



King County
Metropolitan King County Council
Budget & Fiscal Management Committee

Agenda Item No.: 4,5,6

Date: July 6, 2010

Proposed No.: 2010-0352
2010-0365
2010-0367

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STAFF REPORT

SUBJECT:

This staff report will cover the following 3 items:

1. Proposed Ordinance 2010-0352 would forward a 2/10th of 1% sales tax ordinance to the voters of king county to support criminal justice services. This ordinance would require property tax reductions in order to the implement the tax, these reductions would entail respective service level reductions to other services provided throughout the County.
2. Proposed Ordinance 2010-0367 would forward a 2/10th of 1% sales tax to the voters to support criminal justice services.
3. Proposed Ordinance 2010-0365 would forward a 1/10th of 1% sales tax to the voters to fund the replacement and partial operating costs of the County's Youth Services Center located at 12th and Alder in Seattle.

BACKGROUND:

The King County Budget:

King County's general fund budget was adopted at \$628 million in 2010, compared to \$627 million in 2009. However, in order to balance the 2010 budget, the County had to cut approximately \$56 million of costs that would have been incurred to maintain services at 2009 levels. This 2010 budget balancing occurred after previously cutting \$93 million in the 2009 budget and approximately \$60 million in the 2008 budget. Many of these cuts came in the areas of human service, public health, capital improvement and other key county programs that were unable to be maintained at then current levels.

Current economic projections identify a general fund deficit in excess of \$60 million for 2011 and an additional deficit of \$80 million for 2012. This creates a total deficit of \$140 million over the next two years in the fund that provides for many of the mandated services for county government, including the County's criminal justice system. In 2010, approximately 76 percent of the County's general fund budget is dedicated to the criminal justice system – this is up from 67 percent in 2001.

As a result, the County's ability to contribute general fund money to services besides criminal justice, such as public health functions, continues to diminish. Additionally, human service programs were almost completely eliminated from the County's general fund in preparation of the 2010 budget. Approximately \$850,000 in general fund support for domestic violence, sexual assault and legal assistance services were maintained on a one-time basis.

As part of previous presentations on various tax proposals, council staff has completed extensive work on cost growth and cost-drivers facing King County. That work has been summarized in **Attachment 2** to this staff report and is available for reference.

Budget Planning for Criminal Justice

As part of the preliminary planning process for the 2011 budget submittals, the Executive asked the separately elected criminal justice agencies to identify cuts that would be necessary in their respective agencies if the \$60 million in necessary cuts were allocated equally across the agencies. Such a cut would result in a reduction of approximately 12 percent compared to what it would take to provide 2010 service levels in 2011.

The information on the potential 12 percent reductions was submitted to the Executive on April 9th. A special meeting of the Budget & Fiscal Management Committee was held on April 14th to allow the separately elected leaders of the County's criminal justice agencies to present their findings to the Council. At that meeting the Council heard the following potential reductions to public safety budgets:

- **King County Sheriff's Office:**
 - The Sheriff noted that a reduction of 82 positions including 70 sworn personnel who are primarily responsible for property crime investigations, drug investigations, school resource officers, storefront deputies, violent crime and drug task force officers, fugitive task force duties and homeland security duties may be imposed.
 - The Sheriff also indicated that the current level of staffing is far below average for Washington cities. Currently King County Sheriff's Office has 0.77 officers per 1,000 residents compared to other Western Washington cities who average 1.80 officers per 1,000 residents.
 - The Sheriff also told the Committee that the per capita cost of the KCSO is \$133 compared to the average for other Washington cities of \$360.

- **Superior Court & Judicial Administration:**
 - The Court would reduce supervision of juvenile offenders. The Court noted that this would reduce the contact standards with offenders and noted that high-risk youth supervised under lower standards tended to commit more frequent or violent crimes.
 - The Court would also eliminate family court services, a program that allows clients and the Court to settle family law cases safely and promptly by providing mediation and evaluation services. Without

family court services, there will be more trials, longer waits and delayed calendars, and judges may not have access to domestic violence or other assessments when asked to rule on cases.

- The Court would also eliminate facilitators, early resolution managers, specialized attorneys for key civilian volunteers, the step-up program (a program that is dedicated to reducing teen violence), customer service staff, incoming phone call services (people seeking information would need to use the web or come to the Courthouse in person) and reduce the Clerk's office hours.
 - In prior years, the Court has eliminated positions in civil case management, family court services, unified family court and juvenile probation along with saving money by using a more cost-effective method for allocation of interpreters.
- **King County Prosecuting Attorney:**
 - The Prosecuting Attorney (PAO) noted that its target cut is the equivalent of the salary and benefit cost of 36 deputy prosecuting attorneys (DPA) (this represents 22% of the current number of deputy prosecuting attorneys). The Prosecutor further pointed out that taken with the 20 DPAs cut during the 2009 budget, the number of attorneys in the office will be down over 1/3 in the last three years. This would have the effect of doubling the caseload of those remaining in the office. The increased caseloads will also increase the time necessary for handling of cases.
 - The prosecutor further pointed out that such a level of reduction is the equivalent of the total number of deputies assigned to the Maleng Regional Justice Center, the total number of deputies assigned to the special assault unit and the domestic violence unit, and it approximately 2/3 of the deputies assigned to the County's civil division.
 - **King County District Court:**
 - The Court noted that probation services, a program for serious domestic violence and driving under the influence offenders would be completely eliminated. Repeat drunk drivers and domestic violence offenders would go without supervision.
 - The Relicensing program that helps individuals with suspended licenses once again become licensed drivers would be completely eliminated. This will result in an increase in criminal filings since driving without a license is a criminal offense.
 - The Court would also eliminate passport services, a community service that allows approximately 10,000 people per year to get their passports at their local district court.
 - The Court also noted that its caseload is on the increase and is currently at its highest level since 2003. This has been absorbed into existing staff through technology improvements.
 - The Court also noted that many of these services serve as a diversion to persons who would otherwise be facing more serious offences. This may actually lead to increased costs.

Also at the April 14th BFM special meeting, council staff, and the Director of the Office of Management and Budget presented information to the Council on the overall outlook of the 2011 budget process as well as the steps to reduce costs that have already been undertaken over the last several budget cycles. These steps include:

- Use of general fund cash reserves totaling \$90 million. During the years of 2004-2007 the County revenues came in higher than budgeted and expenses were actually lower than budgeted. This allowed the County to bank funds for future years. These reserves reached a high of \$144 million (22% of that year's operating budget). These reserves have been used to reduce the severity of cuts over the last several years.
- Reduction of Building Maintenance costs totaling \$5 million. This deferring of maintenance allowed additional funding to be diverted to public safety services, but is not sustainable over the long-term. Efficiencies in building operations (i.e., reducing hours of HVAC and lighting in county buildings and custodial services) have also been implemented in the last two years and cannot be reduced further without affecting county business operations.
- Elimination of regional voting centers and drop boxes for elections. This is an optional service the County is now meeting its mandate to have in-person voting and relies on voters to mail in their ballots as opposed to using a drop box.
- Reduction in planned safety improvements for Superior Court facilities. The Council identified over \$1 million for immediate safety improvements budget could not sustain the planned level.
- Implementation of a \$3.8 million mid-year cut in 2009 to reduce the Assessor, Elections, Council and Executive budgets to preserve vital human service programs. 2010 budgets had a minimum cut of five percent and a maximum cut of 13% in these county agencies.
- In total, the County has eliminated over \$150 million in spending over the last two years. This has resulted in reduced service levels in most areas of the general fund.
- The reduction of \$25 million of general fund to human services since 2006.

While many of these reductions were used to preserve spending on public safety services, they were also primarily one-time actions. Draw-downs of fund balance, reductions of building maintenance, cancelling of capital projects are examples of budget actions that reduce costs. However, they can only be used once.

Previous tax discussions have led to questions regarding other counties in the State of Washington. Some Councilmembers expressed questions about other counties that were doing well, while other Councilmembers didn't believe there were very many other

counties doing well. Budget Committee staff reviewed the budgets for as many of the 38 other counties that had budget documents available online. The full compiled document is included in the staff report as Attachment 2. A summary of our findings is included below:

- We compiled data on 25 of the 38 other (King excluded) counties. 13 counties did not have sufficient information available online to determine trends in their respective general fund budgets. The largest county without data was Grant County with a population of 86,000. The smallest county without data was Garfield County with a population of 2,250.
- Of the 25 counties we reviewed, 23 adopted general fund budgets that were lower than the prior year. The ranges varied from a 1% reduction in Clallam County to a 15% reduction in Ferry County.
- Two counties Cowlitz and Walla Walla Counties had increased expenditures in 2010. However, Cowlitz had a 7% drop in revenue, so there is likely a significant use of fund balance and Walla Walla has a voter approved levy beginning this year. Island County, after cutting 17% from 2008 to 2009 had an increase in 2010. Staff did not have time to determine how Island County was able to increase its budget in 2010.
- Kitsap County has eliminated 10% of its workforce since 2008. Clark County cut 118 general fund positions mid-biennium (including 56 in law enforcement). Thurston County eliminated 98 positions after doubling the road fund diversion.

Additionally, the Washington State Department of Community, Trade and Economic Development (CTED) conducted a research study in 2007 entitled "County Financial Health and Governance Alternatives Study" which found that:

"All counties, charter and non-charter, are fiscally distressed. It is a matter of degree"

Property Tax Levy Suppression

In 2010, the property tax rate for the Unincorporated Area Levy (UAL) was \$1.93 per \$1,000 of Assessed Value (AV). With continued annexations and decreases in property values (especially in unincorporated King County), that rate is likely to jump to the maximum rate of 2.25 per \$1,000 AV in 2011. This jump in the UAL rate, along with declining AVs, has created a levy suppression issue.

The issue of levy suppression, although more commonly occurring in rural counties throughout Washington State, is facing King County for the first time in recent history. Levy suppression occurs when the local taxing district rates in any given area in the county exceed the limit of \$5.90 per \$1000 of Assessed Value. There are over 400 of these separate "areas", which are commonly referred to as "levy codes". Each code contains some combination of the various taxing districts that levy taxes throughout the County. (Several local tax measures are excluded from this \$5.90 cap including the Ferry District, the Emergency Medical Services Levy and the Conservation Futures Tax Levy, just to name a few.) If any given code exceeds the maximum \$5.90 limit there can be implications to taxes and services throughout the county as will be described.

