

Please note: Numbers and charts refer to the Adopted Budget for 2013.

Legal constraints on county budget

Almost 90% of the total county budget of \$7.6 billion is restricted by law to specific purposes. These include contracts, fees, and voter-approved levies that are collected for specific uses and must be allocated towards these functions. For example, bus fares go towards paying for transit.

The flexible portion of the budget is the General Fund (12% of the total budget) that pays for traditional functions of county government, such as the Sheriff's office, and critical daily services not supported by other revenues.

Of the General Fund, almost three quarters (73%) goes to pay for criminal justice and public safety services, many of which are mandated by the state constitution. The remainder has to fund other programs for county residents, such as public health and elections.

How are county services funded?

The General Fund is supported by two principal sources of tax revenue: property tax and sales tax.

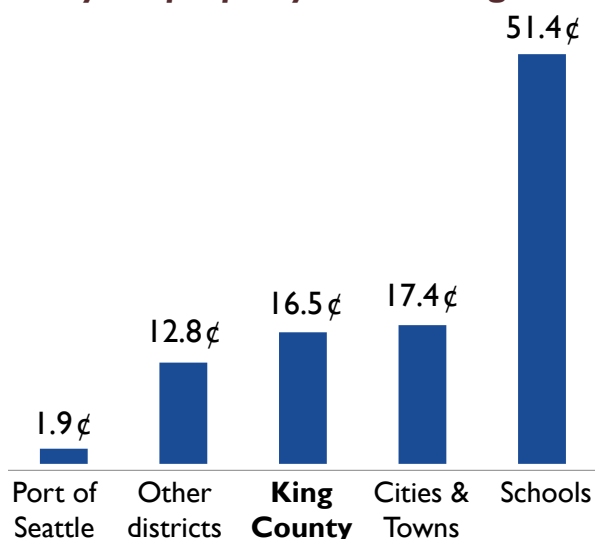
King County is the collector of property taxes for all taxing jurisdictions within the county. So although you pay your property tax to King County, the County receives only 16.5 cents of every dollar. The rest goes to other agencies, including 51 cents to schools, and 17 cents to cities and towns (see first bar graph).

Similarly, with the sales tax of 9.5 cents per dollar in most of the county, the state keeps 6.5 cents, 1.8 cents goes to Metro Transit and Sound Transit, and about one cent is divided between King County and cities (second bar graph).

Revenue and cost of county services

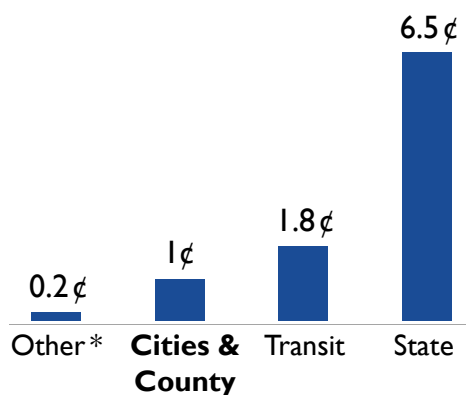
Counties across Washington State face a structural gap between revenue and the cost of services to residents. While expenses rise 4-5% a year, state law limits increases in property taxes to 1% plus revenue from new construction.

Where your property tax dollar goes



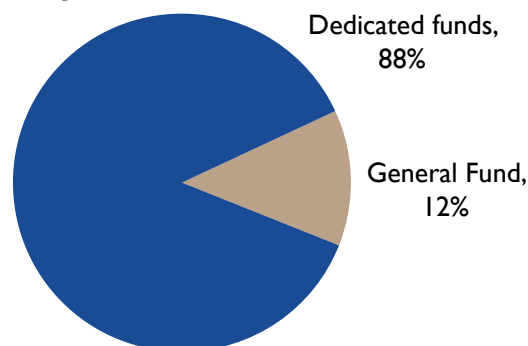
Although you pay your property taxes to King County, the County receives only 16.5 cents of every dollar.

Where your sales tax dollar goes



* Split between criminal justice, and mental health and substance abuse services.

Restricted funds



Most of the county budget is restricted by law to specific purposes. The only discretionary portion is the General Fund.

