

GENERAL FUND AND FINANCING ACTIVITIES

INTRODUCTION

The General Fund supports the traditional functions of county government, including the Sheriff's Office, Superior and District Courts, the Prosecuting Attorney's Office, the Department of Public Defense, corrections, the Assessor's Office, Elections, and various administrative functions. About 75 percent of the General Fund is spent on criminal justice and public safety programs.

The General Fund is King County's only truly flexible source of revenue, allowing it to provide support to important services and programs that would otherwise lack funding, including public health, human services, natural resource programs, and major policy initiatives such as Equity, Racial, and Social Justice.

King County's credit rating is tied to the health of the General Fund. When bonds are issued, they become general obligations of the County and the County pledges its full faith and credit to repay the principal and interest on any issuance. Therefore, the General Fund's financial health is what determines the County's credit rating and the interest rates paid on capital projects that are financed. The County's general obligation bonds are assigned ratings of "Aaa," "AAA," and "AAA" by Moody's Investors Service, Fitch Ratings, and S&P Global Ratings services, respectively. These represent the highest possible ratings for County general obligation bonds.

This chapter covers the General Fund financial plan, General Fund transfers to other funds, Internal Support, External Support, the County's Debt Service Funds, and the Real Estate Excise Tax (REET) and County hospital levy funds. The REET funds support capital projects that provide a benefit to residents of the unincorporated area. REET funding is not as flexible as the General Fund; however, it does provide the opportunity to finance projects in multiple County programs.

GENERAL FUND

King County's General Fund supports the traditional functions of a county government, most of which are required by State law. The major focus of the General Fund is criminal and civil legal functions. Counties are also responsible for elections administration and property assessments and tax collection.

King County's General Fund has faced chronic imbalances between revenue and expenditure growth for more than 20 years due to revenue limitations under state law. When the 2025 annual budget was adopted, the County projected a deficit of about \$150 million for the 2026-2027 General Fund budget. This was based on a combination of unusually high inflation during the COVID-19 pandemic, which raised the County's costs for salaries, health care benefits, materials, utilities, and construction, and the structural gap that limits growth in the County's major revenue sources.

Two pieces of revenue-related legislation passed by the State Legislature during the 2025 legislative session generated enough revenue to avoid significant General Fund reductions to balance the 2026-2027 budget, and to allow for moderate adds where needs were greatest:

1. HB 2015 gives qualifying counties and cities the ability to impose a 0.1% additional sales tax for criminal justice purposes (broadly defined). King County has acted to impose this tax as of January 1, 2026. It is projected to raise \$203.5 million for the General Fund in 2026-2027.
2. The Legislature also extended the sales tax base to cover additional services, including more information technology services, temporary employment agencies, and certain advertising services. This is projected to generate \$29.1 million for the General Fund in 2026-2027.

However, the structural imbalance between the growth in revenues and expenditures in the General Fund remains, resulting in a projected deficit for the 2028-2029 biennium of \$90 million.

GENERAL FUND REVENUES: NEW REVENUES PREVENT REDUCTIONS, BUT THE SYSTEM IS STILL BROKEN

Revenue sources available to county General Funds are restricted by State law. The only significant tax sources are property and sales taxes. Unlike the State or cities, counties are not authorized to impose utility or business taxes. General Fund revenues are projected to be about \$2.67 billion for 2026-2027.

Figure 1: GENERAL FUND REVENUES

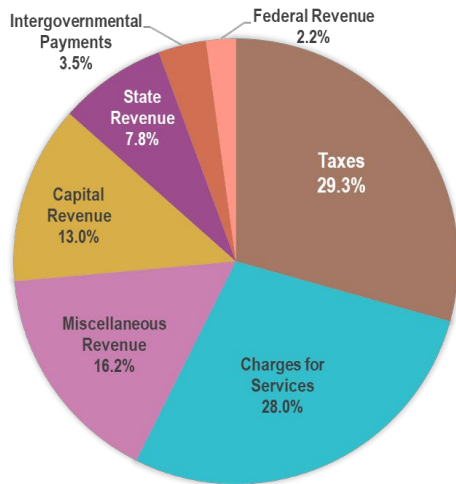
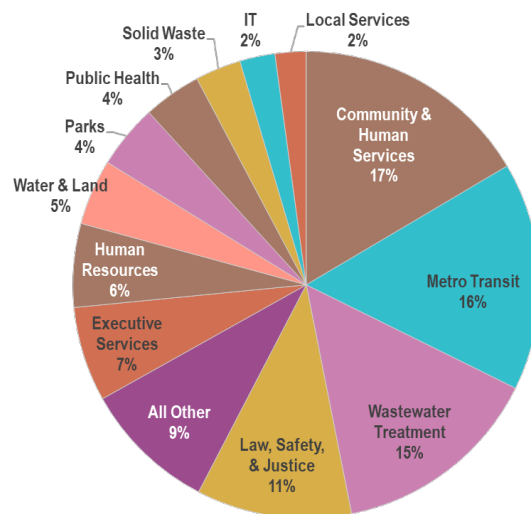


Figure 1 shows the breakdown of projected 2026-2027 General Fund revenues. The property tax is the largest source at 33 percent. Sales taxes, including the new 0.1 percent tax that begins in 2026, represent 24 percent – up from 17 percent in the 2025 budget. Charges for services, most of which are charges to other County funds for services provided by General Fund agencies or contracts to provide services to other governments, account for 32 percent. This category includes payments from cities and Sound Transit for police services provided by the Sheriff’s Office, municipal court services provided by District Court, indigent defense services provided by the Department of Public Defense (DPD), and use of

County jails. All other revenue sources account for 11 percent of the total.