Under existing property tax rates, there is one levy code (6675) that could be as much as \$0.39 over the \$5.90 per parcel cap in State law. This would result in pro-rationing of property tax levies within that code. This pro-rationing would lead to complete elimination of the Flood Control Zone District (FCZD) levy if other steps are not taken. This is the result of two issues. First, the FCZD is the most junior district in the area under state law (see **Attachment 7**) the staff report for a listing of district hierarchy) so it's levy is reduced first. Second, because it is levied as a county-wide tax, the FCZD must be levied uniformly across the entire County. If the FCZD levy is reduced anywhere in the County, it must be reduced everywhere in the county. Table 1 shows the taxing district components within the five levy codes with the highest total levy rates within the County.

Table 1: Levy Codes with risk of exceeding \$5.90 per \$1,000 AV

2011 Levy Rates and Code Forecast for King County										
Note: Forecast 2011 County Rates w/ actual 2010 Tax District Rates (except Rural Libraries, which is 2011 forecast)										
LEVY CODES (with Highest Senior Rates)										
	6675		4800		6647		4155		6384	6390
COUNTYWIDE LEVY										
Current expense										
River Improvement										
Intercounty River Imp										
Veterans' Aid										
Mental Health										
Councilmanic bonds										
Subtotal Countywide (2011 Forecast)	0.99320		0.99320		0.99320		0.99320		0.99320	0.99320
Lid Lifts										
Parks/Trails	0.12428		0.12428		0.12428		0.12428		0.12428	0.12428
AFIS	0.05066		0.05066		0.05066		0.05066		0.05066	0.05066
Veterans/Family Human Services	0.04948		0.04948		0.04948		0.04948		0.04948	0.04948
Total Countywide (forecast for 2011)	1.21762		1.21762		1.21762		1.21762		1.21762	1.21762
PLUS:										
Rural Lib	0.50000		0.50000		0.50000		0.50000		0.50000	0.50000
City/Road	2.25000	R	2.25000	R	2.25000	R	2.25000	R	2.25000	R
Hospital/Cemetery	0.45623	H-4	0.53290	H-1	0.45623	H-4	0.53290	H-1	0.45623	H-4
Fire	1.23938	38	1.50000	37	1.50000	34	1.30296	25	1.23194	27
Flood Zone	0.10514		0.10514		0.10514		0.10514		0.10514	
Park&Rec/MetroPark	0.52376	SVM	0.00000		0.00000		0.00000		0.09626	FCM
Total 5.90 rate (Forecast in 2011)	6.29213		6.10566		6.02899		5.90862		5.85719	4.63862
Remaining within 5.90	(0.39213)		(0.20566)		(0.12899)		(0.00862)		0.04281	1.26138
State Levy	2.22253		2.22253		2.22253		2.22253		2.22253	2.22253
EMS	0.30000		0.30000		0.30000		0.30000		0.30000	0.30000
Transportation	0.06501		0.06501		0.06501		0.06501		0.06501	0.06501
Ferry District	0.00348		0.00348		0.00348		0.00348		0.00348	0.00348
Conservation Futures	0.04918		0.04918		0.04918		0.04918		0.04918	0.04918
Total subject to 1% (local assessed)	8.86384		8.67737		8.60070		8.48033		8.42890	7.21033
Total subject to 1% market-adjusted	8.86384		8.67737		8.60070		8.48033		8.42890	7.21033
Remaining within 1%	1.13616		1.32263		1.39930		1.51967		1.57110	2.78967
Hospital 1-Expense Levy	\$19,472,394		(Valley General Hospital)							
Hospital 2-Expense Levy	\$14,941,548		(Evergreen Hospital)							
Hospital 4-Expense Levy	\$2,944,865		(Snoqualmie Valley Hospital)							
Si View Metro Park-Expense Levy	\$1,158,783									
Fall City Metropolitan Park	\$107,133									
KC Flood District	\$35,783,058									

As can be seen in the table, there are several codes facing potential suppression problems in 2011. The remedies to this suppression problem are currently being

explored and analyzed for legal and practical constraints. One potential remedy, based upon initial legal review, would be to use FCZD levy proceeds to “buy-off” other districts and allow them to not levy a portion, or all, of their tax levies, which would reduce the overall levy rate and allow the FCZD levy to not be suppressed. Another potential remedy would be for the County to not levy a portion of the UAL to reduce the county-wide rate in order to create capacity in the rate to accommodate the FCZD.

Potential Risk to King County of delayed action

While the Council considers these proposals to send a measure(s) to the November ballot, it should also be pointed out that there are several potential risks associated with not moving forward with a ballot measure this year. These risks include the following:

- **City use of the Criminal Justice Sales Tax Authority:** Beginning in January, if the County does not implement the criminal justice sales tax authority, cities may begin asking their voters for approval of the same sales tax authority. If the cities move forward, and their voters approve the sales tax, the county cannot supersede their prior action. If in the future, the County does move forward with a sales tax, the breakdown in those cities that have previously implemented the sales tax is no longer 60/40 with the county receiving 60%, but it becomes 85/15 with the City receiving 85%.
- **State Legislative Action:** The State of Washington is facing a \$3 billion deficit in its own budget for the 2011-2012 biennium and \$8 billion in deficits over the next 5 years. In the 2010 legislative session the State came very close to raising the state portion of the sales tax. It may be likely that the State will raise sales taxes. If the state does, even if the legislature leaves the CJ sales tax authority in statute, the rates will then be higher and any subsequent county rate increase will further drive the sales tax rate up.
- **Continued Property Tax Suppression Issues:** The housing market turmoil has continued through 2010 and will likely continue at least through 2011. With the property tax assessment methodology in Washington State the assignment of assessed valuations is always on at least a one year lag. This means that the County will likely continued to see a decreased in assessed valuation for at least one more year, if not longer. This means that the levy suppression issue will continue to be a problem for years to come. Considering that, even without a FCZD levy, there are levy codes already in excess of the \$5.90 limit, it is unlikely the County would be able to move forward with a ballot proposition for several years.

ANALYSIS:

Proposed Ordinance 2010-0352 would forward to the voters a 0.2% sales tax increase and make the implementation of that tax increase contingent upon a number of other property tax reductions. The tax would expire after three years without further action by the voters.

- **Revenue:** the tax would generate approximately \$59 million in 2011 with \$35 million going to the County. This number is lower than was considered as part of the August ballot measure because the tax can only be collected for nine months in 2011. This is a result of the notification requirements imposed by the State Department of Revenue. In 2012, the first full year of collection, the tax would generate approximately \$80 million with \$48 million going to the County.
- **Reductions in Property Taxes:** This proposed ordinance, if approved by the voters, would require the County to take other actions in order to implement and maintain the tax. Specifically:
 - The County would be required to reduce the unincorporated area levy by \$9.25 million below the maximum allowable amount. This will reduce the County's ability to perform road maintenance and construction by approximately the same amount. This amount represents approximately 12% of the projected 2011 unincorporated area levy. The unincorporated area levy is councilmanic and therefore not voter approved. This restriction applies to all three years of the new sales tax.
 - The County could not continue to levy the tax if the Flood Control Zone district did not reduce its levy by \$15 million. This will likely lead the FCZD to cancel or delay scheduled projects. This amount represents approximately 45% of the FCZD revenues. This levy was imposed by the FCZD board and was not voter approved. This restriction applies to all three years of the new sales tax.
 - The County would be required to reduce the Parks Expansion Levy (PEL) by \$18.5 million. This effectively eliminates the PEL and would lead to the elimination of the projects previously approved as part of the PEL. The PEL is divided with 20% supporting city projects, 20% supporting the Woodland Park Zoo and 60% for the County to acquire and develop regional trails. This levy was the result of a voter-approved lid lift levy in 2007. This restriction would apply to all three years of the new sales tax which is also the three remaining years of the Parks Expansion Levy.
 - The County would be required to reduce the Automated Fingerprint Identification System (AFIS) levy by \$6 million. This will result in a reduction in the County's ability to fund this regional program which provided funds to police departments throughout the County. This reduction, combined with an approximately \$3 million reduction imposed as part of the 2010 budget process will reduce the AFIS levy by approximately 50% of what could be levied. This levy was also the result of a voter-approved lid lift levy. This restriction would apply to the remaining three years of the AFIS levy. It should further be noted that the sponsors of the legislation intended for the AFIS levy to be reduced by \$6 million compared to the 2010 levies. A staff drafting error failed to incorporate the \$3 million reduction implemented as part of the 2010

budget. An amendment has been prepared to amend the ordinance to change the \$6 million reduction to \$9 million.

- **Cost to the Tax Payer:** In estimating the cost to the “tax payer” when considering two different types of taxes a single estimate cannot be constructed. In this case, different tax payers are paying different amounts. However, to make the comparison as simple as possible, staff has broken the various groups of tax payers into three categories. First, renters only pay additional tax under this proposal. Since they do not own property they do not receive benefit from reductions in property taxes. Second, homeowners in the unincorporated area pay the additional sales tax, but receive property tax reductions for all four property taxes previously discussed. Finally, homeowners in cities pay the additional sales taxes, get the reductions in property taxes from AFIS, PEL and FCZD reductions, but do not benefit from the reductions in the unincorporated area levy. A summary of the impact to these three groups is included as Table 2.

Table 2: Impact to Tax Payers

	Renters		Uninc. HO \$400k home		City HO \$400k home	
	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2
Sales Tax Increase	\$ 42	\$ 56	\$ 42	\$ 56	\$ 42	\$ 56
Reduce Uninc. Levy by \$9.25 m	0	0	(108)	(108)	0	0
Reduce Flood Levy by \$15 m	0	0	(20)	(20)	(20)	(20)
Reduce AFIS by \$6 m ¹	0	0	(8)	(8)	(8)	(8)
Reduce Parks Expansion by \$18.5 m	0	0	(22)	(22)	(22)	(22)
Totals	\$ 42	\$ 56	\$ (116)	\$ (102)	\$ (8)	\$ 6

- **Impact to the Levy Suppression:** The reduction to the unincorporated area levy, plus the reduction in the other levies would lead to a reduction in the property tax rates in unincorporated King County of approximately \$0.39 per \$1,000 assessed valuation. However, the estimate of the need to eliminate \$0.39 in order to “save” the FCZD levy at this time is just an estimate. The situation could further deteriorate between now and December or the situation could improve. Inclusion of this reduction in the ballot proposition would “lock in” that \$15 million reduction for each of the next three years. The Council does not need approval from the voters to reduce the unincorporated area levy.
- **Amendment:** As previously discussed, a staff drafting error needs to be corrected to make the ordinance consistent with the sponsors’ intent. The amendment, A1, is attached to the staff report and changes the AFIS reduction from \$6 million to \$9 million.

