, Grants			

DESCRIPTION

The Parks Capital Improvement Program supports the acquisition, construction, and rehabilitation of open space, parks, trails, and recreational facilities. It is supported by proceeds from the voter-approved Parks, Recreation, Trails, and Open Space Levy (Parks Levy), as well as Real Estate Excise Taxes (REET) and grants. It consists of two funds: Parks Recreation and Open Space (3160) and Parks Capital (3581).

The Parks Capital Fund (3581) provides revenues to be used for open space and trail acquisition, development projects, major maintenance, community partnerships and grants, and Parks Levy grant programs. Revenue sources are the Parks Levy, REET 1 and 2, and grants.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2026-2027 Biennial Budget includes a \$266.6 million appropriation to this fund. This includes \$244.6 million from the Parks Levy, \$17.9 million in REET, and \$3.7 million in grant money. This represents a large expansion in the Parks Capital program, which in 2025 received an approximately \$86 million appropriation. Biennializing this number, the proposed Parks Capital appropriation is a nearly 42% increase. This increase is backed by increased funding from the new 2026-2031 Parks Levy, but will require increased hiring to fulfill project commitments, as discussed in the staff report for the Parks and Recreation operating fund.

The proposed appropriations of Parks Levy funding appear to align with voter-approved allocations required by the Parks Levy Ordinance 19922 and the Allocation Plan that is Attachment A to Parks Levy Motion 16797 ("Allocation Plan"). Executive staff state that their intent is to align spending with the Allocation Plan over the levy period.

Projects proposed for this fund generally fall into the following categories: open space acquisition, trail development, construction and major maintenance of regional parks and facilities, and Parks-levy supported grants. Each of these areas is discussed below. A few projects are administrative in nature and do not fall into these categories, notably \$37.26 million for labor and software costs associated with Parks' capital program.

Conservation Futures Open Space Acquisition. The Parks Capital Fund supplies matching funding for projects recommended for grant awards by the Conservation Futures Advisory Committee.

The Conservation Futures Advisory Committee reviews and makes recommendations for projects to be supported by both the Parks Levy and the Conservation Futures Tax (CFT). Depending on project eligibility, some projects are recommended for CFT funding, some projects are recommended for Parks Levy funding, and some projects are recommended to receive funding from both sources. King County Code outlines an annual process for applications, review, and recommendations from this committee.¹ The proposed 2026-2027 Biennial Budget includes a list of proposed projects for 2026 only.

The Advisory Committee provides recommendations to the Executive and then transmits them for Council review. For 2026, the Committee recommended Parks Levy funding for projects totaling \$13.8 million. Executive staff have confirmed that these project recommendations align with the Committee's recommendations, which can be found in the committee's recommendations report.²

Trail Development. The Executive's proposed 2026-2027 Biennial Budget contains direct funding for five trails, in addition to projects spanning multiple trails. The total requested appropriation for trails is \$75.5 million, with approximately 37% of this total going towards Eastrail.

Table 1. Proposed Trail Appropriations

Trail Project	2026-2027 Budget Request	Appropriation Description
Eastrail Parent Project	\$17,524,006	This appropriation to the ongoing Eastrail project would be used for planning and preliminary design for the North and South Coulon segments, as well as program management and construction contingency.
Eastrail I-90 Steel Bridge	\$10,413,991	This appropriation would be used to complete the preliminary design phase and begin final design for the Eastrail steel bridge crossing over I-90. The former railroad bridge is just west of I-405 and has been determined to be structurally sound and of adequate width to be retrofitted for bike and pedestrian use.

¹ K.C.C. 26.12

² [2025-RPT0083](#)

Trail Project	2026-2027 Budget Request	Appropriation Description
Green River Trail North Extension	\$8,350,000	The Green River Trail currently ends at the Cecil Moses Memorial Park along the Duwamish River. The Green River Trail Extension is nearing completion, and when finished, would create a 1.4 mile north-south trail connection adjacent to W Marginal Way PI S between Cecil Moses Memorial Park and the City of Seattle limits. This appropriation would complete the project.
Lake to Sound Trail	\$8,235,000	This appropriation to the ongoing Lake to Sound trail project would be used for planning and design for the segments within Renton, Tukwila, and SeaTac.
Soos Creek Regional Trail	\$7,000,000	This appropriation to the ongoing Soos Creek regional trail project would fund construction of a segment of the Soos Creek Trail extending north from the current trail terminus. In addition, funding would be used for feasibility and alternatives analysis for two segments of trail on the southern portion: extending to Lake Meridian in Kent, and a Jenkins Creek Trail alignment in Covington.
Interurban Trail South Improvements Parent Project	\$3,000,000	No specific projects are planned at this point; moneys would be used to identify, evaluate, design, permit, and implement projects on the Interurban Trail South including emergent projects, preventative maintenance, major maintenance, intersection improvements, trail amenities, and repairs to meet current guidelines and standards at priority locations in Kent, Tukwila, Auburn, Pacific, and Algona.

Trail Project	2026-2027 Budget Request	Appropriation Description
Capital Improvements to Existing Regional Trail System Program	\$9,000,000	Funding in this general-purpose trails project would be used for improvements such as preventative maintenance, trail surface repairs and improvements, signage, pavement markings, access control, intersection improvements, trail mitigation site monitoring and maintenance, ADA improvements to meet current guidelines and standards, and legal support.
Other New Regional Trails	\$6,000,000	This appropriation is expected to be used for planning and feasibility studies for connections and new segments on the Cedar River Trail, Soos Creek Trail, and Sammamish River Trail.
Bridge and Trestle Assessment and Improvement Program	\$4,000,000	This appropriation would go towards annual inspections, program planning, feasibility studies, and repairs including deck replacement, cap, pile and sill repairs, and scour repair on regional trail bridges.
Backcountry Trail Rehabilitation Program	\$2,000,000	This appropriation would go toward trail rehab at Taylor Mountain Forest, Auburn Narrows Natural Area, and North Green River Park as well as other locations still to be determined.

Capital Improvements and Major Maintenance Renovations. The proposed 2026-2027 Biennial Budget includes funding for several capital projects and major maintenance renovations, totaling approximately \$104.1 million. These are generally directly tied to line items or footnotes in the Parks Levy Allocation Plan, though not all items in the Allocation Plan are proposed for funding in this first biennium of the six-year levy. Executive staff have confirmed their intent to fund all capital projects listed in the Allocation Plan over the life of the levy. Proposed projects in this category include items such as ballfield and sport court rehab, dog parks, climate resilience, water access and dock rehab, Parks building rehab, and Parks amenities rehab. The four largest single-site appropriations are discussed below.

King County Aquatic Center – \$20 million. This funding would be used for rehabilitation and repair projects to keep the Weyerhaeuser King County Aquatic Center open and functional, including planning, design, and construction to replace outdated mechanical systems, as well as design of parking lot improvements and accessibility improvements.

This appropriation represents all but \$2 million of the \$22 million in Parks Levy funding earmarked for this facility.

Skyway Park Community Center – \$10.4 million. The Skyway Park Community Center first received a \$10 million appropriation in the 2021-2022 Biennial Budget. The proposed 2026-2027 Biennial Budget would appropriate an additional \$10.4 million (\$8.4 million of REET, \$2 million of Parks Levy) to the project to complete final design and begin construction of the community center.

Construction is not expected to begin until 2029 or 2030, with the project expected to be operational in 2031. An additional appropriation of \$22 million (\$11 million of Parks Levy and \$11 million of REET) is projected for the 2028-2029 biennium.

According to Executive staff, the consultant for this project has provided a preliminary estimate of operating costs at approximately \$2.2 million per year. They are continuing to refine the facility design which includes outlining the recreation programming and developing an operations model to provide more accurate operations costs projections, and Parks anticipates the operations model will be available by the end of 2026.

Marymoor Park – \$10 million. This funding would be used for what have been identified as the most critical infrastructure rehabilitation projects at Marymoor Park, including replacement and upgrades for critical utilities, and roadway and pedestrian safety improvements. This appropriation would be made up of Parks Levy funding, with \$16 million in total levy funding earmarked for this project for the entire levy period. It is expected that an additional \$10 million in REET funding will be needed for the project in the 2028-2029 biennium.

Lakeland Park North – \$10 million. When completed, Lakeland North Urban Nature Park will be a 20-acre park located between Auburn and Federal Way in a narrow piece of unincorporated King County. This appropriation constitutes the whole of Parks Levy funding earmarked for the project; the Executive expects the majority of construction to be completed in 2028.

Grant Programs. Five grant programs are proposed to be funded through this capital program. The Aquatic Facilities, Healthy Communities and Parks, and Ballfield Access and Preservation grant programs are subject to the guidelines in Attachment B to the Parks Levy Motion 16797. The Community Partnerships and Grants program is governed by K.C.C. 7.08.110, and the Climate Resilience Grants are councilmanic. Table 2 below shows the proposed grant programs and requested appropriations.

Table 2. Proposed Grant Appropriations

Grant Program	2026-2027 Budget Request	Program Description
Aquatic Facilities Grants	\$15,180,000	This program provides capital grants for aquatic facilities owned by cities, towns, park districts, school districts, or other public entities.
Healthy Communities & Parks Grants	\$9,900,000	This program provides moneys to nonprofits, community organizations, tribes, towns and cities, and park districts, in order to achieve equitable opportunities and access to parks and recreation for traditionally underserved areas and communities, including people with disabilities.
Ballfield Access & Preservation Grants	\$3,889,891	This program provides moneys to cities, towns, park districts, and school districts for capital projects or operations and maintenance costs to increase access to ballfields.
Community Partnerships and Grants	\$4,125,000	This program provides moneys to recreation-oriented groups, sports associations, and community-based organizations to undertake any combination of developing, operating, or maintaining a recreation facility or public park in unincorporated King County and King County towns and cities for public benefit.
Climate Resilience Grants	\$1,650,000	This program is councilmanic. Each district has \$183,333 to allocate over the biennium. Councilmembers can choose to allocate their funding as part of this proposed ordinance, or reserve some or all of it for a later supplemental.

