



King County

Metropolitan King County Council Budget and Fiscal Management Committee Staff Report

Agenda item No:	7	Date:	April 21, 2009
Proposed No:	2009-0265	Prepared by:	Mark Melroy

SUMMARY

Proposed Motion 2009-0265 would adopt a set of priorities for the 2010 King County budget. The purpose of setting these priorities is to provide policy direction within specific issue areas to the County Executive as he or she prepares the 2010 budget proposal.

BACKGROUND AND ANALYSIS

The County Council under Section 220 of the King County Charter is the policy determining body of the County. The Executive carries out those policies. Perhaps the most important means by which policies are set is through the annual County budget. The Executive and Legislative branches work together in coordination with the other separately elected officials throughout the year to carry out the duties and responsibilities of the County and to provide both mandatory and discretionary services to the citizens.

Under the Charter, the Executive prepares and presents to the Council capital and operating budgets and a budget message setting forth the programs which he or she proposes for the County during the next fiscal year. By providing priorities to the Executive to inform his or her budget proposal, the Council can communicate to the Executive areas of County operations that they would like to have addressed. The Council in adopting the budget can include appropriations that would address these priorities but an early communication to the Executive fosters cooperation between the branches and can be a more efficient way of furthering the goals of both.

Changes From Prior Years

Beginning with the 2007 budget, the Council has adopted motions that specifically set out the priorities the Council would like to have reflected in the budget. ***There is a substantive difference between Proposed Motion 2009-0265 and budget priorities motions passed by the Council in recent years, however. The difference primarily***

relates to timing. Last year's priorities motion, for example, was passed by the Council in July of 2008 and included an overall theme and overall priorities for the entire County budget. Newly created deadlines for the Executive's budget submittal necessitated earlier action by the Council in order to inform County agencies as they prepare their individual budget plans. As a result, Proposed Motion 2009-0265 is designed to provide early budget priorities direction within individual agencies and program areas.

Another difference between Proposed Motion 2009-0265 and past budget priorities motions is the way in which it was developed. Pursuant to this year's Council organizing motion (12914) the budget priority recommendations were developed in close coordination with policy committees. Specifically, budget priorities were identified within the respective issue areas overseen by policy committees. These priorities were transmitted to the Budget Chair via letters from the Chairs of the Physical Environment Committee and the Law, Justice, Health and Human Services Committee.

Ongoing Budget Conditions

Over the last several years, the Council and Executive have taken many steps to reduce spending while maintaining service levels. These have included operational master plans for the criminal justice system, consolidation and reorganization of agencies and departments, technology advances and capital programs to reduce leasing costs. Other efforts have included creation of the cultural development authority and targeted levies for parks and for veterans and human services.

These efforts have been taken in order to mitigate the structural gap that has developed in funding the services that counties provide. Major county revenues such as the property tax and sales tax do not grow at a fast enough rate to continue to fund core services at current levels. As the revenues fall short each year, service levels need to be reduced in order to keep spending within the amount of resources available. The property tax levy for the current expense fund has been limited to 1% annual growth plus new construction since 2002, first by Initiative 747 and then by an act of the Legislature after I-747 was found to be unconstitutional. Sales tax, the second largest revenue source, has a rate limited by State law and collections are reliant upon the health of the local economy. In lean economic times or in recessions, sales tax collections shrink as consumers cut back on discretionary spending.

Recent Developments in King County Budget Planning

For the 2010 budget, as was the case for the 2009 budget, attention has again focused on a looming shortfall between limited revenues and the spending that would be needed just to maintain current service levels. The Executive's budget office has recently estimated this shortfall to be in the range of \$50 million. With broad regional economic

indicators continuing to decline each month, the actual shortfall will likely grow as the date for budget consideration and adoption draws near.

In a letter dated March 20 of this year, the Director of the Office of Management and Budget advised the use of an “across-the-board 10.83% target reduction for General Fund agencies”. The March 20th letter described the preliminary target reduction as a basis for a “planning foundation” and that it did not “represent final reduction decisions”.

The separately elected Sheriff, Prosecutor and judges responded to the March 20th letter by registering their resistance to “across the board” type cuts and calling for a broader prioritization process that includes an open discussion with these separately elected leaders. As noted previously in this staff report, the Council’s 2010 budget ordinance will provide policy direction and make substantive decisions, directly and implied, regarding the priorities of King County.