This overall view is somewhat misleading because the services provided to other County agencies and to other governments are self-supporting; these revenues are offset by corresponding expenditures. If these intergovernmental receipts and internal charges for service are removed, the “true” or “net” General Fund revenues are shown in **Figure 2**.

Figure 2: NET GENERAL FUND REVENUES



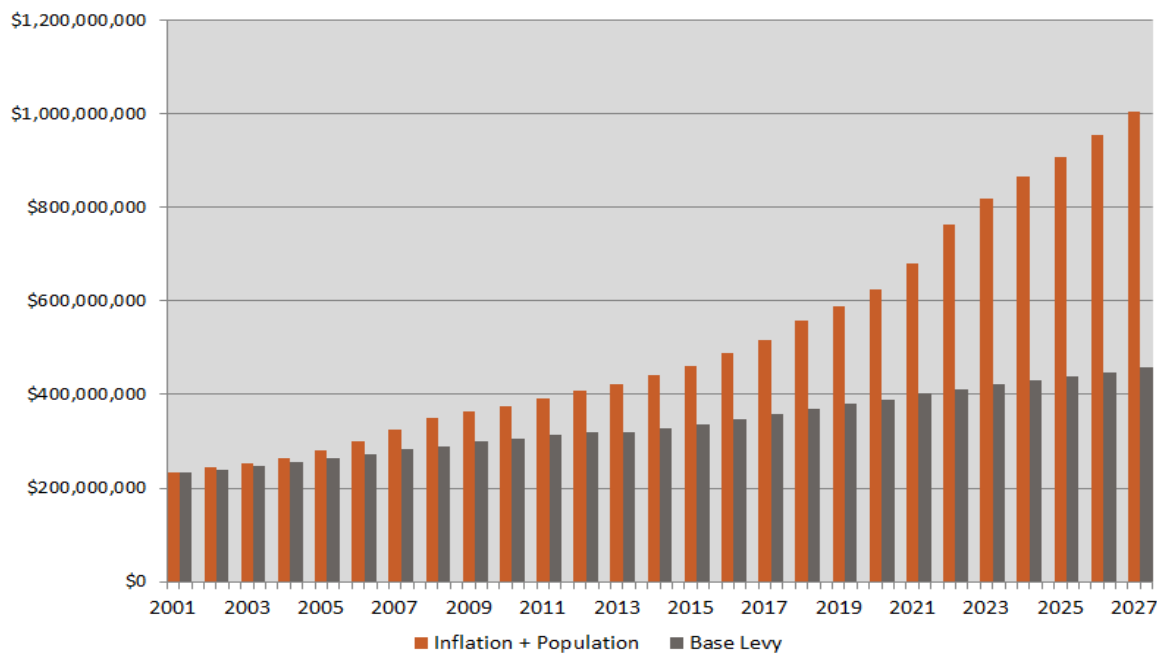
In this view, the property tax accounts for 49 percent of the General Fund’s revenue. Sales taxes represent another 35 percent of the revenue. Thus, almost 85 percent of the net General Fund revenue comes from these two sources. It is worth noting that state and federal direct support to the General Fund is minimal, representing a combined 2 percent of the total.

The dependence on the property tax is the largest source of the General Fund’s financial challenges. Since 2001, State law has limited the revenue growth in most property taxes, including county General Funds, to 1

percent per year. In addition, the value of new construction is added to the tax base and represents between about 0.5 percent and 2.0 percent additional growth, depending on economic conditions.

Figure 3 shows the effects of this limit on property tax revenues. Each year’s right-hand bar is the actual property tax revenue collected by the County’s General Fund. Each year’s left-hand bar is how much General Fund property tax revenue would have been collected had this revenue kept up with inflation and population growth since 2001. In 2025, the difference between the bars is \$470 million. This difference is estimated to grow to almost \$550 million annually by the end of the 2026-2027 biennium. A portion of this difference, approximately \$50 million, has been covered by voter-approved property tax levy lid lifts to fund services previously covered by the General Fund. A portion of the Parks Levy is the largest component of this \$50 million. The dependence of King County and other counties on the drastically limited property tax has resulted in chronic financial difficulties for the last 20 years. This situation is commonly referred to as the “structural gap.”

Figure 3: GENERAL FUND PROPERTY TAX COMPARED TO INFLATION AND POPULATION GROWTH



King County is also more adversely affected by the structure of the sales tax than most other counties in Washington State due to its mix of population and taxable sales activity in incorporated versus unincorporated areas of the County. The County levies three separately authorized sales taxes that generate revenue for the General Fund, each of which has different collection and allocation processes that impact its stability:

Local and Option Sales Tax. The sales tax rate received by a county for its basic local and option sales tax depends on where a sale occurs. If a sale occurs in the unincorporated area (outside of cities), the county receives the entire 1.0 percent local sales tax. If a sale occurs within a city, the county receives only 0.15 percent, and the city receives the remaining 0.85 percent. King County has actively complied with the State

Growth Management Act that encourages urban areas (including almost all commercial areas where taxable sales occur) to be brought into cities.