KEY ISSUES

ISSUE 1 – COUNCILMANIC CLIMATE GRANTS

Each council district has \$183,333 in new climate resilience grant funding to allocate over the biennium. Councilmembers can choose to allocate their funding as part of this proposed ordinance, or reserve some or all of it for a later supplemental. Executive staff state their intent to develop guidelines around how Councilmembers can use these grant moneys, but these guidelines will not be completed prior to the conclusion of the current biennial budget process.

ISSUE 2 – PARKS LEVY GRANT PROGRAM OVERSIGHT

In the 2020-2025 Parks Levy, the Aquatic Facilities and Healthy Communities and Parks grant programs were subject to adopted rules around advisory committee makeup, grant process and timeline, and criteria for weighing the relative merits of applications. The programs also required individual grant awards to be approved by the Council by ordinance. The 2026-2031 Parks Levy did not carry forward these rules, and individual grant awards are no longer required to be approved by the Council.

Executive staff provided the following information about their intent for the grant programs going forward:

- Parks is developing new grant program documentation, expected by Q1 2026.
- Guidelines for Aquatic Facilities and Healthy Communities and Parks grants would be refreshed based on feedback and outreach.
- New guidelines, applications, and evaluation processes would be developed for the Ballfields grant program.
- Advisory Committees would be retained, and improvements would focus on community engagement, applicant/grantee experience, and program intent.
- A biennial Request for Applications (RFA) cadence would be used for all three grant programs, with the intent of maximizing funding in each round and reducing applicant burden.
- Reporting to Council would occur every three years.

Whether to formalize any Council oversight functions (such as reports or briefings) is a policy choice.

PARKS RECREATION AND OPEN SPACE

ANALYST: JAKE TRACY

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$138,853	-	-
Appropriations	\$138,853	-	-
Major Revenue Sources: Grants			

DESCRIPTION

The Parks Capital Improvement Program supports the acquisition, construction, and rehabilitation of open space, parks, trails, and recreational facilities. It is supported by proceeds from the voter-approved Parks, Recreation, Trails, and Open Space Levy (Parks Levy), as well as Real Estate Excise Taxes (REET), and grants. It consists of two funds: Parks Recreation and Open Space (3160) and Parks Capital (3581).

The Parks, Recreation, and Open Space Fund (3160) provides for capital planning efforts, acquisition evaluations, budget development, and facility rehabilitations. The fund is expected to be retired after this biennium.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2026-2027 Biennial Budget includes \$26,353 for cost recovery for oversight activities performed by the auditor's office, and \$112,500 for an electric vehicle charging station at the Parks Central Maintenance Facility. The cost of the charging station is supported by a Department of Commerce Grant.

This fund is anticipated to be retired after this biennium; accordingly, no outyear projections are shown.

KEY ISSUES

Staff have not identified any key issues for this fund.

OPEN SPACE KING COUNTY NON-BOND SUBFUND

ANALYST: JAKE TRACY

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$ 217,119	\$ 3,400,000	\$ 3,150,000
Appropriations	\$ 217,119	\$ 3,400,000	\$ 3,150,000
Major Revenue Sources: Grants			

DESCRIPTION

The Open Space Non-bond Subfund is used by the Water and Land Resources Division (WLRD) of the Department of Natural Resources and Parks for acquisition of open space land, as well as the financing of farmland infrastructure on farms throughout King County for beginning and BIPOC¹ farmers. Whereas a majority of WLRD's open space funding comes from the conservation futures tax, revenues allocated to this subfund are primarily from federal and state grants.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed appropriation of \$217,119 would reflect a \$1.98 million reduction in open space grant contingency to reflect unsuccessful grant applications assumed in 2024 and 2025, along with an increase in grant contingency by \$2.2 million for anticipated upcoming open space acquisitions at Issaquah Creek, Lower Cedar River, Snoqualmie mainstream, East Fork Issaquah Creek, and Maury Island Armoring. Table 1 shows the breakdown of anticipated spending.

Table 1. Anticipated Acquisition Spending

Project	Anticipated Spending
Issaquah Creek	\$600,000
Lower Cedar River	\$600,000
East Fork Issaquah Creek	\$600,000
Snoqualmie Mainstream	\$200,000
Maury Island Armoring	\$200,000
Total	\$2.2 million

KEY ISSUES

Staff have not identified any key issues for this fund.

¹ Black, Indigenous, and people of color

REAL ESTATE EXCISE TAX 1 AND 2

ANALYST: JAKE TRACY

REET 1

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$ 17,979,314	\$ 21,680,000	\$ 19,600,000
Appropriations	\$ 17,979,314	\$ 21,680,000	\$ 19,600,000
Major Revenue Sources: Real Estate Excise Tax			

REET 2

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$ 17,979,314	\$ 21,330,973	\$ 19,254,843
Appropriations	\$ 17,979,314	\$ 21,330,973	\$ 19,254,843
Major Revenue Sources: Real Estate Excise Tax			

DESCRIPTION

King County levies two Real Estate Excise Taxes (REET) on sellers of real property in unincorporated King County. Each tax is 0.25% of the property value and each is regulated by both State law and the King County Code.

REET 1 is permitted by State law to be used to finance capital improvements that are listed in a capital improvements plan, capital facilities plan element of the Comprehensive Plan, or for housing relocation assistance.¹ The King County Code specifies that these proceeds may only be used “for capital needs of the unincorporated area of the county.”²

REET 2 is permitted by State law to be used for limited types of capital projects identified in the capital facilities plan element of the Comprehensive Plan.³ King County Code requires that REET 2 only be used for the "planning, construction, reconstruction, repair, rehabilitation or improvement of parks located in or providing a benefit and open to residents of the unincorporated area of King County.”⁴

¹ RCW 82.46.010

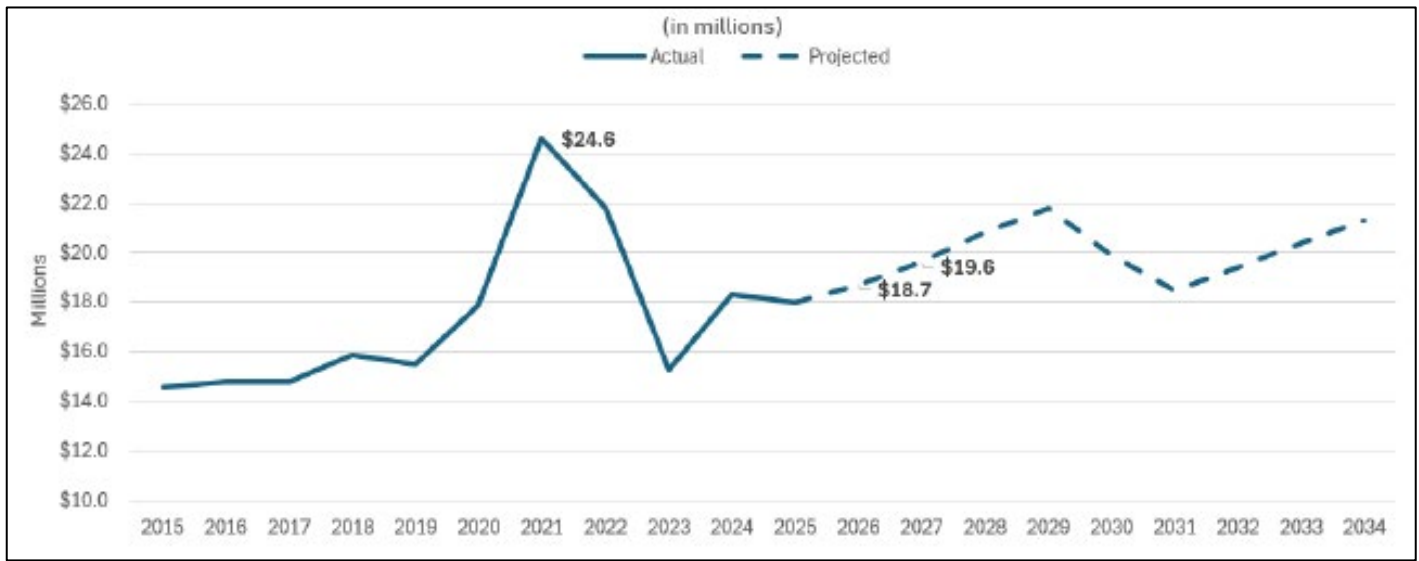
² K.C.C. 4A.200.580

³ RCW 82.46.035

⁴ K.C.C. 4A.200.590.E

Figure 1 below shows actual and projected REET revenues from 2015 through 2034. According to the Executive's proposed budget, REET revenue declined in 2022 and 2023, driven by the slowdown in the housing market and higher interest rates. Current estimates project a gradual recovery in REET revenue through 2034. The County expects to collect \$38.3 million in the 2026-2027 biennium. As the chart below shows, REET revenues are anticipated to remain between \$18 million to \$22 million per year through 2033.

Figure 1. REET Revenue 2015 through Projected 2034



Source: Executive Proposed 2026-2027 Biennial Budget

SUMMARY OF PROPOSED BUDGET AND CHANGES

In the proposed 2026-2027 Biennial Budget, REET would support Roads Services Division and Parks Division capital projects through transfers to the Parks and Roads Divisions.

