

## Legislation Details (With Text)

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<b>On agenda:</b>		<b>Final action:</b>	8/4/2008
<b>Enactment date:</b>		<b>Enactment #:</b>	12836
<b>Title:</b>	A MOTION setting the council's 2009 budget priorities and providing direction to the executive on specific areas of council interest; and declaring the council's budget theme as Protecting Priorities: Public Safety, Health and Quality of Life.		
<b>Sponsors:</b>	Larry Phillips, Bob Ferguson, Kathy Lambert		
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<b>Attachments:</b>	1. 12836.pdf, 2. 2008-0408 REVISED Staff Report from 07-30-08 Joint CBC & OBFMSI Special Meeting.doc, 3. 2008-0408 Staff Report with Attachments for 07-30-08 Joint CBC & OBFMSI Special Meeting.pdf		

Date	Ver.	Action By	Action	Result
8/4/2008	2	Metropolitan King County Council	Passed	Pass
7/30/2008	2	Operating Budget, Fiscal Management and Select Issues Committee	Recommended Do Pass	Pass
7/30/2008	2	Capital Budget Committee	Recommended Do Pass Substitute	Pass
7/28/2008	1	Metropolitan King County Council	Introduced and Referred	

Clerk 07/30/2008

A MOTION setting the council's 2009 budget priorities and providing direction to the executive on specific areas of council interest; and declaring the council's budget theme as Protecting Priorities: Public Safety, Health and Quality of Life.

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

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

WHEREAS, the council over the years has provided policy direction to the executive to be reflected in

the proposed budget, including initiatives such as the juvenile and adult justice operational master plans, realignment of the district court system, expansion of drug and mental health courts, development of framework policies for human services, establishment of the nearshore habitat conservation initiative and creation of the cultural development authority, the property expert review task force, the citizens election oversight committee, the office of information resource management, the county's annexation and children's health initiatives and the public health operational master plan, and

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

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

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

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

WHEREAS, in both 2006 and 2007 the council has adopted budget priority motions which have been forwarded to the county executive for use in formulating his budget proposal, and

WHEREAS, in delivering his 2008 budget address, the executive informed the council that the county would be facing significant deficits, beginning with a \$45 million deficit in 2009 and growing in future years, and

WHEREAS, early in 2008, the executive announced that the projected deficit had grown to over \$60 million, and

WHEREAS, the budget instructions for agencies to use in preparing their 2009 budgets included 8.65 percent cuts for general fund mandated services and 33 percent cuts for general fund discretionary services, and

WHEREAS, at a June 5, 2008, news conference the separately elected leaders of the county's criminal justice agencies announced that the executive's \$60 million in proposed cuts would mean drastic reductions in public safety services and defined this situation as a public safety system in peril, and

WHEREAS, the separately elected leaders of the county's criminal justice agencies have discussed alternatives to meeting the executive's proposed cuts that involve suspension or deferment of certain current county services, with the responsibility for continuing these services, as well as the related costs falling to local cities, and

WHEREAS, by the June 23, 2008, labor summit, the executive announced that the deficit had grown to over \$70 million, and

WHEREAS, at a July 17, 2008, press conference, leaders of the King County board of health sounded the alarm on how the executive's anticipated \$10 million cut to public health services would jeopardize a variety of public health programs including disease control and direct care at public health clinics, and

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

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

WHEREAS, recent cost trends for energy and the increasing likelihood of higher rates of inflation have exacerbated the structural gap problem, and

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

WHEREAS, this is not the first time that the public finance system in this state has adversely affected public safety services; the council, in prior efforts to balance the budget, cut in excess of \$100 million from the general fund and has made decisions including transferring swimming pools and local parks to other jurisdictions and shifting the burden for regional parks and recreation services to special levies in an effort to avoid further reductions to public safety services, and

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

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

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

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

A. The council is committed to using the resources available to county government to support a vibrant, growing King County that honors and respects the core values of its citizens, including protecting public safety, health, enhancing quality of life, earning public trust and maintaining local government services.