As a result, King County receives almost none of this sales tax at the full 1.0 percent rate. This sales tax makes up about 62% of the General Fund’s total sales tax revenue. **Figure 4** shows that King County only had 4.2 percent of its taxable retail sales in the unincorporated area in 2024, far lower than any other urban county in Washington.

Figure 4: SALES TAX IN UNINCORPORATED AREA

County	2024 Taxable Sales	2024 Unincorporated Taxable Sales	County Share of Taxable Sales
Kitsap	7,140,055,679	3,326,824,868	46.6%
Clark	12,634,873,066	3,550,077,232	28.1%
Pierce	24,960,590,413	6,391,791,014	25.6%
Snohomish	22,959,737,978	5,262,287,020	22.9%
Whatcom	6,651,040,106	1,441,671,585	21.7%
Thurston	8,217,407,490	1,567,968,358	19.1%
Spokane	15,691,936,731	2,657,754,698	16.9%
Yakima	5,730,347,649	995,711,447	17.4%
Benton	6,434,410,228	687,580,048	10.7%
King	93,334,127,770	3,924,057,933	4.2%

Pre-existing Criminal Justice Sales Tax. Many counties impose a separate 0.1 percent criminal justice sales tax. This tax has been in effect in King County since the early 1990s. Under State law, counties receive 10 percent of the revenue, and the remainder is split among cities and the county based on population (for the county, it is the population of the unincorporated area). This sales tax makes up about 6% of the General Fund’s total sales tax revenue.

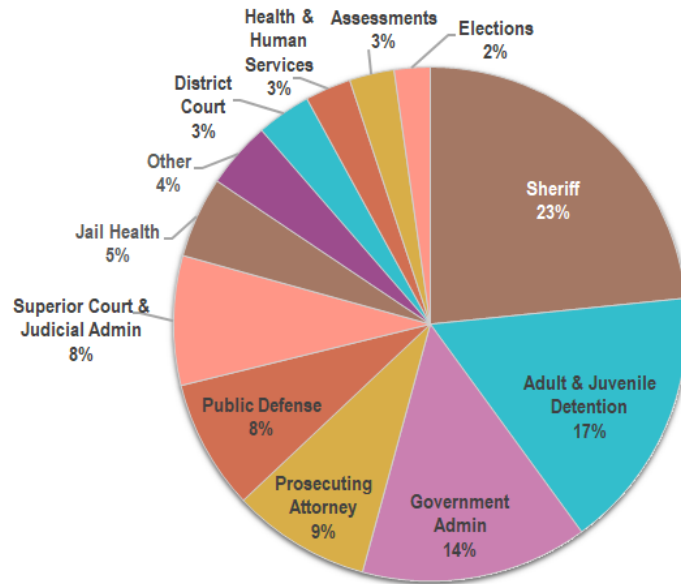
As the County has implemented the State Growth Management Act, its unincorporated area population has declined. The County conducted a study in 2017 to identify total criminal justice expenditures by cities and the County and compare them with the distribution of the criminal justice sales tax. King County had about 37 percent of the total expenditures but only received 20 percent of the revenue. The City of Seattle basically broke even, and all the other cities received far more revenue than their share of criminal justice costs. This outcome is the result of State law that requires the County to bear the financial burden of juvenile justice and the incarceration and adjudication of all felonies, regardless of where they occur.

New 0.1 percent Sales Tax. The new councilmanic 0.1 percent sales tax that the King County Council acted to impose as of January 1, 2026, will not be subject to either of the collection and allocation restrictions noted above. It will apply a flat 0.1% tax rate, received wholly by King County, countywide regardless of geography. This sales tax makes up about 32% of the General Fund’s total sales tax revenue.

GENERAL FUND EXPENDITURES

King County’s 2026-2027 Proposed Budget includes \$2.73 billion in appropriations from the General Fund. **Figure 5** shows how this is split among agencies.

Figure 5: GENERAL FUND APPROPRIATIONS BY AGENCY

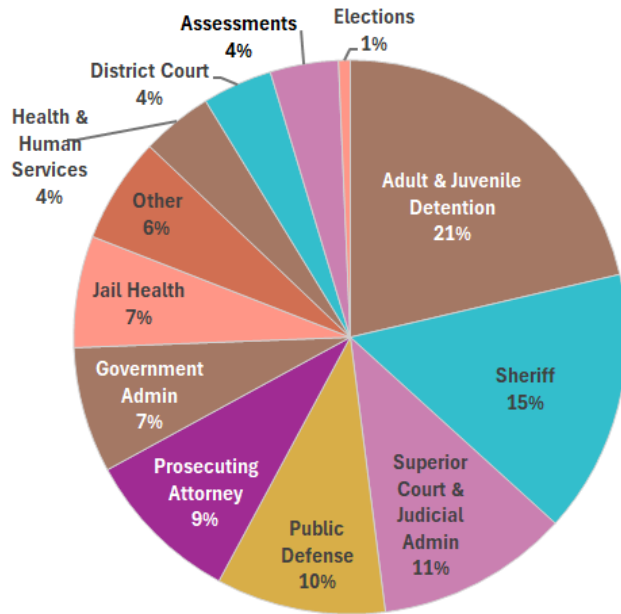


The King County Sheriff’s Office (KCSO) has the single largest General Fund appropriation at 23 percent, followed by the Department of Adult and Juvenile Detention (DAJD) at 17 percent. DAJD is responsible for the two adult jails: the King County Correctional Facility (KCCF) in Seattle and the Maleng Regional Justice Center (MRJC) in Kent. DAJD also runs the Clark Children and Family Justice Center in Seattle and operates the Community Corrections Division that provides alternatives to detention for adults.