REET proceeds are proposed to be used for the following in the 2026-2027 Biennial Budget:

- \$17.9 million for Parks to fund various projects including fish passage projects; rehabilitation of play areas at Preston Athletic Fields, Lake Geneva Park and others; environmental remediation and monitoring work; and the new Skyway Community Center.
- \$3.6 million for debt service for the central maintenance facility and bridge replacement projects.
- \$14.4 million for Road Services to fund projects in unincorporated King County including roadway preservation, bridge replacement design, and the removal of fish barriers.

KEY ISSUES

Staff have not identified any key issues for this fund.

DEPARTMENT OF NATURAL RESOURCES AND PARKS

ADMINISTRATION

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$24,178,834	\$23,326,290	30.0	1.0
2026-27 Base Budget Adjust.	\$478,732	\$0	0.0	0.0
2026-27 Decision Packages	(\$828,050)	\$79,054	1.0	0.0
2026-27 Proposed Budget	\$23,830,000	\$23,406,000	31.0	1.0
% Change from prior biennium, biennialized	(1.4%)			
Dec. Pkg. as % of prior biennium, biennialized	(3.4%)			
Major Revenue Sources: Charge for services, grants, transfers				

DESCRIPTION

The Department of Natural Resources and Parks (DNRP) Administration houses the administrative functions of DNRP. Functions include agency management, financial services, human resources, government relations, and similar functions where purposes are shared among divisions. DNRP Administration section costs are allocated among the operating agencies of DNRP.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2026-2027 Biennial Budget would appropriate about \$23.8 million to DNRP Administration, a 1.4% decrease from the biennialized 2025 revised budget. The proposed budget would add 1 FTE and include the following administrative service changes:

- \$561,673 in one-time funding to support the development of DNRP-wide business standards and processes for implementing customer relationship management solutions. This work would be funded by existing fund balance; and
- \$283,519 and 1 FTE to lead the department's performance measurement program and implement performance improvement projects. The work would be funded by a cost allocation to DNRP divisions.

The proposed budget includes technical adjustments, including a reduction of \$950,000 in the consulting budget for the Capital Project Management Working Group Training Program. The program is able to do more work in-house than predicted when it was established in the 2023-2024 budget.

KEY ISSUES

Staff have not identified any key issues with this budget.

WATER AND LAND RESOURCES

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$125,256,556	\$125,084,956	343.1	2.0
2026-27 Base Budget Adjust.	\$2,736,224	(\$1,900,000)	0.2	0.0
2026-27 Decision Packages	\$7,764,060	\$11,431,976	6.2	0.0
2026-27 Proposed Budget	\$135,757,000	\$134,617,000	349.6	2.0
% Change from prior biennium, biennialized	8.4%			
Dec. Pkg. as % of prior biennium, biennialized	6.2%			

Major Revenue Sources: Charges assessed to agency divisions and organizational units (Wastewater Treatment, Local Hazardous Waste, Surface Water Management (SWM), Noxious Weed), Flood Control District, General Fund, Grants, charges assessed to other jurisdictions

DESCRIPTION

The Water and Land Resources appropriation unit houses the Division's administrative functions and direct service programs, including Environmental Lab, Science and Technical Services, and Local Hazardous Waste. Administration includes the Director's Office, Finance and Administration, and other office support. Science and Technical Services provides water quality technical analysis and monitoring. The Environmental Lab provides chemical and biological testing and data management in support of surface water requirements, the Wastewater Treatment Division (WTD), Solid Waste Division (SWD), and other agency divisions.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2026-2027 Biennial Budget would appropriate about \$135.8 million to the Water and Land Resources appropriation unit, an 8.4% increase to the biennialized 2025 revised budget. This is largely driven by a \$1.2 million increase in the Agriculture, Forestry, and Incentives section budget to account for continued US Department of Agriculture grant funding to expand the county's Farmland Access Program and \$750,000 in funding for flood code updates and compliance. The proposed budget would add a net of 6.2 FTEs.

Additionally, the proposed budget includes administrative and technical adjustments, including:

- Transfer 3 FTEs back to the River and Floodplain section. There is a corresponding change in the Flood Control Contract appropriation unit;

- Move one vacant Engineer I from the Capital Section to the River and Floodplain Capital Section and reclass the FTE to a Communications Specialist III. There is a corresponding change in the Flood Control Contract appropriation unit; and
- \$2.6 million in Parks Levy revenue to continue funding the Public Benefit Rating System (PBRs) and forestry technical assistance programs.

KEY ISSUES

Staff have not identified any issues in this fund. It is important to note that some expenditures in this appropriation unit are dependent on the SWM rate that is adopted for the next biennium. The Council will have the opportunity to review the proposed rates separately through its review of Proposed Ordinance 2025-0302.

SURFACE WATER MANAGEMENT LOCAL DRAINAGE SERVICES

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$116,009,332	\$107,708,128	46.0	0.0
2026-27 Base Budget Adjust.	(\$11,201,620)	\$0	0.0	0.0
2026-27 Decision Packages	\$5,965,853	\$868,120	3.0	0.0
2026-27 Proposed Budget	\$110,774,000	\$108,577,000	49.0	0.0
% Change from prior biennium, biennialized	(4.5%)			
Dec. Pkg. as % of prior biennium, biennialized	4.9%			

Major Revenue Sources: SWM fees, Grants, Contracts, General Fund

DESCRIPTION

Surface Water Management (SWM) Local Drainage Services provides a variety of functions for surface water management in King County. Local Drainage Services designs and constructs stormwater facilities; updates surface water design standards and regulations in compliance with federal and state requirements; inspects and maintains existing stormwater facilities; investigates, reports, and repairs drainage and water quality problems; and manages compliance with the National Pollutant Discharge Elimination System (NPDES) permit required under the Clean Water Act. This fund holds the money for capital projects, which are transferred to the SWM CIP Non-bond Subfund through a pay-as-you-go system.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The SWM revenue is proposed to increase by \$5.1 million through an approximately 4.99% increase to the SWM rates, discussed further in the Key Issues section below. This revenue would provide for current levels of service and expand support services in both the SWM Local Drainage Services appropriation unit and the Water and Land appropriation unit. Other notable changes in the 2026-2027 proposed budget are described below:

- \$1.5 million in one-time funding for the clean-up of 46 stormwater facility sites in Redmond Ridge;
- \$100,000 in one-time funding to develop stormwater inspection training for private facility owners and King County department leads. This would be a partnership with other jurisdictions and the Washington Stormwater Center;
- One FTE for an Administrative Specialist to support Stormwater Asset Management Unit with Records Management. This is a net-zero request; WLRD would also the budget for construction contracts by an offsetting amount; and

- \$403,613 and 1 FTE, program/project manager position, to establish and manage the Integrated Drainage Program. The request is consistent with a recommendation of WLRD's Rural Flooding Assessment Report.

Additionally, the proposed budget includes administrative and technical adjustments, including \$6 million in one-time appropriation authority to support grant funding for surface water management programs.

KEY ISSUES

ISSUE 1 – SWM RATES INCREASE

The 2026-2027 proposed budget would increase the SWM rates 4.99% for all property classifications. Proposed Ordinance 2025-0302, which would increase the SWM rates, was transmitted with the Executive's 2026-2027 proposed budget. The SWM program pays for the cost of planning, designing, constructing, maintaining, and operating stormwater control facilities under county and state law.¹

Table 1 illustrates the current SWM rates and the 2026-2027 proposed SWM rates for unincorporated King County property owners. The proposed 2026-2027 SWM fee for a single-family residence is \$379 per parcel.

Table 1. 2025 SWM Rates and 2026-2027 Proposed SWM Rates

Rate Classification	Percent Impervious Surface	2025 Rate	2026-27 Proposed Rate
1 Residential	N/A	\$361.00 / parcel	\$379.00 / parcel
2 Very Light	10% or less	\$361.00 / parcel	\$379.00 / parcel
3 Light	10.1% - 20%	\$1,003.69 / acre	\$1,053.74 / acre
4 Moderate	20.1% - 45%	\$1,878.75 / acre	\$1,972.43 / acre
5 Moderately Heavy	45.1% - 65%	\$3,206.03 /acre	\$3,365.89/acre
6 Heavy	65.1% - 85%	\$4,466.12 / acre	\$4,688.81 / acre
7 Very Heavy	85.1% - 100%	\$5,495.07 / acre	\$5,769.06 / acre

According to the transmittal letter for Proposed Ordinance 2025-0302, the increase in SWM fees would support ongoing efforts to improve and maintain stormwater infrastructure and provide necessary surface water management services to protect public health and safety.

The Council will have the opportunity to review the proposed rate increases as part of its review of Proposed Ordinance 2025-0302. If the proposed rate increases are not approved, in whole or in part, the proposed 2026-2027 operating and capital budget

¹ RCW 36.89.080 through 36.89.120 and K.C.C. Chapter 9.08.

expenditures in several agency divisions would need to be adjusted, or fund balance would need to be used.

SURFACE WATER MANAGEMENT NON-BOND SUBFUND

ANALYST: ANDY MICKLOW

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$53,853,588	\$55,036,530	\$55,010,000
Appropriations	\$53,853,588	\$55,036,530	\$55,010,000
Major Revenue Sources: SWM Fees, Grants, Interlocal Agreements			

DESCRIPTION

The Water and Land Resources Division's Surface Water Management (SWM) Capital Improvement Program (CIP) Non-Bond Subfund (Fund 3292) is funded by SWM fees transferred from the operating fund (SWM Pay-As-You-Go), state and federal grants, and interlocal agreements.