Proposed Ordinance 2010-0367 would also forward a proposition to the voters that would increase the sales and use tax by 0.2%. This proposition also has a restriction

¹ Requires an amendment to make this estimate consistent with the Sponsors’ intent when providing drafting instructions to staff.

placed upon the imposition and maintenance of that tax. This restriction would require the County to use a portion of the unincorporated area levy to fund police services in the unincorporated area. This tax would expire after three years without further action by the voters.

- **Revenue:** the tax would generate approximately \$59 million in 2011 with \$35 million going to the County. This number is lower than was considered as part of the August ballot measure because the tax can only be collected for nine months in 2011. This is a result of the notification requirements imposed by the State Department of Revenue. In 2012, the first full year of collection, the tax would generate approximately \$80 million with \$48 million going to the County.
- **Reprioritization of the Unincorporated Area Levy:** This ordinance would create, as a condition of the imposition and maintenance of the tax that the County annually appropriate at least \$9.5 million from the unincorporated area levy to support police services in the unincorporated area. This appropriation, combined with the \$35 million estimated to be raised from the sales tax approximates the amount of revenue to the general fund that would have been raised if the proposition had been on the August ballot and approved by the voters.
- **Cost to the Tax payer:** Because this tax is an increase in sales tax and does not have corresponding property tax reductions there is only one "taxpayer group". Therefore the cost estimate for each household the first year is **\$42**. In the second year, the first full year of collection, that cost increases to **\$56**.
- **Impact to the Levy Suppression:** This proposal would require the County to appropriate \$9.5 million to support unincorporated area police services from the unincorporated area levy. This action would make a future reduction to the unincorporated area levy to reduce the rate more difficult. Whereas the prior proposal contemplated not collecting the unincorporated area tax, this proposal collects the tax to support police services. If the County were to later reduce the tax to address levy suppression, the impact to the road fund would be greater as there would be an increased spending on police and a reduction in revenue.
- **Requirement for Audit of City Use of Funds;** the ordinance also requires the County Auditor to compile a report on how the cities throughout King County have chosen to use their proceeds from the sales tax increase. This report would be due to the County by July 1, 2013.

Proposed Ordinance 2010-0365 would forward to the voters a proposition which, if approved, would result in an increase of the sale and use tax of 0.1%. The county proceeds from this sale would be solely dedicated to the construction of a replacement to the County's Youth Services Center (YSC) and the operation and maintenance costs of the current facility (until the replacement is constructed) and new facility upon completion. This tax does not have an expiration date.

The YSC is comprised of 3 buildings and provides juvenile justice and family law services in King County, including the hearing of juvenile and family law cases, juvenile detention and rehabilitation, and family support for those navigating the legal system. Councilmembers are very aware of the ongoing structural and operations problems associated with the current facility. The replacement cost is projected to be approximately \$150 million depending on final design.

- **Revenue:** the tax would generate approximately \$30 million in 2011 with \$18 million going to the County. In 2012, the first full year of collection, the tax would generate approximately \$40 million with \$24 million going to the County.
- **Cost to the Tax payer:** Because this tax is an increase in sales tax and does not have corresponding property tax reductions there is only one “taxpayer group”. Therefore the cost estimate for each household the first year is **\$21**. In the second year, the first full year of collection, that cost increases to **\$28**.
- **Operational Costs:** the YSC is primarily thought of as a Superior Court facility. However, staff from the King County Sheriff’s Office, Superior Court, Adult & Judicial Detention, Judicial Administration, Prosecuting Attorney’s Office and the Office of Public Defense all operate out of the facility. The current operating costs are approximately \$29 million annually for employee related costs and \$3 million for facilities costs. Upon completion the staffing model is approximately the same and the building facilities costs will be approximately \$300k higher. If you assume 4.8% annual increases in the employee related costs, the annual operating costs in 2016 would be approximately \$38 million upon completion of the project. This, plus the \$3.3 million in facilities costs would bring the total 2016 operating costs for the facility to approximately **\$41 million**.
- **Debt Service:** The proposal does not dictate whether the county would use debt service or pay for the facility as the construction progresses. One reasonable approach would be to use debt service to fund the construction of the facility which would also allow a portion of the sales tax to be dedicated towards the ongoing operation of the facility. If 20 year limited tax general obligation (LTGO) bonds were used to finance the construction, the annual debt service would be approximately **\$12 million**. If this method were chosen, in effect, this tax would be split 50/50 between operational costs and debt service on a new facility, at least in the first several years.

REASONABLENESS:

Any of the three proposals pending before the Committee would constitute reasonable business decisions. Each proposal may be more or less palatable to the electorate, but all three proposals would generate additional revenue to the County’s general fund.

INVITED:

Dwight Dively, Director, Office of Management & Budget
Sue Rahr, King County Sheriff
Dan Satterberg, King County Prosecuting Attorney

Bruce Hilyer, Presiding Judge, King County Superior Court
Barbara Linde, Presiding Judge, King County District Court

ATTACHMENTS:

1. Amendment A1
2. Summary of Cost Drivers
3. Proposed Ordinance 2010-0352
4. Proposed Ordinance 2010-0365
5. Proposed Ordinance 2010-0367
6. Summary of Findings of other WA county Budget information
7. Levy Proration Order

1

06-25-10

pj

Sponsor: Reagan Dunn

Proposed No.: 2010-0352

1 **AMENDMENT TO PROPOSED ORDINANCE 2010-0352, VERSION 1**

2 On page 4, line 74, after "less" delete "six" and insert "nine"

3 On page 4, at the beginning of line 76, delete "six" and insert "nine"

4

EFFECT: This amendment would make a technical correction to the amount of reduction required for the AFIS fund.

Attachment A: Summary of Cost Drivers & Cost Growth

Overall Cost Growth in the General Fund:

Approximately 70% of the General Fund budget is related to personnel costs. This cost has historically increased by about 4.8% per year. The remainder of the general fund grows annually at 2.5%.

Of the growth that is related to personnel costs:

- **Salaries:** Salary growth is primarily attributable to step raises (2.4% for eligible employees) and Cost of living adjustments (COLA). From 2001-2009 this growth increased at **4.3%** per year. This represents almost 70% of the cost growth within the personnel cost increases.
- **Benefits:** The growth of employee medical benefits has been well documented. From 2001-2009 the growth rate for the employee benefit package has averaged **6.4%** per year. This increase represents 11.8% of the personnel cost increases.
- **Retirement:** The State of Washington sets the retirement contribution rates for the various employee retirement plans. From 2001 to 2009 this increase has averaged **6.5%**. This increase represents 3.9% of the personnel cost increases.
- **Other:** this category is a catch-all for other employee related costs like industrial insurance, FICA, overtime, etc. From 2001-2009 this category grew by an average of **5.4%**. This represents 14.8% of the cost growth within the personnel cost increases.

Table 1: Personnel Cost Growth

Item	2010 Percentage of Personnel-Related costs	2001-2009 Growth Rate
Salaries	69.5%	4.3%
Benefits	11.8%	6.4%
Retirement	3.9%	6.5%
Other (Ind. Insur., FICA, Overtime)	14.8%	5.4%
Total	100.0%	4.8%

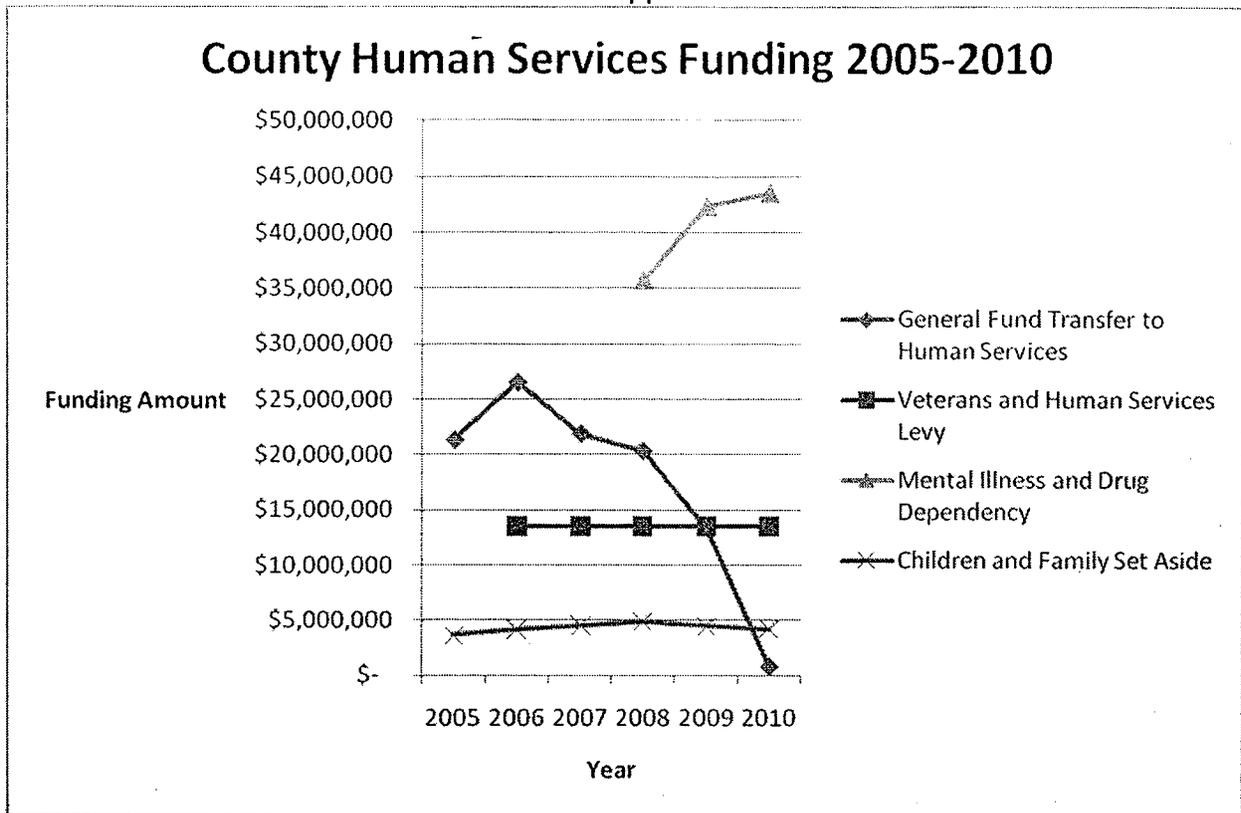
Budget Planning for Human Services

There has also been another major ongoing reduction in spending from the County's general fund. In 2006, the County's general fund contributed in excess of \$26 million to regional human service programs. These programs could be food banks, homelessness programs, domestic violence and sexual assault programs or others that allowed key services to be provided throughout the County. There are four major sources of funding for human service programs:

- **The Children and Family Set Aside (CFSA)**
 - Established in 1988, receives a portion (.046 percent) of sales tax revenue. Revenue from the County parking garage is also dedicated to the set aside.
 - Funds prevention and early intervention services for children and families in DCHS and Public Health.
- **Dedicated property taxes or “millage”**
 - In effect since the early twentieth century, a percentage of property taxes set aside to support the County veterans (Vets), mental health (MH), and developmental disabilities (DD) services.
 - 1.5 percent of the regular property tax levy is dedicated to MH and DD (50 percent each), with Vets dedicated funding at .67 percent of the regular levy.
- **The Veterans and Human Services Levy (VHSL)**
 - Passed by King County voters in 2005, generates approximately \$13,300,000 per year (\$0.05 per \$1,000 assessed valuation) for six years.
 - The collection period expires at the end of 2011.
- **The Mental Illness and Drug Dependency (MIDD) sales tax**
 - Authorized by the King County Council in 2007, generates approximately \$40-50 million per year through a one tenth of one percent sales tax.
 - The collection period expires at the end of 2016.
 - MIDD funds are supplanting over \$13 million in lost General Fund in 2010.

In prior years the general fund was also a major contributor to the human service program. However, the 2010 budget includes less than \$1 million for human services, a 97 percent reduction from 2006. 2010 general fund supported services include services for survivors of domestic violence and sexual assault, and legal advocacy programs. Table 2 illustrates the reduction of general fund support for human service programs over the last several years. However, it should also be noted that the overall funding for human services has increased since 2007 with the addition of the Mental Illness and Drug Dependence (MIDD) sales tax. The MIDD sales tax increase created new funding for human services, however, it did not prevent the further erosion of support for human services from the general fund.

Table 2: General Fund Support for Human Services



In 2010, a portion of the general fund reduction in support for human services is being backfilled by the Mental Illness and Drug Dependence (MIDD) sales tax revenue and other sources. However, over the next several years, the County's ability to use MIDD to support existing services will roll-back under the current version of state law. As MIDD support is set to decline, the structural funding problems facing the general fund are exacerbated. With projected deficits of \$60 million followed by an additional \$80 million in 2012, it is possible that the County would make an additional \$140 million in cuts only to be faced with eliminating Drug Court and Mental Health Court in 2013.

Employee Data:

The County's general fund has remained relatively unchanged in terms of the number of employees budgeted to support general fund services over the last ten years. Table 3 illustrates the total number of employees supported by the general fund and also highlights the total number of employees dedicated to the County's criminal justice system.

Of note, the number of employees budgeted in 2010 is actually lower than the number budgeted ten years ago in 2001. Also of note, the County's criminal justice budgets made up just over 3/4 of the budgeted employees in 2001 and still comprise roughly the same amount of the budgeted FTEs in 2010.

Table 3: General Fund Budgeted Employees

General Fund		Criminal Justice		CJ as % of FTE
Year	FTE	Year	FTE	
2001	4,406	2001	3,379	77%
2010	4,322	2010	3,378	78%
Change	(84)		(1)	

At the April 14th BFM special meeting Councilmembers heard from several agencies (District Court, Sheriff) that the overall demand for services was up. District Court caseloads are at their highest levels since 2003. Councilmembers also expressed a concern that in a recession crime rates will spike. Councilmembers also heard from the Superior Court and the Prosecutor that although caseloads were not necessarily higher, many lower-level cases were not being filed – this is due in large part to filing changes implemented by the Prosecutor to achieve budget reductions in recent years. The remaining cases that are being filed are often more complex and more violent crimes.

Finally, discussed later in the report, is another change related to employment factors. While the overall number of employees is similar to the 2001 employment numbers, those that were receiving a benefit package in 2010 has been dramatically reduced. What this means is that there are either more positions being held vacant or there are positions that are still “authorized” but are not being filled by departments as they try to ease the problems caused by the last several rounds of budget reductions.

National Trends in Health Care Costs:

The number of employees supported by the General Fund has declined by about seven percent since 2001, but costs per employee have grown substantially. Health care costs have been a major factor, with the cost per employee going up a little over 58 percent (an average of 9.6 percent per year) since 2004. Costs for similar health plans in the Seattle area grew by 41 percent during that same period (an average of 7.1 percent per year.) The higher cost growth rate for the county is due, in part, to factors such as higher average age of the workforce (costs are higher for older employees) and a larger number of family members covered under the plan.

King County is not alone in dealing with issues surrounding the cost to provide health care to employees. Executive staff provided information on pharmaceutical cost growth from Express Scripts (ESI), the largest pharmacy benefit manager in the U.S. Table 4 includes this data, as well as the annual percent change in King County’s pharmacy costs.

Table 4: Pharmaceuticals

Pharmaceuticals ¹			
Year	BLS % Change	ESI Western U.S. % Change	King County % Change
2005	3.54%	13.0%	10.2%
2006	4.37%	9.0%	9.6%
2007	1.26%	8.4%	7.1%
2008	2.20%	5.4%	5.8%
2009	3.35%	3.8%	12.1%
Average	2.94%	7.92%	8.96%

Note that 2010 pharmacy cost growth is expected to significantly decrease in 2010. As a result of changes to the negotiated benefits package, co-pays for generics are decreasing (from \$10 to \$7) while preferred and non-preferred brand medications are increasing significantly (from \$15 to \$30 and \$25 to \$60, respectively). This should provide a much greater incentive for individuals to choose generic drugs, which will help restrict the county's pharmaceutical cost growth. Comparing January through March 2010 to the same period last year, King County's pharmaceutical costs are actually lower by 8 percent.

Additionally, Table 5 shows the same five year period focusing on the overall cost of hospital services. Over this same time period, the County's cost of medical care increased by an average of 9 % annually (overall, not hospital costs shown below).

Table 5: Hospital Costs

Hospital Services CPI ²	
Year	% Change
2005	5.36%
2006	6.39%
2007	6.48%
2008	7.56%
2009	6.76%
Average	6.51%

In aggregate, while the number of employees county-wide receiving benefits has not changed dramatically over the last five years, the costs to provide that level of coverage has increased. Table 6 shows the annual health care costs over five years and the number of employees receiving medical benefits. Without changes to the cost-drivers through lower employee usage, or regulation restricting costs, the County's only alternatives to affecting cost increases will be to reduce the level of coverage or increase the costs to employees. Both of these changes would be subject to collective bargaining.

¹ King County Office of Economic & Financial Analysis and Executive staff

² King County Office of Economic & Financial Analysis

Table 6: Employee Medical Costs

	Medical Costs and Covered Employees			
	Total Medical	Percent Change	Benefitted Employees	Percent Change
2009	169,776,414	9%	13,362	-0.44%
2008	156,107,792	13%	13,421	2.10%
2007	138,709,249	6%	13,145	1.71%
2006	130,638,782	11%	12,924	0.35%
2005	118,033,590	7%	12,879	-0.17%
Averages		8.98%	13,146	0.71%

Employee Contributions to Health Care:

Beginning in 2010, the County began a new three-year cycle for employee medical plans. The new plan runs through the end of 2012. Under this new plan employees contribute more towards the cost of their medical coverage through increased co-pays, deductibles and co-insurance. The increased payments amount to an additional \$840 per year for the average employee and bring King County in line with many other public employers throughout the region as shows in Table 7.

Table 7: Employee Medical Contributions

	Port of Seattle	Everett	Pierce County	KingCare SM Gold	Tacoma	State of WA	Seattle	Snohomish	Bellevue
				2010-2012					
Plan Design	14.6%	16.3%	16.3%	16.6%	13.2%	18.3%	17.6%	16.8%	17.5%
Contributions	0.0%	0.0%	0.0%	1.4%	5.8%	5.0%	7.1%	10.7%	13.6%
Totals ¹	14.6%	16.3%	16.3%	18.0%	19.0%	23.3%	24.7%	27.6%	31.0%

Mercer Consulting performed an analysis comparing King County's 2008 medical costs to the costs of other employers in the Seattle area to determine the effects of a range of demographic factors. Mercer determined that certain demographic characteristics significantly affected the county's medical costs. Notably, the demographic characteristic with the largest impact on the county's costs was the high rate of unionization among county employees. The average age of employees, average salary, and percent of employees with dependents also contributed to the county's higher costs, though these factors had less of an impact.

Mercer's analysis also found that plan design (deductibles and co-pays) and employee contribution levels (premiums) also contributed to higher costs. However, the analysis did not include 2010 costs, which may be reduced by the significant increases made to employee deductibles, co-pays, etc., to discourage unnecessary medical spending.

Overall, of these variables, the two most significant factors were the high rate of unionization followed by the plan design. Given that the county cannot change the rate of unionization among its employees, it is noteworthy that the county has made marked changes to the plan design (deductibles and co-pays) for 2010-2012, as this is one of the primary factors affecting costs. The changes in plan design are summarized in Table 8 below. Again, Mercer's analysis focused on 2008 costs and do not capture any potential cost savings resulting from changes in plan design for 2010.