The other agencies and branches that are part of the legal system are the Prosecuting Attorney’s Office (PAO), DPD, Superior Court, District Court, Judicial Administration, and the Jail Health Services Division. When combined with KCSO and DAJD, the legal and public safety system accounts for about 74 percent of General Fund appropriations.

As noted previously, a significant portion of General Fund expenditures is supported by revenue from other governments or from other County funds. Removing these expenditures leads to the “true” or “net” General Fund budget, which is shown in **Figure 6**.

Figure 6: NET GENERAL FUND APPROPRIATIONS BY AGENCY



Comparing **Figures 5 and 6** shows that the functions supported by the County’s own General Fund revenue are significantly different than the total General Fund budget. DAJD is now the largest General Fund impact at 21 percent. KCSO shrinks to 15 percent because much of its budget is supported by contracts with cities and transit agencies. The criminal justice system represents 78 percent of net General Fund appropriations.

Other functions that shrink as relative proportions of the General Fund budget are Elections and the group of agencies labeled as Government Administration. Elections receives significant funding from charges to other jurisdictions for election costs and the Government Administration agencies charge other County funds for a portion of their costs. Elections shrinks to 0.7 percent and Government Administration represents about 7 percent of total net General Fund appropriations.

King County has chosen to structure most of its internal support services, such as information technology, facilities, contracting, and accounting, as separate funds outside of the General Fund. These funds charge other County funds, including the General Fund, for the services they provide. However, there are a few support services, including the County Auditor, the Department of Human Resources, and the Office of Performance, Strategy and Budget (PSB), that are budgeted in the General Fund but charge other County funds for their services.

BALANCING THE GENERAL FUND

When the 2025 budget was adopted, the County projected a deficit of about \$150 million for the 2026-2027 General Fund budget. By June 2025, this had grown to about \$175 million due to cost and caseload increases. The new money from HB 2015 was used to avoid large budget reductions that would otherwise have been necessary:

- About 80 Sheriff's deputies serving the unincorporated area and regional functions.
- Dozens of prosecutors and support staff.
- Services to crime victims in Superior Court and the Prosecutor's Office.
- Services to help people navigate the judicial system, especially for family law cases.
- Efforts to reduce gun violence through early intervention and community outreach.
- Services to domestic violence survivors and victims of sexual assault that are provided through contracts run by the DCHS.
- Programs to divert people from the justice system.
- Behavioral health programs that help people avoid contact with the justice system.
- Services provided in adult and juvenile detention facilities that support education, training, and reentry.

After these programs, staff, and services were preserved, Executive Braddock proposes to invest the remaining funds to address new requirements and improve the justice system. These include:

- Increasing General Fund support for reducing gun violence (\$3,400,000). This replaces some, but not all, of the expiring federal funds.
- Increasing victim support services in the Prosecutor's Office (\$2,204,000).
- Adding funds to support recruiting and hiring in the Sheriff's Office (\$950,000).
- Adding juvenile probation counselors in Superior Court to reduce caseloads (\$960,000).
- Adding funds to preserve homeless shelter services (\$3,000,000).
- Increasing General Fund support for behavioral health programs (\$2,000,000).
- Increasing compensation for interpreters in Superior and District courts to ensure access to justice (\$1,680,000).
- Adding a Special Assault Unit deputy in the Sheriff's Office to reduce the backlog of cases in the unincorporated area (\$435,000).

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- Expanding adult reentry education and employment programming (\$962,000).
- Adding staff and funding to the Department of Public Defense in response to higher filings and new caseload standards (\$6,000,000).
- Providing adequate funding to the Sheriff's Office for services, supplies, and equipment (\$7,450,000).

These additional funds covered a small fraction of requests from agencies that operate or support the justice system, including behavioral health and homelessness services. Many requests for additional staffing, expanded programs, and new initiatives had to be denied.

The incremental revenue from sales tax base expansion covered cost increases to continue current programs. These included higher food costs in DAJD, increased costs for temporary labor in JHS, additional licensing costs for software, and small staffing additions in several agencies.

The 2026-2027 Proposed Budget includes an undesignated fund balance of \$78.4 million at the end of 2027, which represents 8 percent of the General Fund budget (some contract-supported functions are excluded from this calculation). The County's adopted financial policies require the undesignated fund balance to be between 6 percent and 8 percent, so the Proposed Budget is at the top of this range. Executive Braddock believes this is prudent given economic uncertainty and the potential for federal budget cuts. In addition, the County's Rainy Day Fund is projected to have a balance of \$28.6 million at the end of 2027.