This capital fund supports three key portfolios: surface water services, ecological restoration, and fish passage. Surface water services includes a variety of surface water-related infrastructure projects, including those that control surface water runoff and pollution, address drainage issues on residential or agricultural properties, and respond to emergencies. These projects may construct new facilities or repair and improve existing facilities. Ecological restoration includes projects that restore, enhance, and protect stream and wetland habitats and functions. Fish passage addresses existing culverts or blockages that are barriers for migratory salmonid species, and includes work completed by both WLRD and the Roads Division. Capital projects are prioritized based on ecological criteria, urgency, readiness, and effectiveness for recovery of endangered salmon and other critical watershed functions.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 Executive proposed budget for the SWM CIP is approximately \$53.9 million. This includes \$14.6 million from SWM fees and \$39.3 million from grants and ILAs. Major projects in this fund include:

Water Quality Program. This program applies best management practices to manage stormwater runoff, improve water quality, and improve stream health. The program includes retrofitting stormwater facilities that lack flow control or water quality facilities. The 2026-2027 Biennial Budget proposes \$802,500 for this program, which would fund continued investments in the Water Quality Program, including the design of the Mill Creek Tributary and White Center Ponds pretreatment project.

Fish Passage Program. The Fish Passage Program replaces and upgrades culverts that obstruct fish passage in unincorporated King County. The proposed budget

includes a \$1.9 million request to support continued investments in the Fish Passage Program, funding design efforts for Tuck Creek, and a new investment at Mouth of Molasses Creek, as well as construction at Tolt McDonald.

Water Resource Inventory Area (WRIA) Restoration Programs. These programs include projects that restore aquatic ecosystems and habitat restoration projects in the unincorporated areas of WRIs 8, 9, and 10, based on adopted plans for each WRIA. Appropriation requests and proposed projects for each WRIA for 2026-2027 are as follows:

- WRIA 8 Cedar River & Lake Washington Watershed. \$603,000 request to provide continued support for the Keep It Simple project, as well as new investments for the Kokanee Habitat Project Development, Poo Poo Point Trailhead project, and Phase 2 of the Seawest Granston project.
- WRIA 9 Green & Duwamish River Watersheds. \$432,000 request to continue funding investments in Josie Newaukum, revetment work at Flaming Geyser, and the restoration of Lower Burns Creek.
- WRIA 10 Puyallup-White Watersheds. \$170,000 request to fund planning costs for the Bickford project at Middle Boise Creek and support adaptive management efforts for Lower Boise Creek.

Retrofitting of White Center Ponds. This standalone project would implement retrofits to the White Center Regional Retention/Detention facility to improve maintenance costs, community safety, water quality, and flow control. The proposed budget includes a total of \$4.3 million to provide construction funding for the project. The request includes \$2.56 million in transfers from standalone projects in addition to \$1.74 million in new SWM funding.

Grant Contingency. The proposed budget includes \$39.3 million in grant contingency for stormwater, ecological restoration, and fish passage. These three grant contingency projects provide agencies with flexibility to respond to grant awards and complete grant-related work within grant deadlines. The requests are based on project manager estimates for grant funding needs for the 2026-2027 biennium.

KEY ISSUES

Staff have not identified any issues in this fund. It is important to note that the scope and size of the SWM CIP Non-Bond Subfund is dependent on the SWM rate that is adopted for the next biennium. The Council will have the opportunity to review the proposed rates separately through its review of Proposed Ordinance 2025-0302.

NOXIOUS WEED CONTROL PROGRAM

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$12,103,076	\$9,416,574	20.0	0.0
2026-27 Base Budget Adjust.	\$153,977	\$0	0.0	0.0
2026-27 Decision Packages	\$98,973	\$3,283,809	0.0	0.0
2026-27 Proposed Budget	\$12,357,000	\$12,701,000	20.0	0.0
% Change from prior biennium, biennialized	2.1%			
Dec. Pkg. as % of prior biennium, biennialized	0.8%			
Major Revenue Sources: Noxious Weed special assessment, grants				

DESCRIPTION

The Noxious Weed Control Program combats noxious weeds throughout the county, consistent with the state noxious weed control law (chapter 17.10 RCW). The Noxious Weed Control Program is funded through a special assessment on each parcel in King County. The program is intended to prevent and control the spread of noxious weeds to minimize impacts on public health, natural resources, recreation, and the economy. The program provides education, prevention, and technical assistance to landowners and public agencies to achieve noxious weed control on each site and to reduce the overall impact of noxious weeds throughout the county. The program responds to reports and complaints from the public and independently initiates surveys across King County to detect new infestations and track changes in known populations.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed budget includes revenues related to an increase in the Noxious Weeds special assessment to sustain the current level of service provided by the King County Noxious Weeds Program. Increased revenues would help cover the inflationary increases, including recent staff salary adjustments, central rates, and overhead allocations. The proposed budget also includes a one-time administrative service adjustment of \$499,992 to remove the Noxious Weed program contingency budget that has not been utilized.

KEY ISSUES

ISSUE 1 – NOXIOUS WEED SPECIAL ASSESSMENT INCREASE

The Executive proposes to increase the Noxious Weed special assessment by \$1.922 per parcel for all non-forest properties in King County for the 2026-2027 biennium. Proposed Ordinance 2025-0301, which would implement the proposed special assessment increases, was transmitted with the Executive's Proposed 2026-2027 Biennial Budget.

The special assessment is proposed to increase rates by 31% (Table 1, below) to maintain the program's offerings. The Noxious Weed special assessment is estimated to generate \$2.92 million in revenues to fund these services.

Table 1. 2023-2025 Noxious Weed Assessment and 2026-2027 Proposed

Parcel Type	2023-2025 Rate	Proposed 2026-2027 Rate	\$ Change
Regular – Non-forest	\$6.20 per parcel + \$0.4429 per acre	\$8.122 per parcel + \$0.58 per acre	\$1.922 per parcel + \$0.1371 per acre
Forest	\$0.62 per parcel + \$0.0443 per acre	\$0.812 per parcel + \$0.058 per acre	\$0.192 per parcel + \$0.0137 acre

If the proposed special assessment increases in the ordinance are not approved, in whole or in part, the proposed 2026-2027 Noxious Weed Control Program budget expenditures would need to be adjusted.

KING COUNTY FLOOD CONTROL CONTRACT

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$285,563,594	\$285,563,596	31.0	0.0
2026-27 Base Budget Adjust.	\$529,664	\$0	0.0	0.0
2026-27 Decision Packages	\$11,858,616	\$12,388,278	9.0	0.0
2026-27 Proposed Budget	\$297,952,000	\$297,952,000	40.0	0.0
% Change from prior biennium, biennialized	4.3%			
Dec. Pkg. as % of prior biennium, biennialized	4.2%			

Major Revenue Sources: Flood Control District property tax

DESCRIPTION

The Water and Land Resources Division (WLRD) implements the operations and the capital improvement program of the King County Flood Control District (District) through an interlocal agreement. The Flood Control District is a special purpose government, composed of members of the King County Council, created to provide funding and policy oversight for flood protection projects and programs in the County. The Flood Control District program includes structural protection, hazard identification and mitigation, asset management, a flood warning program, consultation with agencies, and risk reduction through partnership.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2026-2027 Biennial Budget would appropriate about \$298 million to the King County Flood Control Contract, a 4.3% increase to the biennialized 2025 revised budget. The proposed budget would add 9 FTEs and include the following service changes:

- \$321,412 and 1 FTE dedicated to floodplain management communications on behalf of the Flood Control District. According to Executive staff, this would be a new employee in the Rivers Section of WLRD providing service to the Flood Control District under the interlocal agreement between the District and King County; and
- \$1,008,486 and 4 FTEs for a new River and Floodplain Management Maintenance Crew. The proposed budget indicates that the crew would eliminate the inefficiencies of a temporary staff-based crew and prevent maintenance delays, as staff are unable to fully purchase this service in the private sector. According to Executive staff, in prior years, the work was provided by a combination of contracted labor and a Short-Term Temporary crew.

The 2026-2027 proposed budget for the Flood Control District Contract also includes administrative services changes and technical adjustments. The proposed budget would transfer three FTEs back to the River and Floodplain Section from the Capital Section that was created as part of WLRD's 2024 reorganization. These positions include Communications Specialist IV, Administrative Specialist III, and Project and Program Manager II. The funding source is not being changed.

The proposed budget would also move one vacant Engineer I from the Capital Section to the River and Floodplain Capital Section and reclass the FTE to a Communications Specialist III. According to Executive staff, this position would work in conjunction with the floodplain communications position outlined in the service change section of this staff report. Both positions would support communications needs stemming from Flood Control District capital construction.

The proposed budget reflects anticipated activities to be completed in service to the interlocal agreement with the Flood Control District. Work performed by WLRD is at the request of the District and is subject to negotiation between the County and the District, and future adjustments will likely be needed to conform to the District's approved budget.

KEY ISSUES

ISSUE 1 – STAFF INCREASE

The proposed budget would increase the number of FTEs for 2026-2027. The nine new positions would be funded through reimbursement by the Flood Control District, which is funded by the King County flood tax. As noted above, the District is a separate governmental entity from King County, with its own governance, funding source, and budgetary process. If the expenditure is not approved in the District's budget, the position authority would exist without funding. The District is in its annual budget process for 2026, with expected approval in November 2025.