B. The council recognizes that there are many challenges facing the county that will make decision-making in the 2009 budget difficult. There continues to be a widening structural gap between the cost of continuing current services and revenues available to support these services. The funding gap continues to be exacerbated by a decline in state and federal resources that the county receives. At the same time, county service needs continue to increase. Given these challenges, the council intends that the adopted 2009 budget will be one that:

1. Preserves and protects the most essential services provided to the citizens of King County,

specifically those programs that promote and protect public safety, health and quality of life for the citizens of King County, whether it be by effective law enforcement, incarceration of dangerous felons, effective prosecutions, disease control and immunizations or enforcement of health and safety provisions of the county code. The council is committed to assuring that before reducing funding for basic public safety, health and quality of life services, all other available options will be considered. Specifically, the council will seek to minimize reductions to essential services to the extent feasible, focusing first on reducing or eliminating nonessential programs;

2. Promotes fiscal prudence and maximizes public benefit, by incorporating principles of budget sustainability and policies that support prudent county spending;

3. Encourages county government to become more entrepreneurial and seek partnerships with both public and private sector partners that allow the county to leverage additional resources for funding essential services;

4. Utilizes a prudent portion of existing reserves to preserve essential services in the short run; and

5. Supports the development of strategies that look beyond departmental reductions as the primary budget balancing mechanism and focuses on policy and programmatic changes that would make a difference in the county's overall costs of doing business. Such an approach will help the county during the uncertain economic times we currently face and will support budget sustainability in the long term.

C. In developing the county budget for 2009, the executive should incorporate the following policy directives; for any documents requested under these directives, eleven copies should be filed with the clerk of the council for distribution to all councilmembers:

1. Jail Beds - State Holds. Balance the number of inmates held for the State with the needs of cities with the ultimate goal of partnerships and the best use of tax payer dollars;

2. Unfunded State Mandates. The state of Washington continues to shift its burden to county government through the use of unfunded mandates. Concurrent with the budget proposal, the executive should

provide to the council a list of all the current unfunded mandates and a cost estimate for providing the mandated services. The council will, as part of its budget review, evaluate strategies for reimbursement, reduction or elimination of unfunded mandates;

3. Animal Welfare. Ensure that the proposed 2009 budget conforms to the operational master plan for the provision of sustainable and timely humane animal welfare services by King County and partner agencies;

4. Internal Services. Develop and implement service level agreements with all agencies that reflect each agency's priorities. The council intends that all internal service charges be the result of negotiated service level agreements between internal service agencies and the county agency receiving that service;

5. Devolution of County Services. Identify any proposed service reductions. Where it is assumed services will be shifted to cities, include a report that discusses both the cost savings to the county and any additional costs to be borne by the city assuming responsibility for the service;

6. Annexations. The annexation initiative has now been in operation for four years, expending over \$2 million in operations and staffing costs. Despite this effort, only two of the largest urban unincorporated areas have successfully annexed, resulting in only minimal savings. Given its limited success, refocus the annexation initiative, targeting the remaining funds in the annexation reserves to those potential annexation areas that are actively being studied by jurisdictions for annexation. Any additional funds should be redirected to public safety and health services in the urban unincorporated areas;

7. Property Holdings. Evaluate all real property owned by the general fund for the feasibility of surplus and sale to address current budget issues. This evaluation should be transmitted with the proposed budget;

8. Business Relations and Economic Development ("BRED"). Review and report on the nonrevenue backed aspects of BRED;

9. Implement the Countywide Budget System. Implement the countywide budget system in April 2010 for use in preparing the 2011 capital budget in order to provide improved budget decision making tools;

10. Prioritize Capital Projects. Concurrent with the budget, the executive should transmit to the council a report prioritizing all county capital improvement projects. The report shall describe the project and provide a status update and an analysis of the necessity of continuing the capital project as it relates to the provision of core county services;

11. Fees. The executive should transmit, concurrent with the budget, a report outlining county fees. The report should contain a description and purpose of the fee, the current fee level and the statutory maximum for the fee. The executive also should highlight any fees where the statutory maximum is currently less than the cost of providing the service; and

12. Full Time Equivalent Positions. Concurrent with the budget, the executive should provide a report detailing the estimated number of positions that can be sustained both by each general fund agency and by each county fund, assuming a current revenue base for each. This report should include each of the years covered by the financial plans for each fund submitted with the proposed budget.

D. The council supports a legislative agenda that urges the governor and state legislature to permanently address the structural funding gap facing all counties in Washington state by authorizing expanded types of revenues for local jurisdictions that provide for sufficient growth to meet rising annual costs and have the flexibility of helping to fund basic public services.