Established by Initiative 747 and subsequently passed into law by the State Legislature, this 1% limit on annual property tax increases applies to the total amount of property taxes collected.

Under this cap, county revenues increase at a significantly lower rate than the rising cost of providing the same level of public services (see final chart). This difference, called the structural gap, is an ongoing challenge for all counties in Washington State. The effect of this structural gap becomes magnified in an economic recession, when property tax revenues are depressed and sales tax revenues decline.

The structural gap continues to create a deficit in the county budget. Because counties are required by state law to adopt a balanced budget, King County has been forced to cut services to residents to reconcile the deficit. Since 2002, King County has made cuts totalling \$384 million, with resulting reductions in county services.

Other factors that contribute to deficits in the county budget, such as unfunded state mandates, are described on the Council's website. Please visit: www.kingcounty.gov/council/budget/budget_basics

In the short term, the County continues to make tough decisions to balance the budget. In the long term, the structural gap has to be addressed by the State Legislature, the County, and voters.

For more information about the King County budget, please visit: www.kingcounty.gov/council/budget

Budget adoption calendar

The County Executive presented his proposed budget to the King County Council on September 23. The Council will hold four public hearings throughout the county in October before preparing a final budget. These evening meetings will be held in Bellevue, Kent, North Bend, and Seattle. For dates and locations of the public hearings, please visit: www.kingcounty.gov/council/budget.

Traditionally, the budget is adopted in November before Thanksgiving.

Council budget leadership team

Councilmember Joe McDermott, Chair

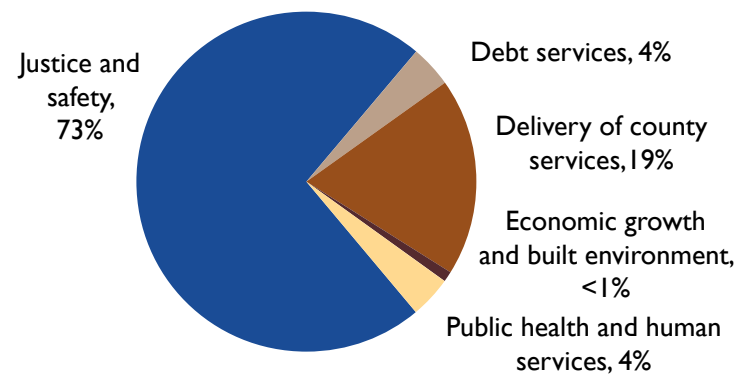
Councilmember Kathy Lambert, Vice Chair

Council Vice Chair Jane Hague

Councilmember Larry Phillips

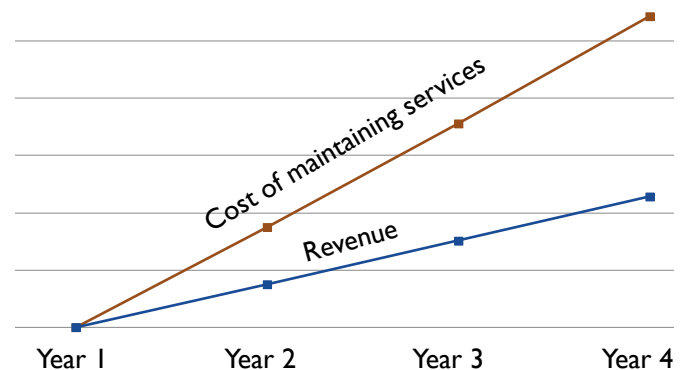
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General Fund expenditures



King County is mandated by state law to fund criminal justice and public safety services.

Effect of the structural gap



Because of the structural gap, costs of maintaining the same level of services rise at a higher percentage than limited revenue. A recession worsens the situation by decreasing revenue further. This structural gap creates an ever widening deficit for all counties in Washington State.

What does my tax dollar pay for?

King County provides a range of critical services for county residents, including:

- the criminal justice system of prosecutors and public defenders, District and Superior Courts, juvenile detention and adult jails;
- the King County Sheriff's Office, which serves residents of unincorporated areas and contracts with many cities to provide police protection;
- Metro Transit bus service and county roads;
- public health and human services;
- wastewater treatment and solid waste management;
- regional parks, open space and trails; and
- elections, records, and licensing.