October 18, 2013

The Honorable Larry Gossett

Chair, King County Council

Room 1200

C O U R T H O U S E

Dear Councilmember Gossett:

This letter transmits the second supplemental ordinance of 2013, which includes requests for both operating and capital improvement program (CIP) budgets. The items included in this supplemental range from technical and revenue backed changes, to investments in technology and funding to meet legal mandates. Descriptions of these items can be found in the narrative table included in this package.

The total increase in General Fund expenditures is $26.9 million, of which $2.2 million is revenue backed. The total increase in non-General Fund expenditures is $111.4 million, of which $51.4 million is revenue backed.

There are two items in the supplemental I would like to highlight:

**Department of Public Defense**

The Department of Public Defense (DPD) requests a $3.23 million supplemental, of which $2 million will be revenue backed for a net impact of $1.23 million to the General Fund. The request if being driven by overexpenditures in the areas of Assigned Counsel ($2 million) and Expert Witnesses ($500,000), as well as increased costs for in-house operations, due to higher than expected lease and King County Information Technology costs, the decision to organize the department into four divisions instead of two, and having more staff than planned on payroll past the first two months of the transition period. DPD expects to receive approximately $2,000,000 in payments from the former contractors due to contract reconciliation ($200,000) and the refund for cases already paid for by the County that DPD assumed on July 1, 2013 ($1,800,000). The latter is subject to negotiation.

**Dolan Settlement**

This supplemental fully funds the known Dolan settlement of $31 million by transferring fund balance from the General Fund to the Risk Abatement Fund. This is fund balance that has been accumulated over the previous few years to address this settlement.

The omnibus supports the Financial Stewardship Goal of the King County Strategic Plan to “exercise sound financial management and build King County’s long-term fiscal strength.”

Thank you for your consideration of this ordinance. If you have any questions, please

feel free to contact Dwight Dively, Director, Office of Performance, Strategy and Budget

at 206-263-9687.

I certify that funds are available.

Sincerely,

Dow Constantine

King County Executive

Enclosures

cc: King County Councilmembers

 ATTN: Michael Woywod**,** Chief of Staff

 Anne Noris, Clerk of the Council

 Carrie S.Cihak, Chief Advisor Policy and Strategic Initiatives, King County

 Executive Office

 Dwight Dively, Director, Office of Performance, Strategy and Budget

Elected Officials

 Department Directors