LOCAL SERVICES ADMINISTRATION

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$36,391,050	\$35,590,650	32.5	2.0
2026-2027 Base Budget Adjust.	(\$12,340,071)	(\$13,219,946)	0.0	0.0
2026-2027 Decision Packages	\$14,934,020	\$16,304,789	35.0	2.0
2026-2027 Proposed Budget	\$38,985,000	\$38,676,000	67.5	4.0
% Change from prior biennium, biennialized	7.1%			
Dec. Pkg. as % of prior biennium, biennialized	41.0%			
Major Revenue Sources: General Fund, Cost Allocation to Divisions and Partner Agencies, Bond Proceeds				

DESCRIPTION

The Local Services Administration appropriation unit supports the Department of Local Services (DLS) Director's Office. The Director's Office functions include oversight of the Permitting and Road Services Divisions, the Community Service Area program (including workplans, service partnership agreements, and community needs lists), communications, human resources, government relations, economic development, and subarea planning.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Substantive changes in the Executive's proposed 2026-2027 budget include:

- **\$250,000 in "emergency support" funding.** This allow DLS to pay for activities such as clearing debris outside the right-of-way, connecting people to wireless under extended outages, emergency shelter, repairs, cleanup, heating and cooling centers (generators), and critical safety needs, as a result of an emergency event. This change is funded by the Service Partner Allocation, which is about 29% General Fund moneys and will be discussed under Key Issue 1.
- **1.0 FTE and \$379,000 for a Customer Support Liaison.** This position would triage customer issues that touch multiple agencies. Executive staff indicate that currently, this sort of triaging and coordination is done by the managers of the Department and the Division, and this position would free up their time for other management work. This change is funded by the Service Partner Allocation.

- **1.0 FTE and \$310,000 for an additional Communications Position.** Executive staff state that this additional position would add capacity for "1) centralized employee communications to make sure our employees have the information needed to do their jobs and are supported and engaged, and 2) accessible and responsive communications and engagement with customers for direct programming and robust two-way communications." Currently, there are 3.0 FTEs dedicated to communications work in the department. This position is funded through the Division Allocation, where the Roads Services Division pays 77.7% and the Permitting Division pays 22.3% of the costs. This allocation will be discussed further in Key Issue 1.
- **\$167,000 for an internship program.** Executive staff report these three internship positions would focus on community engagement and on policy development. This change is funded by the Service Partner Allocation.
- **1.0 TLT at a cost of \$360,000, plus an additional \$1.0 million in additional consultant and other costs, to support long range planning efforts.** This would include the 2029 Shoreline Master Program update, Housing Tools and Strategies related to the Affordable Housing Work Plan Action 11, and an update to the Communication Facilities Code required by Work Plan Action 8. These are funded 100% by the General Fund.
- **\$740,000 for a General Counsel position.** This position would provide legal advice to the Department. The 1.0 FTE for this proposal is in the Prosecuting Attorney's Office. Executive staff state it is not known whether legal fees, which were estimated have a biennialized cost of \$5.3 million, would be lowered as a result of hiring this position. This position is funded through the Division Allocation.
- **1.0 FTE and \$567,000 for a Chief Administrative Officer.** The Chief Administrative Officer would manage the long range planning and government relations functions. This change is funded by the Service Partner Allocation.
- **32.0 FTEs and \$11.8 million to transfer finance and human resource functions.** This change would move these positions from the Permitting and Road Services Divisions to the Director's Office. This change is cost neutral for the Divisions.

There were agency proposals related to implementing the 2024 Comprehensive Plan Work Plan that were not funded in the Executive's proposed budget. Those are discussed in further detail in Key Issue 3.

Under King County Code (K.C.C.) 2.16.055.C., the Department of Local Services is required to develop and monitor implementation of community needs lists (CNLs), which are "the list of services, programs, facilities and capital improvements that are identified

by the community." A CNL is required to be developed for each of the six rural community service area and five largest urban unincorporated potential annexation area geographies in unincorporated King County (UKC). The CNLs are approved by the Council, after a lengthy process of developing and prioritizing the community requested items for the lists, with: 1) the subarea plan developed for the geography, 2) each biennial budget, or 3) when the Executive determines an update is needed.

The code also requires that the CNLs "be used to develop proposals for the executive's proposed biennial budget, including services, programs, infrastructure and facilities that implement the list. As part of the executive's biennial budget transmittal, the executive shall include a description of how the proposed biennial budget implements the list."

As part of the 2026-2027 Biennial Budget, the Executive has transmitted [Proposed Ordinance 2025-0298](#), which would adopt the CNLs as required by the Code.

Staff analysis of that proposed ordinance, and the funding in the 2023-2024 budget associated with the CNLs, will be addressed as part of the related proposed ordinance.

KEY ISSUES

ISSUE 1 – NEW COSTS AND LEVEL OF SUPPORT FROM CONSTRAINED FUNDS

This appropriation unit is funded by multiple cost allocation models, as well as the General Fund. Costs that are funded through the Service Partner Allocation are supported by 28.7% General Fund, 11.6% Roads Operating, and 2.6% Permitting Division appropriation units, with the remaining 57.1% split among other agencies that have a presence in unincorporated King County, including Metro, DNRP, Public Health, DCHS, and KCIT appropriation units. Costs that are funded through the Division Allocation are split 77.7% from Road Services and 22.3% from Permitting Division appropriation units. The proposed budget requests for DLS Administration funded through these allocations are shown in Table 1 and Table 2 below.

**Table 1.
2026-2027 Requests Supported by the
DLS Service Partner Cost Allocation**

2026-2027 Request	Total Cost	General Fund Supported	Roads Fund Supported
Emergency support	\$250,000	\$72,500	\$29,000
Customer support liaison FTE	\$379,000	\$109,910	\$43,964
Internship program	\$167,000	\$48,430	\$19,372
Chief administrative officer FTE	\$567,000	\$164,430	\$65,772
	\$1,363,000	\$395,270	\$158,108

Table 2.
2026-2027 Requests Supported by the DLS Division Allocation

2026-2027 Request	Total Cost	Roads Fund Supported	Permitting Fund Supported
Communications position FTE	\$310,000	\$240,870	\$69,130
General counsel FTE	\$740,000	\$574,980	\$165,020
	\$1,050,000	\$815,850	\$234,150

Given the longstanding structural constraints on these appropriation units, the Council may want to consider whether additional costs in these funds are consistent with the Council's budget priorities.

ISSUE 2 – GENERAL COUNSEL POSITION

The Executive has proposed a new General Counsel position that would coordinate legal review with the Prosecuting Attorney's Office (PAO) to provide legal advice to the Department of Local Services. This is in addition to the existing \$5.3 million in biennialized costs for legal services that are paid by the Department and Road Services and Permitting Divisions to the PAO for legal advice.

Particularly for the Permitting Division and long-range planning work in the Director's Office, legal work is complicated and takes specialized knowledge. The Council may wish to consider whether a General Counsel position, paid for by the Road Services and Permitting Divisions, is a budget priority.

ISSUE 3 – COMPREHENSIVE PLAN WORK PLAN COMPLETION

As part of the 2024 Comprehensive Plan and review of the 2025 Budget, the Council and Executive negotiated future funding needs in conjunction with the due dates in the 2024 Comprehensive Plan. This included actions in the Department of Local Services that required funding in the 2026-2027 biennium:

- Action 3: Mandatory Inclusionary Housing and Community Preference Review, due December 31, 2027.
- Action 7: Rural Economic Strategies Update, due June 30, 2028 (\$300,000 was added in the 2025 budget).
- Action 11: Remove Barriers to Affordable Housing due December 31, 2027 (2.0 FTEs and \$800,000 was added to DCHS in the 2025 budget).
- Action 12: Short-Term Rental Regulations, due June 30, 2027.
- Action 15: Legacy Business Program, due September 31, 2027.

There were three agency proposals not funded in the Executive's recommended budget that would have funded some of this required work. This includes:

- 2.0 TLTs (on top of the 1.0 TLT funded in the Executive's proposed budget) for supporting the Comprehensive Plan Work Plan actions generally;
- \$250,000 for consulting costs related to Short-Term Rental Regulations (Work Plan Action 12);
- 1.0 TLT and \$582,000 for Rural Economic Strategies (Work Plan Action 7); and
- 1.0 TLT and \$681,000 for Legacy Business Support (Work Plan Action 15).

The Executive's recommended budget does propose funding for Work Plan Action 8: Communication Facilities Code Update, due June 30, 2028, which was not stated to require funding as part of the 2024 work and negotiations.

It is a policy choice whether to provide funding to complete the work required by the Comprehensive Plan. For the unfunded agency proposals, Executive staff state that "DLS will need to assess and consider the feasibility of completing unfunded proposals."

PLANNING AND PERMITTING

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$49,864,498	\$45,391,962	117.0	0.0
2026-2027 Base Budget Adjust.	(\$1,448,169)	\$0	0.0	0.0
2026-2027 Decision Packages	(\$2,903,528)	\$142,591	(12.0)	1.0
2026-2027 Proposed Budget	\$45,513,000	\$45,535,000	105.0	1.0
% Change from prior biennium, biennialized	(8.7%)			
Dec. Pkg. as % of prior biennium, biennialized	(5.8%)			
Major Revenue Sources: Permitting Fees, General Fund				

DESCRIPTION

The Planning and Permitting appropriation unit within the Permitting Division of the Department of Local Services is responsible for reviewing, approving, and inspecting land use and construction projects. This group is responsible for providing customer assistance and public information regarding permitting, application intake review, review of development proposals for compliance with King County Code, construction and site inspections, and critical areas monitoring.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Substantive changes in the Executive's proposed 2026-2027 budget include:

- **TLT and \$454,000 for support on the 2029 midpoint Comprehensive Plan update.** This position would be targeted to the Climate Change Element requirements added to the Growth Management Act. This position is funded by the General Fund.
- **Reduction in force of 8.0 FTEs, plus a labor contra to hold an additional 3.0 FTEs vacant through the biennium.** The total cost savings is estimated at \$4.3 million. This is proposed due to lower permit application volume projected during the biennium.
 - The positions proposed to be eliminated include two plans examiners, four engineers, one planner, and one records management specialist.
 - The positions proposed to be left vacant for the biennium include one business systems manager, one engineer, and one planner.