GENERAL FUND AND FINANCING ACTIVITIES

2026-2027 General Fund (10) Financial Plan (in millions)

Summary includes Goat Hill Garage Operations (1415) and Bond Subfund (0017) subfunds as reported in ACFR

	2025 Estimated	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
BEGINNING FUND BALANCE	294.8	112.3	101.8	18.3
REVENUES				
Property Tax	430.8	888.4	923.0	959.2
Sales Tax	195.6	637.1	664.2	671.5
Federal Revenue	9.2	16.3	16.0	16.0
State Revenue	24.6	50.1	50.4	50.4
Fines, Fees, Transfers	116.2	210.8	198.3	200.9
Charges for Services	373.8	818.7	869.4	927.6
Other Taxes	6.3	5.8	4.2	2.6
Interest	23.8	45.7	42.3	41.1
General Fund Revenues	1,180.2	2,672.9	2,767.8	2,869.1
EXPENDITURES				
Justice and Safety	900.6	2,016.2	2,156.1	2,330.6
Administration/General Government	249.8	457.5	464.5	502.1
Public Health	20.5	44.5	44.0	47.6
Debt Service	32.7	84.0	108.9	94.8
Elections	31.5	61.7	66.3	71.7
Human Services	22.3	34.7	25.0	27.0
Physical Environment	19.7	33.9	33.3	36.0
Supplementals/Carryover/Reappropriations	111.2	0.0	0.0	0.0
Underexpenditures*	(25.5)	(54.2)	(57.5)	(61.6)
General Fund Expenditures	1,362.8	2,678.2	2,840.8	3,048.2
Other Fund Transactions	0.0	5.2	10.5	10.5
Ending Fund Balance	112.3	101.8	18.3	(171.3)
DESIGNATIONS AND SUBFUNDS				
Designations	3.3	2.9	2.5	2.3
Subfund Balances	0.0	0.0	0.0	0.0
EXPENDITURE RESERVES				
Carryover and Reappropriation	5.2	10.5	10.5	10.5
Credit Rating Reserve*	4.9	6.1	7.3	8.5
Executive Contingency	0.1	0.1	0.1	0.1
South Park Bridge Post Annexation Operations	0.0	0.0	2.0	4.0
Trial Court Improvement Account Reserve	1.4	2.0	2.6	3.1
Risk Reserve*	30.3	1.8	2.1	3.1
Reserves	45.1	23.4	27.0	31.5
Ending Undesignated Fund Balance*	67.1	78.4	(8.8)	(202.9)
6% Undesignated Fund Balance Minimum	50.4	58.8	61.3	62.8
Over/(Under) 6% Minimum	16.8	19.6	(70.0)	(265.7)
Over/(Under) 8.0%	0.0	0.0	(90.4)	(286.6)
Rainy Day Reserve	27.0	28.6	30.4	32.2

GENERAL FUND AND FINANCING ACTIVITIES

2026-2027 General Fund Financial Plan Footnotes

- 2025 Estimates reflect current best estimates of revenues and expenditures through 12/31/2025.
- 2026-2027 Proposed Budget is consistent with the budget system of record (PBCS).
- Revenue estimates for 2025 - 2031 are based on forecasts adopted by the Forecast Council or interim forecasts published by the Office of Economic and Financial Analysis (OEFA), whichever have been most recently updated, and revenue estimates provided by General Fund appropriation units. The percentages below are the expected percent change over the prior budget cycle.

	2026-2027	2028-2029	2030-2031
Property Tax	As Proposed	3.9%	3.9%
Sales Tax (including sales tax dedicated to criminal justice)	As Proposed	4.3%	1.1%
Charges for Services*	As Proposed	6.2%	6.7%
All Other**	As Proposed	-5.3%	-0.1%
Blended Revenue Growth Rate	As Proposed	3.5%	3.7%

* Charges for Services are increased with inflation except where known proposed changes will result in increases or decreases to these charges.

** All Other revenues generally align with inflationary assumptions, but decrease in outyears due to one-time activity in the 2026-2027 budget.

- Property Tax forecasts for 2025 - 2031 are based on the July 2025 OEFA forecast adopted by the Forecast Council and assume the current property tax structure and a collection rate of 100%.
- Sales Tax forecasts for 2025 - 2031 are based on the July 2025 forecast provided by OEFA.
- Expenditure estimates for 2028-2029 and 2030-2031 are based on the following assumptions. The percentages indicate the expected percentage change over the previous budget cycle.

	2026-2027	2028-2029	2030-2031
CPI (Seattle July to June CPI-U)	As Proposed	6.9%	6.7%
Blended Labor	As Proposed	6.5%	6.3%
Operating GF Transfers	As Proposed	6.9%	6.7%
Blended Operating Growth Rate	As Proposed	5.3%	8.1%

- CIP General Fund Transfer budget and outyear assumptions (in millions)

	2026-2027	2028-2029	2030-2031
Building Repair and Replacement	-	2.0	2.1
GF-backed IT Projects	-	2.0	2.1
Expenditure of Designated Fund Balance	-	-	-
Total	-	4.0	4.3

- The debt service schedule for 2025 - 2031 is based on the following table (in millions):

Debt Service Elements	2026-2027	2028-2029	2030-2031
Existing Debt Issues	51.1	45.4	31.3
New Debt Issuance	31.9	62.5	62.5
Debt contingency for new issues and variable rate	1.0	1.0	1.0
Total Debt Service	84.0	108.9	94.8

Based on current projections, projected debt service expense will not exceed the County's policy that debt service should be less than 6% of General Fund expenditures.