Table 8: Benefit Changes

KingCare Gold Coverage Changes Between 2009 and 2010-2012			
	2009	2010-2012	Projected 3-Year Savings
Deductible	\$100 per individual \$300 per family	\$300 per individual \$900 per family	\$17,295,000
KingCare Co-insurance	In-network: 90% Out-of-network: 70%	In-network: 85% Out-of-network: 65%	\$5,791,000
Prescription Drug Co-pays at Pharmacy	\$10 generic drugs \$15 preferred brand \$25 non-preferred brand	\$7 generic drugs \$30 preferred brand \$60 non-preferred brand	\$11,882,000
Benefit Access Fee	\$35	\$50	\$2,242,000
Total Savings			\$37,210,000

Possible Reductions to the Employee Benefit Package:

Councilmembers have expressed an interest in examining what parts of the employee medical package could be eliminated. In Table 9 below, some of the potential items are identified. Note that eliminating these services would be subject to bargaining.

Table 9: Potential Reductions to Health Care Costs

Benefit	Aetna standard	King County	Estimated Claims Paid 2009
Comprehensive Fertility	Covers diagnosis and treatment of underlying cause only	Covers artificial insemination, embryo transfer and IVF (in vitro fertilization)	\$955,000 (\$286,500 in GF)
Bariatric surgery	Excluded	Covers bariatric surgery if member meets Aetna's clinical guidelines. No additional requirements, e.g., Inst. of Quality or other standard.	\$943,000 (\$282,900 in GF)
Alternative Care	No standard in place. Aetna applies standards	A total of 60 visits covered per year. 60-	\$675,000 (\$202,500 in GF)

	for maximums or coinsurance, the same as any other licensed provider. An estimate was derived by using a stricter plan approach of 20 visit limit.	visit limit includes a combination of acupuncture, hypnotherapy, and/or massage therapy.	
TOTAL			\$2.6 million (\$771,900 in GF)

Employee Salaries:

At prior meetings, Councilmembers have asked about employee salaries. Table 10 below shows King County compensation compared to the Puget Sound region based upon data from BLS and King County. The table excludes overtime for all data sets and is based upon a standard work week. It should also be noted that King County policies call for compensation to be no more than five percent above or below the market average and all classifications are reviewed on a three-year cycle.

Table 10: Compensation Data

Year	Puget Sound		King County		% Difference
	Hourly ³	Annual ⁴	Hourly ⁵	Annual ⁶	
2008	\$30.10	\$62,608	\$28.87	\$60,050	(4.1%)
2009	\$31.86	\$66,269	\$30.76	\$63,981	(3.5%)
2010	\$31.92 ⁷	\$66,394	\$33.10 ⁸⁹	\$68,848	3.7%

Motion 10262 (1997) establishes principles regarding compensation. That motion set the policy that classifications should be assigned to salary ranges so that compensation falls no more than 5% above or below market averages. The motion also identifies the employers that make up our comparables for determining the market costs. Those comparable employers are:

- Pierce County
- Snohomish County
- City of Bellevue
- City of Everett
- City of Seattle
- City of Tacoma
- Port of Seattle
- State of Washington
- University of Washington

³ Data from King County Office of Economic & Financial Analysis, based on BLS data.

⁴ Assumes a 40 hour work week or 2080 hours per year.

⁵ Data from King County Human Resources & Office of Management & Budget

⁶ Assumes a 40 hour work week or 2080 hours per year.

⁷ Partial data. This represents January, February and part of March.

⁸ Reflects budgeted salary amounts.

⁹ Incorporates recent salary adjustments for corrections officers and sheriff's deputies.

Furthermore, King County Code 3.15.020 requires that those market comparisons be reviewed on a 3-year cycle.

Scope of the Overall Problem:

This staff report has covered many of the aspects affecting the overall pending deficits facing the County's general fund. Following is a summary of the magnitude of the problems and the potential changes that could be made to solve the ongoing problem in the general fund. Please note that all of the items discussed below would be subject to collective bargaining.

Staff prepared several hypothetical scenarios for reducing employee benefit costs. These are not presented as options for implementation, as any changes to the benefits package would need to be negotiated between the Executive branch and labor. Instead, the intent is to provide members with information about the magnitude of savings that would be achieved by reducing or wholly eliminating healthcare benefits.

- Institute premiums: If the county imposed premiums of \$200 per month per employee, \$400 per month for an employee plus a spouse or children, or \$600 per month for full family coverage, the General Fund savings would be about \$19 million. The county would still face a \$41 million General Fund deficit for 2011. (Note that the hypothetical premiums described above are three to four times the average premiums charged by the cities of Seattle, Bellevue and Tacoma, the state of Washington, and Snohomish County.)
- Reduce certain coverage: The county could also hypothetically reduce or eliminate specific coverage that may be perceived as generous to achieve the savings shown below:
 - Massages and other alternative therapies: \$202,500 in General Fund savings
 - Infertility treatment: \$286,500 in General Fund savings
 - Bariatric surgery: \$282,900 in General Fund savings
 - Total = \$771,900 in General Fund savings

Based on the examples shown above, this approach would not yield significant savings.

- Replace preferred provider organization (PPO) coverage with health savings account or health reimbursement account: This scenario would eliminate the KingCare plan and replace it with a high-deductible health plan, such as a health savings account (HSA) or health reimbursement account (HRA¹⁰).

¹⁰ Under employer-sponsored consumer directed health plans such as HSAs and HRAs, employees control accounts that the employer deposits funding into, which can then be used toward medical expenses. This type of plan is intended to provide incentive for employees to be cost-conscious in seeking medical care. In some plans, preventive

Studies vary widely in terms of the potential cost savings from implementing this approach. A 2007 Aetna study indicated this could result in a 2 percent lower rate of annual growth. For example, if the County's rate of healthcare cost growth from 2009 to 2010 were reduced by 2 percent through fully replacing the KingCare plans with HRAs or HSAs, it would have saved about \$1 million in the General Fund in 2010.

A 2009 study by CIGNA noted that costs could be up to 13 percent lower for organizations with HRAs and HSAs instead of PPO plans. Based on this figure, savings of about \$6.6 million in the General Fund could be achieved.

- Cut all benefits other than salaries/wages: In 2009, completely eliminating all benefits (medical, pharmacy, dental, vision, accidental death and dismemberment, long-term disability and life insurance) would have saved about \$57 million in the General Fund. Even if the county went as far as to completely eliminate all compensation other than salaries/wages, the county would still face a \$3 million General Fund deficit for 2011.
- Cut Wages & Salaries 10%: In 2010 the County has budgeted \$325 million for salaries and wages for employees supported by the General Fund. A reduction of 10% to all General Fund salaries and wages would net savings of \$32.5 million. The County would still face a deficit of \$28 million.

As noted above, these are not presented as options for cost savings, particularly as any strategies to reduce benefits or salaries would need to be negotiated. Rather the figures above give a sense of the magnitude of the deficit in relation to potential cost savings from reducing the employee benefits package.

care is covered at 100 percent to ensure that individuals still seek cost-effective screening exams and other preventive care, such as mammograms, etc.



KING COUNTY

Signature Report

June 28, 2010

Ordinance

Attachment 3

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Proposed No. 2010-0352.1

Sponsors Dunn and Lambert

1 AN ORDINANCE directing the submission to the qualified
2 voters of King County at a special election on November 2,
3 2010, a proposition authorizing an additional sales and use
4 tax of two-tenths of one percent pursuant to RCW
5 82.14.450 for criminal justice, fire protection and other
6 general governmental purposes subject to certain property
7 tax levy limitations with proceeds split sixty percent county
8 and forty percent for cities; limiting the use of county tax
9 proceeds to criminal justice purposes; limiting collection to
10 a maximum of three years; and appointing committees to
11 write the voters' pamphlet statements for the special
12 election on November 2, 2010.

13 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

14 SECTION 1. Findings:

15 A. Public safety is one of the most fundamental purposes of government.

16 B. A strong system of criminal justice is necessary to maintain safe and livable
17 communities.

18 C. Under Washington state law, counties provide many regional and local
19 criminal justice functions, including police protection services and responding to
20 emergencies.

21 D. In order to have the greatest possible impact in helping those most in need and
22 the highest return on its investments, King County focuses on prevention and intervention
23 efforts, job readiness and employment services, ending homelessness, and providing
24 services that reduce criminal justice involvement and costs.

25 E. The current funding for criminal justice is limited and insufficient to provide
26 King County residents with the level of services that are needed to build and maintain
27 safe and strong communities.

28 G. The county's projected 2011 and 2012 deficits threaten important criminal
29 justice, and other essential government functions. The projected deficits will require that
30 cuts be made to these essential services unless additional revenue is approved by the
31 voters. In order to limit these cuts and maintain safe and strong communities, it is
32 important for the voters to consider a sales and use tax proposition to support criminal
33 justice.

34 H. The county's current expense fund faces continuing challenges in future years.
35 To balance the 2010 budget, the county was forced to cut fifty-six million dollars. For
36 2011, the deficit is projected to approach sixty million dollars with another eighty million
37 dollars in cuts necessary for 2012.

38 I. King County must continue to find efficiencies and capitalize on productivity
39 gains through the use of technology, better program management, and performance

40 measurement in order to contain costs and bring growth in revenues and expenditures
41 into equilibrium.

42 J. In order to avoid the statutory cap of \$5.90 per \$1,000 assessed valuation, the
43 County Council, through this ordinance is setting forth requirements that subject to voter
44 approval, other property tax levies will be reduced. This reduces the chances that junior
45 taxing district levies, like the flood control zone district will be suppressed.

46 SECTION 2. Definition. For the purposes of this ordinance, "criminal justice
47 purposes" means activities that substantially assist the criminal justice system, including
48 but not limited to services such as police protection, the incarceration of offenders, court
49 services, and the prosecution and defense services of defendants on behalf of King
50 County residents, domestic violence services, sexual assault services and legal assistance.

51 SECTION 3. Authorization of additional sales and use tax.

52 A. In order to provide funding for the purposes identified in section 6 of this
53 ordinance, the council hereby directs the submission of a proposition to the voters of the
54 county substantially as set forth in section 8 of this ordinance to authorize the county to
55 fix and impose pursuant to RCW 82.14.450 an additional sales and use tax of two-tenths
56 of one percent.

57 B. If approved by the voters, the additional sales and use tax:

58 1. Shall be in addition to other existing sales and use taxes currently imposed by
59 the county;

60 2. Shall be imposed on all taxable events as authorized under chapters 82.08 and
61 82.12 RCW and collected as of a date as determined by the council by ordinance;

62 3. Shall not apply to any exempt transactions identified in RCW 82.14.450, and

63 4. Shall be subject to the conditions set forth in section 4 of this ordinance.