- **\$1.2 million for a new technology project to replace the County's permit tracking software and online permit application tools (CIP #1150821).** Supporting material indicates that the project would replace five separate but integrated permitting-related systems, cloud hosted by five different vendors, with a single system that provides online permitting functionality without multiple, inter-system integrations. Today, the existing permitting software in use by the County requires the public to navigate four or five separate online permitting systems to submit, pay for, and obtain permits. Replacing these disparate systems with a single system will "reduce wasted staff time, errors, and processing delays, and improve workload management and accuracy of project status information and performance reporting...." The requested appropriation would support the configuration and implementation of a replacement permit tracking software. The supporting materials also note that updates to the state laws regarding permit processing timelines and performance reporting are not easily met with the existing software.

This project would be funded through a permit fee surcharge for the biennium. Executive staff note that no vendor has yet been chosen, but that staff "believes that there are solutions available within this price range that will meet the organization's needs." No contingency is included in the appropriation request, Executive staff state that, to control costs, "KCIT, PSB, and DLS will be closely monitoring this project and the risk of cost overruns through consistent check-ins with project managers, spending dashboards, and leadership involvement. In addition, DLS in its selection of a system must prioritize solutions that it can afford and still meet customer needs." The Division has not yet procured a vendor, and does not have a project completion date.

There were two agency proposals not funded in the Executive's recommended budget that may be of interest to Council. This includes 6.0 FTEs and \$2.7 million to support implementation of a monitoring and adaptive management program associated with the critical areas ordinance, and 1.0 TLT and \$455,000 to support the update to the Clean Water Healthy Habitat Strategic Plan. Executive staff state that "[w]ithout funding, Permitting will be unable to contribute to these efforts. The lead agencies for these efforts will need to assess the impacts on their respective project schedules and deliverables."

KEY ISSUES

ISSUE 1 – PERMIT FEE INCREASE

The Executive has proposed changes to the permit fees (accompanying legislation is Proposed Ordinance 2025-0311). Included in the fee ordinance is an 11.8% increase to fees charged by the Permitting Division, a new 3.5% temporary surcharge to fund replacement of the permit tracking software, a new permit application screening fee,

and new permit application fees for the Historic Preservation Program and River and Flood Management programs of the Department of Natural Resources and Parks.

A breakdown of this increase is included in Table 1.

Table 1.
2026-2027 Permit Fee Changes and Projected New Revenue

Description of Increase	Projected New Revenue	% of the increase
Central Rates (including additions to the Cost Allocation for Local Services Administration)	\$2,519,000	7.5%
Labor Costs, General Wage Increase	\$1,193,000	3.5%
Supplies/Services	\$249,000	0.7%
KCIT Charges	\$36,000	0.1%
2026-2027 Projected Fee Revenue with Fee Increase	\$3,997,000	11.8%
Increases from new Application Screening Fee	\$1,000,000	n/a
Contributions from surcharge for IT project	\$1,208,000	3.6%
2026-2027 Revenue with Surcharge and Application Screening Fee	\$6,169,000	15.4%

Staff analysis of this permit fee increase is ongoing. Councilmembers should note that any changes to the permit fee or to the requests in this appropriation unit will need to be balanced.

ISSUE 2 – NEGATIVE FUND BALANCE/FUNDING MODEL

Because of the historically low permit volumes, the Financial Plan for this appropriation unit (updated Financial Plan attached), shows an estimated beginning fund balance of (\$10,510,047) for 2026. The Financial Plan does not show a positive fund balance in the 6-year planning period.

Revenues for this appropriation unit are estimated to be 94.2% funded by permit revenue. The \$2.6 million in General Fund revenue is proposed to support division overhead costs of \$1.5 million, code enforcement overhead of \$672,000, and the one-time Climate Change Element work at \$1.5 million.

The Permitting Division operates as an enterprise fund, which means that the activities for permit review are 100% funded by permit fee revenue. The Council may wish to consider whether this model is sustainable or whether more work should be done to address it. Of note, as part of the 2025 budget, the addition in 8.0 FTEs resulted in a

10% permit fee increase – but the reduction in the same number of staff does not mean there is any reduction in permit fees, because of increased costs to the Division overall.

Attachment: Updated Planning and Permitting Appropriation Unit Financial Plan

**2026-2027 Proposed Financial Plan
DLS Permitting Fund / 000001340**

Category	2025 Estimated	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Beginning Fund Balance	\$ (5,771,047)	\$ (10,510,047)	\$ (10,488,294)	\$ (5,535,312)
Revenues				
CHARGE FOR SERVICES - R3410	15,400,000	41,711,260	49,980,092	53,924,143
SURCHARGE	-	1,172,000	-	-
TRANSFERS IN - R3901	336,000	2,651,293	2,339,139	2,485,335
Total Revenues	\$ 15,736,000	\$ 45,534,553	\$ 52,319,230	\$ 56,409,478
Expenditures				
SALARIES/WAGES/BENEFITS - 51000	15,969,000	31,259,346	32,888,216	34,943,730
SUPPLIES - 52000	27,000	49,200	52,565	56,077
SERVICES-OTHER CHARGES - 53000	1,160,000	3,756,960	4,013,936	4,282,067
INTRAGOVERNMENTAL SERVICES - 55000	3,311,000	9,230,994	10,361,317	11,726,938
INTRAGOVERNMENTAL CONTRIBUTIONS - 58000	8,000	1,216,300	50,214	56,832
Total Expenditures	\$ 20,475,000	\$ 45,512,800	\$ 47,366,248	\$ 51,065,644
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ (10,510,047)	\$ (10,488,294)	\$ (5,535,312)	\$ (191,478)
Reserves				
Expenditure Reserve (s)				
Rainy Day Reserve	1,262,158	2,805,584	2,919,837	3,147,882
Total Reserves	\$ 1,262,158	\$ 2,805,584	\$ 2,919,837	\$ 3,147,882
Reserve Shortfall	11,772,205	13,293,878	8,455,149	3,339,360
Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -

Financial Plan Notes

- All financial plans have the following assumptions, unless otherwise noted in below rows:
- 2026-2027 Proposed Budget ties to PBCS.
- Outyear projections columns: expenditure inflation assumptions are consistent with figures provided by PSB's BFPA guidance.

Revenue Notes:

- 2026 custom new home and remodel permit volume (240) = lowest on record (2014)
- 2026 basic home permit volume (72) = lowest on record (2022)
- 2026 other permits and approvals = same as year 2024
- No permit volume increases in 2026-2031
- 2026-2027 increase in Transfers In from re-allocation of general fund from A32530
- 2026-2027 temporary 3.5% surcharge to generate funds to pay for replacement of permitting system; surcharge ends 12/31/2027
- 2028-2029 GF transfer is reduced by the amount of one-time funding of Climate Change support in 2026-2027
- 2026-2027 and outyear permit fee amounts and revenues are increased to match aggregate increase in expenditures; plus supplemental increases of 11% to rebuild fund balance.

Expenditure Notes:

- 2026-2027: Salaries and wages includes expenditure contra assumed for three positions in 2026-27 and outyears, and reduction of eight vacant positions.
- 2026-2027: Increase in intergovernmental services cost includes net-zero transfer of 4 positions from Permitting to Director's Office budget and addition Director's Office overhead increases.
- 2026-2027: Increase in intragovernmental contributions of \$1,172,000 for funding replacement of permitting system.
- 2028-2029: Labor cost reduced by one-time spending for Climate Change support.
- 2028-2029: Intragov't contributions reduced by one-time spending on technology ending 12/31/2027.
- 2028-2029: No programmatic-driven growth in DLS cost allocation to Permitting.

Reserve Notes:

- Fund balance restored to positive balance by 12/31/2031, assuming low permitting activity at 2026 budgeted level and supplemental fee increases per above Revenue Notes.

Last Updated 10/3/2025 by W Cheney and Bonnie Fluckinger using data from PBCS and BFPA assumptions.

GENERAL PUBLIC SERVICES

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$8,860,752	\$8,848,634	0.0	0.0
2026-2027 Base Budget Adjust.	\$0	\$0	0.0	0.0
2026-2027 Decision Packages	(\$1,073,366)	(\$1,002,390)	0.0	0.0
2026-2027 Proposed Budget	\$7,788,000	\$7,847,000	0.0	0.0
% Change from prior biennium, biennialized	(12.1%)			
Dec. Pkg. as % of prior biennium, biennialized	(12.1%)			
Major Revenue Sources: General Fund, Interfund Transfers from Solid Waste and Water and Land Resources Divisions				

DESCRIPTION

The General Public Services Fund is a separate appropriation unit in the Permitting Division that houses the code enforcement program.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Changes in this appropriation unit reflect economic adjustments. Executive staff state that central rates are proposed to decrease due to "PAO cost allocation" changes.

Executive staff also note that there are vacant code enforcement positions authorized in the 2025 budget that were left open until the budget outlook was more certain. Executive staff state that of the four positions added in the 2025 budget, one was filled as an FTE, two were filled as TLT positions, and the fourth was held open. Executive staff state that the plan is to hire the fourth position in 2026.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.