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- The 2026-2027 Proposed Budget includes vacancy assumptions in the majority of General Fund operating budgets. This is budgeted directly in appropriation units. An additional underexpenditure assumption of \$54.2 million is included in the biennial budget, reflecting an assumed \$43.7 million in actual underexpenditures and a reappropriation of \$10.5 million into 2028-2029.

- Designations and subfund balances include the following for each of the years (in millions):

	<u>2026-2027</u>	<u>2028-2029</u>	<u>2030-2031</u>
Loans	0.0	0.0	0.0
Assigned for Capital Projects	0.0	0.0	0.0
Crime Victim Compensation Program	0.7	0.7	0.7
Drug Enforcement Program	1.4	1.4	1.4
Anti-Profitteering Program	0.1	0.1	0.1
Dispute Resolution	0.0	0.0	0.0
Wheelchair Access	0.6	0.2	0.0
Total*	2.9	2.5	2.2

*Totals may not match financial plan exactly due to rounding

- The Credit Rating Reserve dedicates fees collected from other county funds to increase fund balance and maintain the county's bond rating. Other funds that have issued debt and benefit from the county's bond rating through lower interest contribute to this reserve based on the amount of outstanding principal on LTGO debt. 35% of the Credit Enhancement Fee is placed in this reserve. The goal for this reserve is to reach 1% of total outstanding GO debt backed by the full faith and credit of the General Fund.
- The Risk Reserve sets aside fund balance to mitigate known and unknown risks.
- County policy requires undesignated fund balance of 6%-8% of certain revenues. Per county policy, the county will strive to maintain reserves in times of economic prosperity to offset times of declining revenue.

General Fund Transfers, Internal Support, and External Support

As a flexible revenue source, the General Fund provides funding to important services and programs in other funds. This includes resources for public health, local services, human services, natural resource programs, animal services, and capital investments in technology and infrastructure projects. The General Fund transfers revenue to the other funds through a series of appropriations called General Fund Transfers. The following table summarizes the proposed General Fund transfers, Internal Support, and External Support, followed by more detailed information.

Appropriation Unit	2026-2027 Proposed Budget
General Fund transfer for Debt Service	\$ 83,966,000
General Fund transfer to Department of Local Services (DLS)	\$ 16,170,000
General Fund transfer to Department of Community and Human Services (DCHS)	\$ 34,658,000
General Fund transfer to Department of Executive Services (DES)	\$ 10,447,000
General Fund transfer to Department of Public Health (DPH)	\$ 20,347,000
General Fund transfer to Department of Natural Resources and Parks (DNRP)	\$ 4,019,000
Internal Support	\$ 44,316,000
External Support	\$ 21,831,000

General Fund transfer for Debt Service: \$83,966,000

The transfer to Debt Service represents the amount that the General Fund pays in principal and interest for the biennium for current and proposed capital projects. The debt service limit is set by County policy for the General Fund at 6 percent of revenues. The projected General Fund debt load is about 4.2 percent by the end of the biennium. In 2026-2027, this contribution will pay the debt service on about 35 current projects and 20 new or expanding projects.

General Fund transfer to Department of Local Services (DLS): \$16,170,000

The transfer to DLS supports activities in the Permitting Division and in the DLS Director’s Office.

- \$9.5 million funds the Permitting Division’s code enforcement program, which investigates and resolves complaints of code violations in unincorporated King County. About half of the funding supports Prosecuting Attorney’s Office (PAO) and Risk Management services arising from code enforcement actions.

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- \$6.7 million will support investments in urban unincorporated King County and the development of a community-centered advisory board, including:
 - Support for the ongoing administrative needs of the participatory budgeting program.
 - \$0.7 million in support for White Center business organizations and beautification of the business district.
 - \$1.4 million for supporting the King County Comprehensive Plan

General Fund transfer to Department of Community and Human Services (DCHS): \$34,658,000

Transfers to DCHS support several programs in the Community Services Operating, Employment and Education Resources, Housing and Community Development, and Behavioral Health Funds. The General Fund also supports costs for the SoDo facility lease budgeted in DCHS.

Transfer to Housing and Community Development Fund (\$5.6 million)

- \$3.0 million in one-time funding to continue some outreach and shelter locations through the 2026-2027 biennium.
- \$2.6 million in one-time funding for transitional and supportive housing, shelter, homelessness prevention, diversion, and outreach for youth and young adults

Transfer to Employment and Education Resources Fund (Fund 2240, \$15.2 million)

- \$7.9 million in funding for King County Youth Diversion and Intervention program to divert juvenile cases out of the criminal legal system and provide services for harmed parties.
- \$2.8 million for youth and family services contracts.
- \$1.0 million supports juvenile justice intervention programs, which funds six agencies' prevention and intervention services to youth who are at-risk or involved in the juvenile justice system or gangs. It also supports transportation contracts for DPD clients.
- \$0.3 million supports gang prevention and the Avanza program. This funding is to provide education, employment, and violence prevention services to youth at risk of gang involvement.
- \$3.2 million supports administration of the youth programs and other miscellaneous education and employment services.