64 C. If, as a result of the adoption of this proposition by the voters of the county,
65 the county imposes an additional sales and use tax upon sales of lodging in excess of the
66 limits contained in RCW 82.14.410, those sales shall be exempt from the imposition of
67 that additional sales and use tax.

68 **SECTION 4. Conditions on imposition and continuation of taxes.**

69 A. The authority to fix and impose the sales and use tax for the purposes in
70 section 6 of this ordinance shall be subject to the following conditions:

71 1. The annual property tax levy for the automated fingerprint identification
72 system, as authorized by the voters and Ordinance 15537, shall not exceed the lesser of:

73 a. the maximum levy determined by the application of the limit under chapter
74 84.55 RCW less six million dollars; or

75 b. the maximum levy determined by application of the statutory rate limit less
76 six million dollars;

77 2. The annual property tax levy for the King County Flood Control Zone
78 District, as authorized by RCW 86.05.160, shall not exceed the lesser of:

79 a. the maximum levy determined by the application of the limit under chapter
80 84.55 RCW less fifteen million dollars; or

81 b. the maximum levy determined by the application of the statutory rate limit
82 less fifteen million dollars;

83 3. The annual property tax levy for providing funds to King County, Seattle and
84 suburban cities for trails and open space acquisition and capital programs, as authorized
85 by voters and Ordinance 1576, shall not exceed the lesser of:

86 a. the maximum levy determined by the application of the limit under chapter
87 84.55 RCW less eighteen million five hundred thousand dollars; or

88 b. the maximum levy determined by application of the statutory rate limit less
89 eighteen million five hundred thousand dollars; and

90 4. The annual unincorporated county property tax levy for road purposes, as
91 authorized by RCW 36.82.040, shall not exceed the lesser of:

92 a. the maximum levy determined by the application of the limit under chapter
93 84.55 RCW less nine million two hundred fifty thousand dollars; or

94 b. the maximum levy determined by the application of the statutory rate limit
95 less nine million two hundred fifty thousand dollars.

96 B. Notwithstanding any other provision of this ordinance, in any year in which
97 the conditions identified in subsection A. of this section are not satisfied, the additional
98 sales and use tax authorized by this ordinance and fixed and imposed by the council shall
99 expire on the last day of the first quarter in the following year.

100 **SECTION 6. Distribution of taxes collected.**

101 A. If approved by the voters, sixty percent of any sale and use tax proceeds
102 authorized by section 3 of this ordinance and collected by the state Department of
103 Revenue shall be paid to the county.

104 B. If approved by the voters, forty percent of any sales and use tax proceeds
105 authorized by section 3 of this ordinance and collected by the state Department of
106 Revenue shall be distributed to cities within King County on a per capita basis.

107 **SECTION 7. Use of tax proceeds.**

108 A. If approved by the voters, at least one-third of all proceeds from the sales and
109 use tax authorized under section 3 of this ordinance shall be used for criminal justice
110 purposes or fire protection purposes, or both. County proceeds shall be used solely for
111 criminal justice purposes and as authorized by RCW 82.14.450. City proceeds may be
112 used for criminal justice purposes, fire protection purposes or other general city purposes,
113 as authorized by RCW 82.14.450.

114 B. For the purposes of this section, "proceeds from the sales and use tax" means
115 the principal amount of funds raised by the additional sales and use tax authorized by this
116 ordinance and any interest earnings on the principal amount of funds.

117 SECTION 7. Expiration. The additional sales and use tax authorized under
118 section 3 of this ordinance, if imposed and levied, shall expire on the date in section 4.B.
119 of this ordinance if the conditions in section 4.A. of this ordinance are not satisfied, or on
120 April 1, 2014, whichever is earlier.

121 SECTION 8. Call for election. Pursuant to RCW 29A.04.321, it is hereby found
122 that the proposition, substantially as hereinafter set forth, be submitted to the qualified
123 electors of the county at a county special election to be held in conjunction with the
124 general election on November 2, 2010. King County elections is hereby requested to
125 assume jurisdiction of and to call and conduct such election to be held within the county
126 on said date and to submit to the qualified voters of the county at such election said
127 proposition.

128 The clerk of the council is hereby authorized and directed to certify said
129 proposition to the director of elections in substantially the following form:

130 The Metropolitan King County Council adopted Ordinance _____
131 concerning funding for criminal justice, fire protection, and other
132 government purposes. This proposition would authorize King County to
133 fix and impose an additional sales and use tax of 0.2%, split between the
134 county (60%) and cities (40%). At least one-third of all proceeds shall be
135 used for criminal justice or fire protection purposes. County proceeds
136 shall be used solely for criminal justice purposes, such as police
137 protection, prosecution and victim services. The additional sales and use
138 tax shall expire after 3 years or earlier, if certain property tax levy
139 limitations are not satisfied. Should this proposition be:

140 Approved? _____

141 Rejected? _____

142 **SECTION 9. Voters' pamphlet.** RCW 29A.32.280 provides that for each
143 measure from a jurisdiction that is included in a local voters' pamphlet, the legislative
144 authority of that jurisdiction shall formally appoint one committee to write a statement
145 for voter approval of the measure and one committee to write a statement against the
146 measure.

147 **SECTION 10. Appointment of voters' pamphlet committees.** Pursuant to
148 RCW 29A.32.280, the following individuals are appointed to serve on the voters'
149 pamphlet committees, each committee to write a statement for or against the proposed
150 criminal justice sales and use tax ballot measure:

151	FOR	AGAINST
152	1. _____	1. _____

153 2. _____ 2. _____

154 3. _____ 3. _____

155 SECTION 11. Ratification. Certification of the proposition by the clerk of the
156 council to the director of elections in accordance with law before the election on
157 November 2, 2010, and any other acts consistent with the authority and before the
158 effective date of this ordinance are hereby ratified and confirmed.

159 SECTION 12. Authority supplemental. The authority granted in this ordinance
160 is supplemental to all other powers of the county, and nothing in this ordinance shall be
161 construed as limiting or restricting any powers or authority conferred upon the county by
162 law.

163 SECTION 13. Severability. If any provision of this ordinance or its application

164 to any person or circumstance is held invalid, the remainder of the ordinance or the
165 application of the provision to other persons or circumstances is not affected.

166

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Robert W. Ferguson, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: None

KING COUNTY

Signature Report

June 28, 2010

Ordinance



Proposed No. 2010-0365.1

Sponsors Ferguson and Gossett

1 AN ORDINANCE directing the submission to the qualified
 2 voters of King County at a special election on November 2,
 3 2010, a proposition authorizing an additional sales and use
 4 tax of one-tenth of one percent pursuant to RCW 82.14.450
 5 for criminal justice, fire protection and other general
 6 governmental purposes with proceeds split sixty percent
 7 county and forty percent for cities; limiting the use of
 8 county tax proceeds to capital and financing costs for new
 9 facilities at the King County Youth Services Center, as well
 10 as costs to maintain and operate current and new facilities
 11 at the King County Youth Services Center; and appointing
 12 committees to write the voters' pamphlet statements for the
 13 special election on November 2, 2010.

14 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

15 SECTION 1. Findings:

16 A. Public safety is one of the most fundamental purposes of government.

17 B. A strong system of criminal justice is necessary to maintain safe and livable
 18 communities.

19 C. Under Washington state law, counties provide many regional and local
20 criminal justice functions, including the protection of children, the provision of family
21 law, and the promotion of juvenile justice and rehabilitation.

22 D. The King County Youth Services Center ("YSC") facility at 12th Avenue and
23 East Alder Street in downtown Seattle serves the justice needs of King County juveniles
24 and families and allows the county to provide its state mandated duties to these residents.

25 E. The YSC is in a state of significant disrepair and has reached the end of its
26 useful life. The building poses increasing public safety risks and escalating maintenance
27 costs. The costs of maintaining the building have become untenable, requiring over
28 twenty million dollars to repair basic electrical, plumbing, and heating problems within
29 the building. The forty -year-old facility is in need of replacement in order to ensure the
30 administration of justice services for King County youth and families.

31 F. In addition to addressing the immediate needs of the dilapidated facility, the
32 Superior Court has undertaken long range planning efforts for the provision of juvenile
33 and family justice services in King County. It completed both a Targeted Operational
34 Master Plan and a Targeted Facilities Master Plan, which recommend the replacement of
35 the Alder Wing and Tower at the YSC to efficiently accommodate the future needs of
36 King County residents.

37 G. The county's current expense fund faces continuing challenges in future years.
38 To balance the 2010 budget, the county was forced to cut fifty-six million dollars. For
39 2011, the deficit is projected to approach sixty million dollars with another eighty million
40 dollars in cuts necessary for 2012. Over seventy-five percent of the current expense fund
41 is used to pay for core criminal justice and public safety services. As a result, the current

42 funding for criminal justice is limited and insufficient to provide for the replacement of
43 the failing YSC facility, as well as provide the level of juvenile and family justice
44 services that are needed to build and maintain safe and strong communities.

45 H. King County has worked aggressively to reduce expenditures by consolidating
46 departments and functions, reducing labor costs, and eliminating positions and programs.
47 The superior court has implemented numerous cost-saving measures and is recognized
48 nationally for its efforts to increase the efficiency and cost effectiveness of the county's
49 justice system. King County will continue to find efficiencies and capitalize on
50 productivity gains through the use of technology, better program management and
51 performance measurement in order to contain costs and bring growth in revenues and
52 expenditures into equilibrium.

53 I. King County has also worked to obtain additional revenue tools from the State
54 Legislature to offset the structural funding problem facing King and all other Washington
55 counties. In the 2009 legislative session, King County was successful in obtaining a
56 number of the changes sought over the years, such as additional flexibility for using
57 certain revenues for a limited period of time. However, these changes were not sufficient
58 to solve the county's projected revenue shortfalls.

59 J. The county's projected 2011 and 2012 deficits threaten important criminal
60 justice functions, including the provision of children and family justice services. The
61 projected deficits will require that cuts be made to these essential services unless
62 additional revenue is approved by the voters. In order to limit these service cuts,
63 maintain safe and strong communities, and replace a failing facility that is an increasing
64 threat to public safety, it is important for the voters to consider a sales and use tax

65 proposition to support criminal justice services operated at the Youth Services Center and
66 replacement of the facility.