AIRPORT

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$66,986,112	\$77,236,734	71.0	1.0
2026-2027 Base Budget Adjust.	(\$916,470)	\$0	0.0	0.0
2026-2027 Decision Packages	\$7,391,972	\$7,317,461	0.0	(1.0)
2026-2027 Proposed Budget	\$73,462,000	\$84,555,000	71.0	0.0
% Change from prior biennium, biennialized	9.7%			
Dec. Pkg. as % of prior biennium, biennialized	11.0%			
Major Revenue Sources: Ground Leases, Landing Fees, Fuel Fees, Grant Income, Other Revenue				

DESCRIPTION

King County International Airport (KCIA) is a self-supporting enterprise operation partially funded by grants from the Federal Aviation Administration (FAA). The FAA classifies KCIA as a Class IV, Primary, Commercial Service, Non-Hub Reliever Airport, meaning it handles limited commercial passenger traffic and has been designated by the FAA to relieve congestion from Seattle-Tacoma International Airport and provide general aviation access to the community. KCIA averages 180,000 takeoffs and landings a year and currently serves more than 150 tenants, including small commercial passenger airlines, cargo carriers, private aircraft owners, helicopters, corporate jets, military aircraft, and the Boeing Company. KCIA envisions becoming a world class airport as part of the update to its long-range plan, the Vision 2045 FAA Master Plan Update, that is currently underway.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2026-2027 Biennial Budget would increase the appropriation to the KCIA operating budget by approximately \$6.5 million, or 9.7%, compared to the 2025 biennialized budget. This increased appropriation is paired with a similar \$7.3 million increase in operating revenues. The increased operating revenues are largely tied to proposed increases for landing fees, fuel flowage fees, and parking fees, as well as establishing new administrative fees for the airport security badge program and new permit fees for service operators. The landing, fuel, and parking fees have not increased since 2014. These updated fees are expected to generate \$6 million of the \$7.3 million in additional revenues forecasted for the next biennium. Fuel flowage fee increases are projected to make up \$3.1 million of the new revenue. Landing fee increases are projected to make up \$2.8 million. The adjusted parking fees would generate \$50,000

and the new security badge and operator permit fees would generate a combined \$30,000.¹

The largest addition in the \$7.4 million of proposed new expenditures is a \$5.1 million adjustment for the King County Sheriff's Office (KCSO) personnel who provide both police and aircraft rescue and firefighting (ARFF) services at the Airport. There are a number of factors contributing to this proposed increase. First, the timing for KCSO providing KCIA with their expected future service costs does not align with the County's budgeting timelines. This has caused KCIA staff to estimate KCSO annual cost increases, which have been lower than actual costs. Second, KCSO also provides KCIA with a final reconciliation of costs for the prior year in late spring of the current year. This reconciliation can include additional costs that were not budgeted. Finally, KCIA's FAA firefighting index, which is tied to the number and size of aircraft operating at the airport, increased in 2025. This has required more ARFF staffing at the Airport. The combined impacts of these changes are 2025 ARFF costs that are almost \$2 million more than the combined 2025 budget and contingency for ARFF services. The proposed addition in the 2026-2027 Biennial Budget would align the budget with the anticipated actual costs for ARFF services.

The Biennial Budget contains several other proposed decision package adjustments to better align expenditures with current expenses. These adjustments include a \$498,000 increase for the Business Planning and External Relations section. This section is responsible for the staffing and contractual services that include the facilitator for the Airport Roundtable, public notices related to rulemaking, public meetings, and real estate services, as well as community engagement. This proposed allocation also includes a one-time \$50,000 appropriation to install lactation pods at the Airport for nursing mothers.

The Biennial Budget also has proposed decision package adjustments that would shift expenditures from the Airport capital budget to the operating budget to better reflect the ongoing nature of that work. These adjustments include shifting the Engineering section's environmental and Strategic Climate Action Plan related body of work to the operating budget, with an accompanying increase of \$400,000 in expenditures. This operating budget impact is offset by another adjustment that would allocate labor costs for capital project managers back to the capital budget. The increased labor allocation to the capital budget would reduce operational expenditures by \$300,000. There is also a decision package that would provide a small reduction in expenditures connected to the climate cost share allocation. This decision package will be discussed in the staff report on the Office of Climate.

¹ Fiscal Note provided with the Airport fee ordinance, Proposed Ordinance 2025-0307.

KEY ISSUES

ISSUE 1 – PROPOSED FEE INCREASE

Increasing the landing, fuel flowage, and parking fees, while also establishing new fees for the security badge program and service operator permits constitutes a policy choice. The fee updates are contained in Proposed Ordinance 2025-0307, which is scheduled to be briefed at the October 29th meeting of the Budget and Fiscal Management Committee. Although the Airport operating fund has an estimated fund balance of over \$28.6 million to begin the 2026-2027 biennium, most of that is dedicated to the required rainy day reserve and only \$843,000 is considered undesignated. Should the Council decide to amend or not adopt the proposed fees, this fund balance may be insufficient to support the current level of expenditures and there may be a need to adjust the Airport's operating expenditures.

AIRPORT CONSTRUCTION TRANSFER

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$39,202,356	\$0	0.0	0.0
2026-2027 Base Budget Adjust.	\$0	\$0	0.0	0.0
2026-2027 Decision Packages	(\$24,600,277)	\$0	0.0	0.0
2026-2027 Proposed Budget	\$14,603,000	\$0	0.0	0.0
% Change from prior biennium, biennialized	(62.7%)			
Dec. Pkg. as % of prior biennium, biennialized	(62.7%)			
Major Revenue Sources: Transfer from Airport Operating Fund				

DESCRIPTION

KCIA's budgeted total capital revenue must support the total capital appropriation. After calculating the combination of fund balance, FAA grants, and anticipated environmental grants, the transfer from the KCIA Operating Fund is utilized to achieve the balance necessary to support KCIA's capital portfolio.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Airport is requesting the ability to transfer up to \$14.6 million from their operating fund to their capital portfolio, which is a decrease of \$24.6 million, or roughly 63%, compared to the biennialized transfer in the 2025 budget. Projects are budgeted as needed for the capital program and the budget amounts are not always consistent with the allocations in prior years. According to Executive staff, the Airport capital program already has an existing balance that is sufficient to cover most of the capital improvement needs for the upcoming biennium. Airport capital projects are discussed in greater detail in the Airport Construction staff report.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.

AIRPORT CONSTRUCTION

ANALYST: GENE PAUL

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$14,666,841	\$232,031,000	\$19,535,000
Appropriations	\$14,666,841	\$232,031,000	\$19,535,000
Major Revenue Sources: Grant Funds, Fund Balance, and Transfer from KCIA Operating			

DESCRIPTION

King County International Airport (KCIA) is a self-supporting enterprise operation partially funded by grants from the Federal Aviation Administration (FAA). The FAA classifies KCIA as a Class IV, Primary, Commercial Service, Non-Hub Reliever Airport, meaning it handles limited commercial passenger traffic and has been designated by the FAA to relieve congestion from Seattle-Tacoma International Airport and provide general aviation access to the community. KCIA averages 180,000 takeoffs and landings a year and currently serves more than 150 tenants, including small commercial passenger airlines, cargo carriers, private aircraft owners, helicopters, corporate jets, military aircraft, and the Boeing Company. KCIA envisions becoming a world class airport as part of the update to its long-range plan, the Vision 2045 FAA Master Plan Update, that is currently underway.

SUMMARY OF PROPOSED BUDGET AND CHANGES

According to KCIA staff, much of the Airport's infrastructure is either at or near end of life or does not meet current standards and needs. KCIA is planning capital investments over the next decade to improve facilities for its customers and prepare for the future. The proposed Airport capital improvement program of \$14.7 million is a net appropriation request that includes \$20 million in appropriations and \$5.3 million in disappropriations. Disappropriations generally reflect the completion or termination of a project.

As discussed during the 2025 budget deliberations, KCIA is working with the FAA to address a long-standing safety issue related to the separation distance between the primary runway (14R-32L) and Taxiway B (also called Taxiway Bravo or just Bravo). The centerline of Taxiway B, which runs parallel to the primary runway, is approximately 325 feet from the centerline of the runway. KCIA operates under a waiver from the FAA due to this non-standard condition. To meet current FAA standards, the taxiway and runway should be separated by 400 feet.

To eliminate this safety issue, KCIA plans to undertake capital projects that will:

- Relocate the taxiway approximately 75 feet away from the runway;

- Relocate and replace the obsolete Air Traffic Control Tower;
- Relocate and replace the current Aircraft Rescue and Firefighting (ARFF) Station; and
- Assist airport tenants who may lose operational capacity on their leasehold due to the project.

According to project documents, the total capital improvements connected to the Taxiway B project would amount to 70% of the airport's anticipated capital needs over the next 20 years. The projects are expected to be eligible for FAA grant funding of up to 90% of the total eligible costs, which initial estimates forecasted at \$500 million. The capital budget already includes the \$200 million grant contingency from the 2025 budget connected to this project. Executive staff have indicated that they are still negotiating the schedule, funding and other items with the FAA for the bundle of Taxiway B projects. The project timeline is also currently under FAA review. There are several new capital projects proposed in the 2026-2027 Biennial Budget connected to this overarching Taxiway B project. These projects include:

Runway 14R-32L Rehabilitation and Taxiway Modifications - \$3,000,000. According to project documents, because the last major maintenance on the primary runway, 14R-32L, was performed in 2006, the entire runway surface is in need of pavement rehabilitation. Additionally, some taxiway connections no longer meet FAA design standards and require modifications. This planned rehabilitation is what triggered the larger Taxiway B project. The 2026-2027 proposed budget includes \$3 million to complete the environmental assessment for this project and to start funding preliminary design work for the rehabilitation of the runway. The project timeline is tied to the larger Taxiway B project, but no construction activities are currently planned for the 2026-2027 biennium. While the primary runway needs rehabilitation regardless of the Taxiway B project, the FAA sees these projects as connected and the estimated \$150 million in rehabilitation costs are included in the \$500 million total Taxiway B project estimate that would be eligible for FAA grant funding at the 90% rate.

Air Traffic Control Tower Replacement - \$1,500,000. The current air traffic control tower is located in the space needed for the relocation of Taxiway B. This project would support construction of a new control tower on a new site, which the FAA will select, and the demolition of the existing obsolete tower. This appropriation would provide \$1.5 million to begin design work and site preparation. The funds are intended to serve as a match to potential FAA grant funding. The early estimate is that this project would cost \$75 million in total, but it would be eligible for FAA grant funding at the 90% rate.