Transfer to Community Services Operating Fund (Fund 1421, \$8.1 million)

- \$3.3 million for domestic violence survivor services such as community advocacy, crisis intervention, legal advocacy, shelter, and safety planning.
- \$1.6 million for sexual assault victim services.

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- \$1.1 million for civil legal services contracts.
- \$0.4 million for senior center services and operations.
- \$0.2 million for the LELO relicensing program.
- \$1.5 million for administrative costs associated with managing community service contracts.

Transfer to Behavioral Health Fund (Fund 1120, \$0.7 million)

- \$0.7 million for Community Prevention and Wellness Initiative (CPWI) to maximize financial support for youth coalitions in North Highline, Vashon, SE Seattle/Skyway, Snoqualmie, South Seattle and Auburn, as recommended by the King County Cannabis Inter-Departmental team.

SoDo Facility Lease Support (\$5.1 million) to pay for DCHS's portion of the SoDo facility through the current lease term of May 2027.

General Fund transfer to Department of Executive Services (DES): \$10,447,000

- \$6.8 million is transferred to support the animal services program. This represents approximately 37 percent of the funding for this regional service.
- \$3.7 million is transferred to FMD for the following purposes:
 - \$1.7 million to support maintenance and operations at the Kent Hotel.
 - \$1.8 million will be contributed to the facilities maintenance division to support emergency shelter services in 2025. This funding will provide custodial service and security at Harborview Hall, the 4th and Jefferson Building, and Mary's Place Shelter.
 - \$0.2 million for maintenance and operations at the Harbor Island warehouse (for 2026 only).

General Fund transfer to Public Health – Seattle & King County (PHSKC): \$20,347,000

- \$5.9 million will be contributed to regional community health services, which include a variety of community partnership programs.
- \$6.2 million will be contributed to cross-cutting services, including foundational capabilities such as the Assessment, Policy and Evaluation (APDE) unit, communications, preparedness, health policy and planning, government relations, and the King County Board of Health.
- \$6.4 million will be contributed to support gun violence prevention and other efforts to reduce youth involvement in the criminal legal system.
- \$1.3 million will be contributed to Prevention to serve the community by monitoring, investigating, controlling and prevention of over 60 notifiable communicable diseases.

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- \$0.5 million will be contributed to Environmental Health community planning, homelessness response, and water system capacity planning.

General Fund transfer to Department of Natural Resources and Parks (DNRP): \$4,019,000

- \$3.1 million funds the Local Infrastructure Project Area (LIPA) transfers to the City of Seattle for the Transfer of Development Rights (TDR) program.
- \$0.5 million in one-time funds to support updates to the Flood Code and compliance work related to the National Flood Insurance Program.
- \$0.4 million supports the Historic Preservation Programs.

Internal Support: \$44,316,000

The Internal Support budget includes charges that are paid centrally on behalf of General Fund agencies. In 2026-2027, major charges include:

- Employee Transportation Program costs.
- Central rate charges for functions with benefit to all General Fund agencies.
- The Department of Local Services (DLS) Director's Office overhead rate.
- Pacific Science Center Loan payments

The 2026-2027 Proposed Budget also includes two one-time items in this appropriation unit:

- \$1.5 million for Harbor Island facility rent for 2026.
- \$0.5 million for additional forecasted need for outside counsel services.

External Support: \$21,831,000

The External Support budget provides one-time fiscal support to external partners for programs or projects that do not clearly align with the mission of departments. This appropriation unit is managed by the Office of Performance, Strategy and Budget. The 2026-2027 Proposed Budget includes the following items:

- \$16.4 million in community facility capital investments.
- \$3.2 million in community organization operational support.
- \$2.0 million in capital support for food banks and similar providers.
- \$0.2 million for dues and memberships for outside organizations.

**2026-2027 Executive Proposed Operating Budget
GF TRANSFER TO DEBT SERVICE (EN_A69100)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	40,070,695	0	0.0	0.0
2025 Annual Budget Biennialized	80,141,390	0	0.0	0.0
Base Budget Adjustments	(5,600,000)	0	0.0	0.0
Decision Package Adjustments	9,424,004	0	0.0	0.0
2026-2027 Executive Proposed	83,965,394	0	0.0	0.0
2026-2027 Executive Proposed Ordinance	83,966,000	0	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Central Rate Adjustments	9,424,004	0	0.0	0.0
Total Decision Package Adjustments	9,424,004	0	0.0	0.0

**2026-2027 Executive Proposed Operating Budget
GF TRANSFER TO DLS (EN_A69200)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	13,664,325	0	0.0	0.0
2025 Annual Budget Biennialized	27,328,650	0	0.0	0.0
Base Budget Adjustments	(14,190,650)	0	0.0	0.0
Decision Package Adjustments	3,031,358	0	0.0	0.0
2026-2027 Executive Proposed	16,169,358	0	0.0	0.0
2026-2027 Executive Proposed Ordinance	16,170,000	0	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
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Direct Service Changes

DS_004 KCCP Climate Change Element SME Support Role
Provide General Fund support to add a temporary position for DLS-Permitting to serve as a subject matter expert (SME) in developing policies and regulations that align with new state requirements for the King County Comprehensive Plan's (KCCP) climate change element. This decision package corresponds to DS_004 in Planning and Permitting (A32510).