67 SECTION 2. Definitions. The definitions in this section apply throughout this
68 ordinance unless the context clearly require otherwise.

69 A. "Criminal justice purposes" means activities that substantially assist the
70 criminal justice system, including but not limited to services such as police protection,
71 the incarceration of offenders, court services, maintenance and operations of facilities for
72 juvenile and family justice services, including but not limited to current and new facilities
73 at the King County Youth Services Center located at 12th East and Alder street, the
74 prosecution and defense services of defendants on behalf of King County residents,
75 domestic violence services, sexual assault services, legal assistance and capital projects
76 for facilities for juvenile and family justice services, such as the King County Youth
77 Services Center located at 12th East and Alder street, and including but not limited to
78 replacement of the Alder Wing and Tower.

79 B. "Proceeds from the sales and use tax" means the principal amount of funds
80 raised by the additional sales and use tax authorized by this ordinance and any interest
81 earnings on the principal amount of funds.

82 SECTION 3. Authorization of additional sales and use tax.

83 A. In order to provide funding for the purposes identified in section 5 of this
84 ordinance, the council hereby directs the submission of a proposition to the voters of the
85 county substantially as set forth in section 6 of this ordinance to authorize the county to
86 fix and impose pursuant to RCW 82.14.450 an additional sales and use tax of one-tenth
87 of one percent.

88 B. If approved by the voters, this additional sales and use tax:

89 1. Shall be in addition to other existing sales and use taxes currently imposed by
90 the county;

91 2. Shall be imposed on all taxable events as authorized under chapters 82.08 and
92 82.12 RCW and collected as of a date as determined by the council; and

93 3. Shall not apply to any exempt transactions identified in RCW 82.14.450(4).

94 If, as a result of the adoption of this proposition by the voters of the county, the county
95 imposes an additional sales and use tax upon sales of lodging in excess of the limits in
96 RCW 82.14.410, those sales shall be exempt from the imposition of that additional sales
97 and use tax.

98 **SECTION 4. Distribution of taxes collected.**

99 A. If approved by the voters, sixty percent of any sale and use tax proceeds
100 authorized by section 3 of this ordinance and collected by the state Department of
101 Revenue shall be paid to the county.

102 B. If approved by the voters, forty percent of any sales and use tax proceeds
103 authorized by section 3 of this ordinance and collected by the state Department of
104 Revenue shall be distributed to cities within King County on a per capita basis.

105 **SECTION 5. Use of tax proceeds.**

106 If approved by the voters, at least one-third of all proceeds from the sales and use
107 tax authorized under section 3 of this ordinance shall be used for criminal justice
108 purposes or fire protection purposes, or both. County proceeds shall be used solely for
109 capital and financing costs for new facilities at the King County Youth Services Center
110 located at 12th East and Alder street, including, but not limited to replacement of the

111 Alder Wing and Tower, and for the maintenance and operation of current and new
112 facilities at the King County Youth Services Center located at 12th East and Alder street,
113 including but not limited to replacement of the Alder Wing and Tower, as authorized by
114 RCW 82.14.450. City proceeds may be used for criminal justice purposes, fire protection
115 purposes or other general city purposes, as authorized by RCW 82.14.450.

116 **SECTION 6. Call for election.** Pursuant to RCW 29A.04.321, it is hereby
117 found that the proposition, substantially as hereinafter set forth, be submitted to the
118 qualified electors of the county at a county special election to be held in conjunction with
119 the general election on November 2, 2010. King County elections is hereby requested to
120 assume jurisdiction of and to call and conduct such election to be held within the county
121 on said date and to submit to the qualified voters of the county at such election said
122 proposition.

123 The clerk of the council is hereby authorized and directed to certify said
124 proposition to the director of elections in substantially the following form:

125 The Metropolitan King County Council adopted Ordinance _____
126 concerning funding for criminal justice, fire protection, and other
127 government purposes. This proposition would authorize King County to
128 fix and impose an additional sales and use tax of 0.1%, split between the
129 county (60%) and cities (40%). At least one-third of all proceeds shall be
130 used for criminal justice or fire protection purposes. County proceeds
131 shall be used solely for capital and financing costs for new facilities at the
132 Youth Services Center, a facility providing justice services for children

133 _ and families, and for costs to maintain and operate current and new
134 facilities at the Youth Services Center. Should this proposition be:

135 Approved? _____

136 Rejected? _____

137 **SECTION 7. Voters' pamphlet.** RCW 29A.32.280 provides that for each
138 measure from a jurisdiction that is included in a local voters' pamphlet, the legislative
139 authority of that jurisdiction shall formally appoint one committee to write a statement
140 for voter approval of the measure and one committee to write a statement against the
141 measure.

142 **SECTION 8. Appointment of voters' pamphlet committees.** Pursuant to RCW
143 29A.32.280, the following individuals are appointed to serve on the voters' pamphlet
144 committees, each committee to write a statement for or against the proposed criminal
145 justice sales and use tax ballot measure:

146	FOR	AGAINST
147	1. _____	1. _____
148	2. _____	2. _____
149	3. _____	3. _____

150 **SECTION 9. Ratification.** Certification of the proposition by the clerk of the
151 council to the director of elections in accordance with law before the election on
152 November 2, 2010, and any other acts consistent with the authority and before the
153 effective date of this ordinance are hereby ratified and confirmed.

154 **SECTION 10. Authority supplemental.** The authority granted in this ordinance
155 is supplemental to all other powers of the county, and nothing in this ordinance shall be

156 construed as limiting or restricting any powers or authority conferred upon the county by
157 law.

158 SECTION 11. Severability. If any provision of this ordinance or its application
159 to any person or circumstance is held invalid, the remainder of the ordinance or the
160 application of the provision to other persons or circumstances is not affected.

161

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Robert W. Ferguson, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: None



KING COUNTY
Signature Report

June 28, 2010

Ordinance

Proposed No. 2010-0367.1

Sponsors Patterson, Gossett and Ferguson

1 AN ORDINANCE directing the submission to the qualified
2 voters of King County at a special election on November 2,
3 2010, a proposition authorizing an additional sales and use
4 tax of two-tenths of one percent pursuant to RCW
5 82.14.450 for criminal justice, fire protection and other
6 general governmental purposes, with proceeds split
7 between the county (sixty percent) and cities (forty
8 percent), subject to a requirement to appropriate certain
9 unincorporated area property tax revenues for criminal
10 justice purposes; limiting the use of county tax proceeds to
11 criminal justice purposes; limiting collection to a maximum
12 of three years; and appointing committees to write the
13 voters' pamphlet statements for the special election on
14 November 2, 2010.

15 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

16 SECTION 1. Findings:

- 17 A. Public safety is one of the most fundamental purposes of government.
18 B. A strong system of criminal justice is necessary to maintain safe and livable
19 communities.

20 C. Under Washington state law, counties provide many regional and local
21 criminal justice functions, including police protection services and responding to
22 emergencies.

23 D. In order to have the greatest possible impact in helping those most in need and
24 the highest return on its investments, King County focuses on prevention and intervention
25 efforts, job readiness and employment services, ending homelessness and providing
26 services that reduce criminal justice involvement and costs.

27 E. The current funding for criminal justice is limited and insufficient to provide
28 King County residents with the level of services that are needed to build and maintain
29 safe and strong communities.

30 G. The county's projected 2011 and 2012 budget deficits threaten important
31 criminal justice, and other essential government functions. The projected deficits will
32 require that cuts be made to these essential services unless additional revenue is approved
33 by the voters. In order to limit these cuts and maintain safe and strong communities, it is
34 important for the voters to consider a sales and use tax proposition to support criminal
35 justice.

36 H. The county's current expense fund faces continuing challenges in future years.
37 To balance the 2010 budget, the county was forced to cut fifty-six million dollars. For
38 2011, the deficit is projected to approach sixty million dollars with another eighty million
39 dollars in cuts necessary for 2012.

40 I. King County must continue to find efficiencies and capitalize on productivity
41 gains through the use of technology, better program management, and performance

42 measurement in order to contain costs and bring growth in revenues and expenditures
43 into equilibrium.

44 SECTION 2. Definitions. The definitions in this section apply throughout this
45 ordinance unless the context clearly requires otherwise.

46 A. "Criminal justice purposes" means activities that substantially assist the
47 criminal justice system, including but not limited to services such as police protection,
48 the incarceration of offenders, court services, and the prosecution and defense services of
49 defendants on behalf of King County residents, domestic violence services, sexual assault
50 services and legal assistance.

51 B. "Proceeds from the sales and use tax" means the principal amount of funds
52 raised by the additional sales and use tax authorized by this ordinance and any interest
53 earnings on the principal amount of funds.

54 SECTION 3. Authorization of additional sales and use tax.

55 A. In order to provide funding for the purposes identified in section 6 of this
56 ordinance, the council hereby directs the submission of a proposition to the voters of the
57 county substantially as set forth in section 8 of this ordinance to authorize the county to
58 fix and impose pursuant to RCW 82.14.450 an additional sales and use tax of two-tenths
59 of one percent.

60 B. If approved by the voters, the additional sales and use tax:

61 1. Shall be in addition to other existing sales and use taxes currently imposed by
62 the county;

63 2. Shall be imposed on all taxable events as authorized under chapters 82.08 and
64 82.12 RCW and collected as of a date as determined by the council by ordinance;

65 3. Shall not apply to any exempt transactions identified in RCW 82.14.450(4),
66 and

67 4. Shall be subject to the conditions set forth in section 4 of this ordinance.

68 C. If, as a result of the adoption of this proposition by the voters of the county,
69 the county imposes an additional sales and use tax upon sales of lodging in excess of the
70 limits contained in RCW 82.14.410, those sales shall be exempt from the imposition of
71 that additional sales and use tax.

72 SECTION 4. Conditions on imposition and continuation of taxes.

73 A. The authority to fix and impose the sales and use tax for the purposes in
74 section 6 of this ordinance shall be subject to the following conditions: annually,
75 pursuant to RCW 36.33.220, the King County budget ordinance must appropriate at least
76 nine million five hundred thousand dollars from the county road fund for police
77 protection in the unincorporated area of King County. The amount appropriated annually
78 shall be in addition to any amount of the county roads fund revenues that may lawfully be
79 spent for traffic enforcement purposes without utilizing the authority in RCW 36.33.220;

80 B. Notwithstanding any other provision of this ordinance, in any year in which
81 the conditions identified in subsection A. of this section are not satisfied, the additional
82 sales and use tax authorized by this ordinance and fixed and imposed by the county shall
83 expire on the last day of the first quarter in the following year.