The description of ongoing budget conditions and recent developments in budget planning are included here as context and to call attention to the fact that although Proposed Motion 2009-0265 provides direction within issue areas it is not a declarative statement regarding the Council’s prioritization across the entire County budget. The Budget and Fiscal Management Committee will be engaged with this issue

Proposed Motion 2009-0265

Proposed motion 2009-0265 identifies priorities in specific issue areas. Further, the motion notes that the Council is committed to using available resources to strive to adopt a budget that abides the following direction and elements:

- **Transportation** – Budget choices that abide by the principal goal to improve transportation options and provide greater mobility for people, vehicles and freight
- **Solid Waste Management** – Manage to the adopted rate structure and extend service contracts with Cities
- **Water and Land Resources** – Identify policy options to address the growing loss of revenue supporting the Division
- **Parks and Recreation** – Identify policy options related to the potential closure of local parks in potential annexation areas.

- **Adult and Juvenile Detention** – Continue programs created by the adult and juvenile justice operational master plans that drive long term cost savings
- **District Court** – Continue support for the vital mental health court
- **Superior Court and Judicial Administration** – Endeavor to preserve the drug diversion court and identify capital funds to support the family and juvenile court facilities planning.
- **Prosecuting Attorney** – Support the implementation of more efficient felony case processing
- **Public Defense** – Strive to identify sufficient funding to provide effective public defender services for the indigent and near-indigent populations
- **Sheriff** – Identify sufficient funding to allow the office to carry out patrol and law enforcement activities as well as its regional emergency services role
- **Public Health** – Abide by policies, goals and strategies included in the public health operational master plan and achieve full cost recovery for fee-based regulatory services where possible
- **Human Services** – Maintain core human services safety net programs including those that help prevent or reduce homelessness

Finally, the motion states the Council's support for efforts to urge the Governor and the Legislature to address the structural gap that exists for King County and all other counties in the State.

REASONABLNESS

Proposed Motion 2009-0265 represents an effort by the County Council to identify core services that the 2009 budget will attempt to preserve to the extent possible given revenue limitations. The motion identifies specific areas of the County's finances that should be examined as ways to address the immediate shortfall in funding as well as support for efforts to address the long-term effects of the structural gap that is affecting all county budgets in the State. As such, adoption of this motion would be a reasonable and prudent fiscal and policy decision.

ATTACHMENT

1. Proposed Motion 2009-0265



Signature Report

April 13, 2009

Motion

Proposed No. 2009-0265.1

Sponsors Gossett, Patterson, Hague and Lambert

1 A MOTION setting the council's 2010 budget priorities and
2 providing direction to the executive on specific areas of
3 council interest.
4

5 WHEREAS, under the King County charter, the county council is the policy
6 determining body and adopts budgets for King County government, and

7 WHEREAS, the executive under the charter carries out policy as set by the
8 council and presents budgets and a budget message setting forth the programs that the
9 executive proposes for the county during the next fiscal year, and

10 WHEREAS, the council over the years has provided policy direction to the
11 executive to be reflected in the proposed budget, including initiatives such as the juvenile
12 and adult justice operational master plans, realignment of the district court system,
13 expansion of drug and mental health courts, development of framework policies for
14 human services, establishment of the nearshore habitat conservation initiative and
15 creation of the cultural development authority, the property expert review task force, the
16 citizens election oversight committee, the office of information resource management, the

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17 county's annexation and children's health initiatives and the public health operational
18 master plan, and

19 WHEREAS, the council has been a leader in promoting performance management
20 in King County and adopted Motion 11561 in 2002 encouraging the executive to broaden
21 the use of performance measurement throughout county government as a way of
22 enhancing management of scarce resources and demonstrating accountability, and

23 WHEREAS, through adoption of Ordinance 16202, in July 2008, the council
24 created a countywide performance and accountability system, which will increase
25 transparency and accountability through better reporting of county performance, and

26 WHEREAS, over the last several budget years, the council has increased its role
27 in the oversight and accountability of capital project management by including
28 requirements for increased transparency in capital project reporting and through the
29 creation of the office of capital project oversight, and