ARFF Station Replacement - \$1,250,000. The existing firefighting station, which is located next to the current control tower, would also need to be replaced by one built on another location before Taxiway B can be relocated. Like the Air Traffic Control Tower project, this project would appropriate \$1.25 million for initial design work and site preparation. The funds are also intended to serve as a match to potential FAA grant

funding. The early estimate is that this project would cost \$45 million in total, but it would be eligible for FAA grant funding at the 90% rate.

Woods Meadow Acquisition and Taxiway Bravo Tenant Mitigation - \$150,000.

These two projects are connected to assisting tenants that would be impacted by the Taxiway B relocation. The Woods Meadow property is also located in the area that is needed for relocating Taxiway B. This project would provide \$100,000 to begin the acquisition of that property. This funding could be used as a match for FAA grants associated with the project. The Taxiway Bravo Tenant Mitigation project would initiate design work to construct or reconfigure infrastructure like ramps, taxi lanes, service roads, and other facilities as needed to support tenants impacted by the Taxiway B relocation. This funding would also be used as a match to potential FAA grants. No construction activity is planned in the 2026-2027 biennium.

Besides these projects connected to the Taxiway B project, there are two notable utilities projects in the 2026-2027 budget. The first is a \$3 million appropriation for the utilities program to repair aging and damaged utilities infrastructure at the Bravo 5 intersection. The second project, with a \$4.4 million appropriation, would allow the Airport to complete the final phase of its planned stormwater pipe replacement and stormwater capacity improvements.

There were also several notable disappropriations in the proposed budget. Three of the projects were considered to be legacy projects or programs where future work would be more appropriately performed through the operating budget. These projects included the North Boeing Field MTCA program, the Lower Duwamish Waterway project, and the KCIA Climate Action Plan Program. The Airport Security Comprehensive Plan project was disappropriated because the current Vision 2045 project, which updates the FAA Master Plan, needs to be completed first and also needs to confirm that the security comprehensive plan project is necessary.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.

HISTORIC PRESERVATION PROGRAM

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$1,633,416	\$1,805,238	5.0	0.0
2026-2027 Base Budget Adjust.	\$51,236	(\$269,333)	0.0	0.0
2026-2027 Decision Packages	\$82,888	\$104,778	0.0	0.0
2026-2027 Proposed Budget	\$1,768,000	\$1,641,000	5.0	0.0
% Change from prior biennium, biennialized	8.2%			
Dec. Pkg. as % of prior biennium, biennialized	5.1%			

Major Revenue Sources: Document Recording Fee, General Fund

DESCRIPTION

The Historic Preservation Program (HPP) is responsible for designating and protecting significant historic resources and archaeological sites in the unincorporated area, and in cities that have preservation services agreements with the County. Functions include the identification and documentation of historic properties, landmark nominations and protection, review of County projects for compliance with cultural resource protection laws, public information and education related to historic and cultural resources, and management of incentives programs related to historic and cultural resources. The Historic Preservation Program is funded primarily by a document recording fee surcharge, as authorized by state law.¹

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 Biennial Budget contains two technical adjustments for revenues. The primary adjustment, the \$269,333 reduction to the revenues in the base budget, is a technical adjustment connected to the 2025 1st Omnibus, which implemented a change in how HPP recovers overhead costs related to work the program does for other County programs. Previously, overhead costs were recovered through the County's internal system which relied on both projecting hours spent on outside projects and setting a percentage rate for labor costs to cover overhead. This system created significant administrative burdens and potential budgeting concerns if demand for HPP support was lower than projected. The 2025 1st Omnibus switched the cost recovery method to be based on actual costs instead of projections. HPP now calculates overhead costs for work on other County programs at the end of each quarter. Because the change was made in an omnibus, it required a base budget adjustment to implement in the 2026-2027 Biennial Budget. The net effect of that base budget adjustment was the \$269,333

¹ RCW 36.22.170

reduction in revenues. The second technical revenue adjustment, an increase of roughly \$105,000, is largely because of growth in document recording fee revenue.

The proposed budget would also appropriate approximately \$86,000 in expenditures from the cultural resources mitigation reserve balance in the Historic Preservation and Historical Programs Fund. Most development projects compensate for their impacts on cultural resources at the time the project is built. This can take the form of actions such as preserving features of historic buildings and archaeological sites or investigating an archaeological site and recording information about it. However, sometimes mitigation cannot be accomplished at the time a development project is constructed or can only be done offsite. In those instances, HPP collects money from the public agencies or private parties responsible for that development to support mitigation on other development projects. Through the Cultural Resource Mitigation Program, HPP could award grants of up to \$25,000 from these mitigation reserves to applicants whose projects meet the program requirements.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.

OFFICE OF EMERGENCY MANAGEMENT

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$9,740,400	\$624,654	16.0	0.0
2026-2027 Base Budget Adjust.	\$473,012	\$0	0.0	1.0
2026-2027 Decision Packages	\$3,278,123	\$0	11.0	(1.0)
2026-2027 Proposed Budget	\$13,492,000	\$625,000	27.0	0.0
% Change from prior biennium, biennialized	38.5%			
Dec. Pkg. as % of prior biennium, biennialized	33.7%			

Major Revenue Sources: General Fund

DESCRIPTION

The appropriation unit provides for the operations of the Office of Emergency Management (OEM) in the Department of Executive Services. OEM works with cities, special purpose districts, state and federal emergency management agencies, private sector partners, non-profit agencies, and the community to plan for disaster mitigation, preparedness, response, and recovery. In addition to coordinating the County's local emergency management responsibilities, OEM serves a leadership function in regional emergency planning and response. OEM is also supported by the Emergency Management Advisory Committee.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 Biennial Budget includes a proposed \$3.75 million, or 38.5%, increase in the appropriation to OEM. This is driven almost entirely by the transfer of 11 FTEs to the General Fund.¹ Executive staff have indicated that these positions were previously funded through federal grants administered by the Federal Emergency Management Agency (FEMA). The current federal administration has communicated a desire to eliminate those FEMA grants and also impose additional conditions such as cooperating with federal immigration officials and complying with Presidential Executive Orders on any new federal grants. Executive staff have indicated that OEM would experience severe impacts on its ability to conduct activities required by state and federal law and the King County Code if the grant funding ended and was not replaced by the General Fund.

¹ The proposed changes in the budget include the reduction of one TLT. This was a technical correction for one TLT being erroneously included in the base budget adjustments.

The 11 FTEs that would shift to the General Fund make up roughly 40% of the total 27 employees in OEM. The positions include:

- Three Program Manager positions responsible for operations, planning and logistics, and the Local Emergency Planning Committee;
- Four Program Coordinator positions responsible for hazard mitigation outreach, wildfire protection, exercise and assessment, and coordination with state, regional, and intra-County agencies and jurisdictions; and
- Four Program Assistant positions responsible for resource acquisition and monitoring, managing relations and providing support to the 39 cities and towns in the County, and conducting community outreach to improve public preparedness prior to emergencies.

Generally, Executive staff have indicated that all of these positions are vital to the operations of the Emergency Operations Center (EOC), when activated. They also indicated that the loss of these positions would severely impact the County's ability to effectively coordinate emergency operations before, during, and after incidents and emergencies. According to budget documents, the loss of these positions could also have the following potential consequences:

- Reduced capacity to issue emergency and life safety public alerts;
- Gaps in resource planning and slower deployment during critical incidents;
- Increased risk of non-compliance with state and federal emergency management regulations and mandates;
- Diminished capacity to develop emergency response plans for hazardous materials;
- Reduced capacity to identify and proactively reduce risks countywide prior to disasters;
- Gaps in administering the advisory and coordinating bodies required by code;
- Failure to meet the exercise and assessment preparedness levels that are required by code and that also support insurance, emergency management accreditation, and disaster reimbursement;
- Loss of the ability to compete for future federal grants should conditions become more favorable;
- Slower information flow between regional agencies during incidents, uneven preparedness across the region, and a higher burden on the EOC during emergencies;
- Reduced household readiness, greater risk to life, and greater demand for response resources during future incidents;
- Reduced capacity for resource acquisition and providing damage assessments that help enable the community to recover quicker after incidents; and
- Reduced planning and capacity to respond to wildfire events.

KEY ISSUES

ISSUE 1 – PERSONNEL SHIFT TO GENERAL FUND

The decision to shift the 11 FTEs and their associated ongoing personnel costs to the General Fund represents a policy choice. While the General Fund is the only resource available to sustain these 11 positions, it has continuing revenue constraints, and the budget document identifies that, based on projected revenue growth, 2026-2027 spending levels cannot be sustained in the future.²

² "Challenges" section on Page ES-18, page 32 of the pdf.

MEMBERSHIP AND DUES

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$791,400	\$0	0.0	0.0
2026-2027 Base Budget Adjust.	\$0	\$0	0.0	0.0
2026-2027 Decision Packages	\$185,493	\$0	0.0	0.0
2026-2027 Proposed Budget	\$977,000	\$0	0.0	0.0
% Change from prior biennium, biennialized	23.4%			
Dec. Pkg. as % of prior biennium, biennialized	23.4%			
Major Revenue Sources: General Fund Overhead allocation				

DESCRIPTION

This appropriation provides membership dues and contributions to organizations that the Executive and County Council identify as benefitting the County and its policy goals. Organizations include the Puget Sound Regional Council, the National Association of Counties, and the Washington Association of County Officials.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 Biennial Budget maintains membership in the same three organizations as 2025. The only adjustment in the proposed budget is for increased membership fees to those same organizations.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.