84 SECTION 5. Distribution of taxes collected.

85 A. If approved by the voters, sixty percent of any sale and use tax proceeds
86 authorized by section 3 of this ordinance and collected by the state Department of
87 Revenue shall be paid to the county.

88 B. If approved by the voters, forty percent of any sales and use tax proceeds
89 authorized by section 3 of this ordinance and collected by the state Department of
90 Revenue shall be distributed to cities within King County on a per capita basis.

91 **SECTION 6. Use of tax proceeds.** If approved by the voters, at least one-third
92 of all proceeds from the sales and use tax authorized by section 3 of this ordinance shall
93 be used for criminal justice purposes or fire protection purposes, or both. County
94 proceeds shall be used solely for criminal justice purposes and as authorized by RCW
95 82.14.450. City proceeds may be used for criminal justice purposes, fire protection
96 purposes or other general city purposes, as authorized by RCW 82.14.450.

97 **SECTION 7. Expiration.** The additional sales and use tax authorized under
98 section 3 of this ordinance, if imposed and levied, shall expire on the date in section 4.B.
99 of this ordinance if the conditions in section 4.A. of this ordinance are not satisfied, or on
100 April 1, 2014, whichever is earlier.

101 **SECTION 8. Call for election.** Pursuant to RCW 29A.04.321, it is hereby found
102 that the proposition, substantially as hereinafter set forth, be submitted to the qualified
103 electors of the county at a county special election to be held in conjunction with the
104 general election on November 2, 2010. King County elections is hereby requested to
105 assume jurisdiction of and to call and conduct such election to be held within the county
106 on said date and to submit to the qualified voters of the county at such election said
107 proposition.

108 The clerk of the council is hereby authorized and directed to certify said
109 proposition to the director of elections in substantially the following form:

110 The Metropolitan King County Council adopted Ordinance _____
111 concerning funding for criminal justice, fire protection, and other
112 government purposes. This proposition would authorize King County to
113 fix and impose an additional sales and use tax of 0.2%, split between the
114 county (60%) and cities (40%). At least one-third of all proceeds shall be
115 used for criminal justice or fire protection purposes. County proceeds
116 shall be used solely for criminal justice purposes, such as police
117 protection. The additional sales and use tax shall expire after 3 years or
118 earlier, if certain unincorporated area property tax revenues are not used
119 for criminal justice purposes. Should this proposition be:

120 Approved? _____

121 Rejected? _____

122 **SECTION 9. Voters' pamphlet.** RCW 29A.32.280 provides that for each
123 measure from a jurisdiction that is included in a local voters' pamphlet, the legislative
124 authority of that jurisdiction shall formally appoint one committee to write a statement
125 for voter approval of the measure and one committee to write a statement against the
126 measure.

127 **SECTION 10. Appointment of voters' pamphlet committees.** Pursuant to
128 RCW 29A.32.280, the following individuals are appointed to serve on the voters'
129 pamphlet committees, each committee to write a statement for or against the proposed
130 criminal justice sales and use tax ballot measure:

131	FOR	AGAINST
132	1. _____	1. _____

133 2. _____ 2. _____ -

134 3. _____ 3. _____

135 SECTION 11. Ratification. Certification of the proposition by the clerk of the
136 council to the director of elections in accordance with law before the election on
137 November 2, 2010, and any other acts consistent with the authority and before the
138 effective date of this ordinance are hereby ratified and confirmed.

139 SECTION 12. Authority supplemental. The authority granted in this ordinance
140 is supplemental to all other powers of the county, and nothing in this ordinance shall be
141 construed as limiting or restricting any powers or authority conferred upon the county by
142 law.

143 SECTION 13. Regional accountability. Six months before the termination of
144 collections of the additional sales and use tax of two-tenths of one percent, but not later
145 than July 1, 2013, the county auditor shall, in a report, prepare an inventory of how cities
146 have expended proceeds of the additional sales and use tax imposed under this ordinance,
147 for city criminal justice purposes, for fire protection purposes and other general city
148 purposes . The report shall detail, to the extent possible, city expenditures of the
149 additional sales tax which benefit both city and regional objectives, including, but not
150 limited to, infrastructure investments to promote growth management act goals,
151 investments that spur annexations to cities, city payments for regional contract services
152 and city contributions to local and regional human services. The auditor shall file one
153 paper copy and an electronic copy with the clerk of the council, who shall retain the
154 paper copy and forward an electronic copy to each councilmember.

155 SECTION 14. Severability. If any provision of this ordinance or its application
156 to any person or circumstance is held invalid, the remainder of the ordinance or the
157 application of the provision to other persons or circumstances is not affected.
158

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Robert W. Ferguson, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: None

ATTACHMENT 4 SUMMARY OF WASHINGTON COUNTIES' BUDGET CONDITIONS

County	Budget Conditions	Source
Benton	2.4% reduction in General Fund revenues and expenditures	Benton County budget book
Chelan	8.8% reduction in expenditures, 3.5% reduction in revenues	Chelan County budget book
Clallam	1% reduction in expenditures and revenues	Email from Clallam County
Clark	Mid-biennium layoffs of 118 FTE, including 56 in law enforcement	Clark County budget staff report
Cowlitz	3% expenditure increase over 2009, 7% revenue decrease	Cowlitz County website
Douglas	3.5% operating deficit in 2010	Douglas County budget book
Ferry	16% reduction in revenue, 15% reduction in expenditures. Has received direct state aid.	Ferry County budget book
Grays Harbor	6% reduction in expenditures. Loss of over \$2 million in timber revenues alone.	Grays Harbor County budget book
Island	17% reduction in expenditures and 8% reduction in revenues in 2009	Island County budget book
Jefferson	2.5% reduction would have been needed, but new contracts allowed for stability	Jefferson County budget book
Kitsap	7% reduction in budget, 10% of workforce eliminated since 2008	Kitsap County budget book
Kittitas	2% reduction in expenditures	Kittitas County budget book
Klickitat	3.1% reduction in expenditures, 3.2% reduction in revenues	Klickitat County budget book
Lewis	2.3% reduction in expenditures, 4.5% increase in revenues (including 8% increase in tax revenue, likely from a voter approved levy)	Lewis County budget book
Mason	4.4% reduction in expenditures and revenues	Mason County budget book
Pacific	10% reduction in expenditures, 14% reduction in revenues	Pacific County budget book
Pierce	6% real dollar General Fund budget reduction from 2008 to 2010	Pierce County online report
San Juan	13.7% General Fund FTE reduction, 2.0% real dollar General Fund expenditure reduction from 2008 to 2010	San Juan County budget book
Skagit	8.5% reduction in General Fund balance since 2009, 3.6% real dollar reduction in General Fund revenue and 4.5% in General Fund expenditures from 2009 to 2010	Adopted budget documents on Skagit County website
Snohomish	2009 budget shortfall was \$21 million resulting in a 10% reduction from 2008 status quo level. 2010 executive proposed budget included \$60 million in reductions, a 9% real dollar reduction	Snohomish County online budget documents
Spokane	2010 General Fund revenue shows 7.5% real dollar reduction from 2009, 9.1% real dollar expenditure reduction from 2009 to 2010	Spokane County online General Fund summary reports
Thurston	Significant reorganization of General Fund agencies, 98 FTEs eliminated in 2009 and 58 FTEs in 2010	Thurston County website

Walla Walla	Slight increase in 2010 tax revenues -- likely due to voter-approved levy	Limited data available on Walla Walla County website
Whatcom	2010 General Fund revenue 0.6% lower in real dollars, does not support 2008 service levels	Whatcom County website
Yakima	3.5% real reduction in General Fund revenue from 2009 to 2010 and 25% reduction in beginning fund balance in 2010	Yakima County adopted budget documents
No budget data were available for the following counties: Adams (population 18,000), Asotin (21,000), Columbia (4,000), Franklin (77,400), Garfield (2,250), Grant (86,000), Lincoln (10,450), Okanogan (40,500), Pend Oreille (12,900), Skamania (10,800), Stevens (40,000), Wahkiakum (4,000), and Whitman (43,000). Population statistics are from the U.S. Census Bureau.		

**\$5.90 AGGREGATE LIMIT
PRORATION ORDER
(AFTER MAKING THE LEVY LIMIT CALCULATION)**

RCW 84.52.010(2)(a)	First:	Park & Recreation District	36.69.145	
		Park & Recreation Service Area	36.68.525	
		Cultural Arts Stadium & Convention Dist.	67.38.130	
		City Transportation Authority	35.95A.100	
84.52.010(2)(b)	Second:	Flood Control Zone	86.15.160	
84.52.010(2)(c)	Third:	Hospital	70.44.060(6)	(\$.25)
		Metropolitan Park	35.61.210	(\$.25)*
		Cemetery	68.52.310	
		All other junior taxing districts not otherwise mentioned		
		*Metropolitan Park District may protect by a vote		
84.52.010(2)(d)	Fourth:	Metropolitan Park (Created on/after 1/1/02)	35.61.210	(\$.50)
84.52.010(2)(e)	Fifth:	Fire District	52.16.140	(\$.50)**
		Fire District (1 paid FTE)	52.16.160	(\$.50)**
		Fire Protection Service Authority	52.26.140(1)(b)	(\$.50)
		Fire Protection Service Authority (1 paid FTE)	52.26.140(1)(c)	(\$.50)
		**Fire Protection Districts may protect up to \$0.25 from prorationing		
84.52.010(2)(f)	Sixth:	Fire District	52.16.130	(\$.50)
		Fire Protection Service Authority	52.26.140(1)(a)	(\$.50)
		Library	27.12.050	
		& 27.12.150	(\$.50)	
		Hospital	70.44.060(6)	(\$.50)
		Metropolitan Park (Created before 1/1/02)	35.61.210	(\$.50)
84.52.010	Seventh:	County Current Expense	84.52.043(1)(b)	
		County Road	84.52.043(1)(c)	
		City	84.52.043(1)(d)	

Levies not subject to the \$5.90 Aggregate Limit:

State, Ports, Public Utility Districts, Emergency Medical Services, Affordable Housing, Conservation Futures, County Ferry Districts, and Criminal Justice.