30 WHEREAS, the council has consistently sought citizen input in the development
31 of its budget priorities through such efforts as public meetings, citizen boards and
32 commissions, the countywide community forums and the citizen engagement initiative,
33 which collected the views of hundreds of county residents on how the county should
34 prioritize spending, and

35 WHEREAS, in both 2006, 2007 and 2008 the council has adopted budget priority
36 motions, which have been forwarded to the county executive for use in formulating the
37 executive's budget proposal, and

38 WHEREAS, in delivering his 2009 budget address, the executive informed the
39 council that the county would be facing significant deficits, beginning with a ninety-three
40 million dollars deficit in 2009 and growing in future years, and

41 WHEREAS, the current projected deficit for 2010 is approaching fifty million
42 dollars, and

43 WHEREAS, the budget instructions for agencies to use in preparing their 2010
44 budgets included eleven percent cuts for general fund mandated services, and

45 WHEREAS, the growth in county revenues has been restricted by state-wide
46 voter-approved measures, including Initiative 747 and the subsequent enactment of it by
47 the state legislature; and

48 WHEREAS, this restriction, which limits the growth in the county property tax
49 levy to 1 percent annually plus new construction - a rate of growth that is insufficient to
50 meet the increasing costs of providing services due to inflation and population growth -
51 has resulted in a structural gap whereby the structure of the tax system generates a
52 persistent shortfall in the revenues needed to maintain public services; and

53 WHEREAS, other major sources of county revenues, are limited by the health of
54 the economy, such as sales and real estate excise taxes, and

55 WHEREAS, this is not the first time that the public finance system in this state
56 has adversely affected public safety services; the council, in prior efforts to balance the
57 budget, cut in excess of one hundred million dollars from the general fund and has made
58 decisions including transferring swimming pools and local parks to other jurisdictions
59 and shifting the burden for regional parks and recreation services to special levies in an
60 effort to avoid further reductions to public safety services, and

61 WHEREAS, whenever possible, the county council prefers consultation and
62 partnerships for regional services that impact cities, and

63 WHEREAS, King County has implemented special revenue programs like the
64 mental illness and drug dependency sales tax and the veterans and human services levy to
65 address human services needs, and

66 WHEREAS, while these new revenues have addressed specific funding needs,
67 they have not addressed the structural nature of public funding for basic services in
68 Washington counties;

69 NOW, THEREFORE, BE IT MOVED by the council of King County:

70 A. The council is committed to using the resources available to county
71 government to support a vibrant, growing King County that honors and respects the
72 values of its citizens.

73 B. The council recognizes that there are many challenges facing the county that
74 will make decision-making in the 2010 budget difficult. There continues to be a
75 widening structural gap between the cost of continuing current services and revenues
76 available to support these services. The funding gap continues to be exacerbated by a
77 decline in state and federal resources that the county receives. At the same time, county
78 service needs continue to increase. Given these challenges, the council intends that the
79 adopted 2010 budget will be one that addresses the following major issues:

80 1. Transportation: King County continues to hold the principal goal of
81 improving transportation options and providing greater mobility for people, vehicles and
82 freight as a long-term ideal. Where reductions in roads services division maintenance,
83 operations or construction are needed, choices should be measured against impact on

84 achieving this goal. In response to the recession-induced loss of revenue for transit, a
85 collaborative process, including the council, executive branch, customers, and
86 stakeholders, should be undertaken to guide the difficult choices between how much
87 transit service is delivered and how that service is delivered to the customers;

88 2. Solid waste management: The executive shall manage solid waste division
89 expenditures within the adopted 2008-2011 rate structure for the utility, and shall extend
90 service contracts with the cities through at least 2048, while continuing the reconstruction
91 of the Bow Lake and Factoria transfer stations as scheduled and completing a strategic
92 plan to add near-term disposal capacity to the regional system;

93 3. Water and land resources: Absent approval of new revenue authority as
94 called for in the county's state legislative agenda, the water and land resources division
95 should work with the council and the office of management and budget to identify policy
96 options for addressing the loss of revenue. This approach should include:

- 97 a. constructive budgeting exercise to identify the key components of achieving
- 98 the division's mission;
- 99 b. a review of existing revenue options available to the county;
- 100 c. use of a transparent mechanism to communicate with stakeholders; and
- 101 d. engagement of policymakers in the choices between reducing or eliminating
- 102 these programs;

103 4. Parks and recreation: Absent approval of new revenue authority as called for
104 in the county's state legislative agenda, the parks and recreation division should work
105 with the council and the office of management and budget to identify policy options for
106 the closure of local parks in potential annexation areas. This approach should include:

- 107 a. a cost benefit analysis of the cost of closure;
- 108 b. provisions to protect the security of parks facilities while closed; and
- 109 c. the potential conversion of certain parks facilities within potential
- 110 annexation areas to regional parks;

111 5. Adult and juvenile detention: The executive is encouraged to identify

112 sufficient funds in his proposed budget to continue the programs created by the adult and

113 juvenile justice operational master plans that have been proven to save the county money

114 and achieving better outcomes for those individuals that come in contact with the

115 criminal justice system. Further, the executive is encouraged to identify funding to

116 continue the Regional Integrated Jail Project and support for housing options for youth as

117 an alternative to secure detention;

118 6. District court: The county council will endeavor to adopt a budget that

119 continues support for the vital mental health court that addresses legal problems for

120 individuals whom would be more appropriately dealt with by mental health professionals

121 than incarceration. Also, the executive is encouraged to continue implementation of the

122 District Court Staffing Study. Finally, the executive is encourage to continue capital

123 funding for planning needs at the Bellevue and Kent court facilities;

124 7. Superior court and judicial administration: The county council will strive to

125 adopt a budget that preserves the vital drug diversion court that addresses legal problems

126 for individuals who most appropriately are dealt with through the drug court's

127 programming as opposed to incarceration. The executive is encouraged to identify

128 funding to sustain Juvenile Justice Operational Master Plan programs in juvenile court

129 services and identify capital support for the family and juvenile court facilities planning
130 and regional justice center planning;

131 8. Prosecuting attorney: The executive is encouraged to identify funding
132 sufficient to support the criminal division implementation of more efficient felony case
133 processing and replacement of the prosecutor's management information system
134 (PROMIS) information systems;

135 9. Public defense: The county council will strive to adopt a budget that
136 identifies sufficient funding to provide effective public defender services for the indigent
137 and near-indigent consistent with the county's adopted public defense payment model;

138 10. Sheriff: The executive is encouraged to identify sufficient funding for patrol
139 and law enforcement activities necessary to maintain public safety in the unincorporated
140 areas and the region as a whole. The executive is further encouraged to identify
141 sufficient funding to provide needed equipment necessary for the sheriff's office to carry
142 out its regional emergency services role;

143 11. Public health: The executive is encouraged to propose a budget that
144 maintains public health as a core value of the county, is consistent with the policies, goals
145 and strategies adopted in the public health operational master plan, moves towards
146 adoption of a stable and predictable county contribution to the health care safety net and
147 prioritizes programs that are most effective in reducing involvement in the criminal
148 justice system. Further, where possible, fee-based regulatory services should be full cost
149 recovery; and

150 12. Human services: The executive is encouraged to propose a budget that
151 maintains the core human services safety net programs that provide critical, life savings

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152 services, as demand for these services continues as economic conditions worsen. Support
153 for programs that prevent or reduce homelessness, as homelessness is a leading factor in
154 jail recidivism and overuse of crisis services like emergency rooms, detox and sobering
155 centers should be pursued. Programs that assist victims of domestic violence and sexual
156 assault should be prioritized as domestic violence and sexual assault are primary causes
157 of homelessness and physical and mental trauma for women and children. The executive
158 is encouraged to propose a budget that better coordinates and integrates public health and
159 human service programs in order to maximize the public's investment.

160 C. The council supports a legislative agenda that urges the governor and state
161 legislature to permanently address the structural funding gap facing all counties in
162

Motion

163 Washington state by authorizing expanded types of revenues for local jurisdictions that
164 provide for sufficient growth to meet rising
165

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Dow Constantine, Chair

ATTEST:

Anne Noris, Clerk of the Council

Ron Sims, County Executive

Attachments None