453,886	0	0.0	0.0
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DS_021 KCCP Communication Facilities Requirement
Provide General Fund support to add staffing, consultant contract, and programmatic funding for updates to communication facilities, as required by the King County Comprehensive Plan (KCCP) Work Plan Action Item 8. The code updates are required to reflect modern technology and current federal regulations. This decision package corresponds to DS_021 in Local Services Administration (A77000).

250,000	0	0.0	0.0
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DS_022 KCCP Shoreline Master Program Update
Provide General Fund support to add staffing, consultant contract, and programmatic funding for the King County Shoreline Master Program Update, which includes the incorporation of Sea Level Rise planning requirements. This decision package corresponds to DS_022 in Local Services Administration (A77000).

750,000	0	0.0	0.0
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**2026-2027 Executive Proposed Operating Budget
GF TRANSFER TO DLS (EN_A69200)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
<p>DS_027 KCCP Expediting Affordable Housing: Tools and Strategies Provide General Fund support to add staffing, consultant contract, and programmatic funding to lead the development of a report that evaluates possible tools and strategies that may expedite or support the development of new or redevelopment of existing properties for affordable housing. This decision package corresponds to DS_027 in Local Services Administration (A77000).</p>	375,000	0	0.0	0.0
Technical Adjustments				
<p>TA_100 Economic Adjustment Adjust estimated costs to reflect inflationary increases.</p>	509,892	0	0.0	0.0
<p>TA_101 White Center Revitalization Provide General Fund support for temporary staffing, space rental, and start-up funding to support the establishment of a self-sustaining White Center business organization. This program's duration was three years when adopted in the 2025 budget, and this decision package reflects the final two years of this expenditure.</p>	692,580	0	0.0	0.0
Total Decision Package Adjustments	3,031,358	0	0.0	0.0

**2026-2027 Executive Proposed Operating Budget
GF TRANSFER TO DCHS (EN_A69400)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	62,301,531	0	0.0	0.0
2025 Annual Budget Biennialized	124,603,062	0	0.0	0.0
Base Budget Adjustments	(81,710,546)	0	0.0	0.0
Decision Package Adjustments	(8,235,483)	0	0.0	0.0
2026-2027 Executive Proposed	34,657,033	0	0.0	0.0
2026-2027 Executive Proposed Ordinance	34,658,000	0	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
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Direct Service Changes

DS_009 Homelessness Shelters and Outreach
Provide General Fund support for continued operations of outreach and three shelter locations providing a total of 101 beds for people experiencing homelessness. This decision package corresponds to DS_009 in Housing and Community Development (A35000), where the larger program, including Document Recording Fee support, is managed.

	3,049,616	0	0.0	0.0
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DS_010 Community Prevention and Wellness Initiative (CPWI)

Continue funding for CPWI coalitions in King County that implement cannabis and other drug prevention programs for youth in multiple geographies, and provide resources for student assistance professionals in schools. These expenditures are backed by cannabis excise tax revenues, and focus on covering matching funds required to received corresponding State funding. This decision package corresponds to DS_012 in Behavioral Health (A92400).

	660,381	0	0.0	0.0
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DS_012 Youth and Young Adult Housing Support

Provide General Fund support for transitional and supportive housing, shelter, homelessness prevention, diversion, and outreach for youth and young adults. This decision package corresponds to DS_011 in Housing and Community Development (A35000).

	2,600,000	0	0.0	0.0
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**2026-2027 Executive Proposed Operating Budget
GF TRANSFER TO DCHS (EN_A69400)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
<p>DS_013 King County Youth Diversion and Intervention Provide and adjust General Fund support to implement King County Youth Diversion and Intervention (KCDYI) program. KCDYI will provide community-based services for PAO-referred youth. This program has reduced General Fund needs compared to the prior level of Restorative Community Pathways by no longer serving felony cases and serving community-referred youth as resources allow. This decision package corresponds to DS_004 in Employment and Education Resources (A93600).</p>	(2,000,000)	0	0.0	0.0
Technical Adjustments				
<p>TA_001 SoDo Lease Payments Adjust the General Fund support for the SoDo lease to match the current lease agreement. Adjustments reflect lease expiration in May 2027 and that the City of Seattle will pay for a portion of the lease in the 2026-2027 biennium reducing the needed General Fund contribution at previous levels.</p>	(13,488,929)	0	0.0	0.0
<p>TA_100 Economic Adjustment Adjust estimated costs to reflect inflationary increases.</p>	943,449	0	0.0	0.0
<p>TA_116 Net-Zero Adjustment Align budget account lines to actual activity.</p>	0	0	0.0	0.0
Total Decision Package Adjustments	(8,235,483)	0	0.0	0.0

**2026-2027 Executive Proposed Operating Budget
GF TRANSFER TO DES (EN_A69500)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	6,971,354	0	0.0	0.0
2025 Annual Budget Biennialized	13,942,708	0	0.0	0.0
Base Budget Adjustments	(3,628,000)	0	0.0	0.0
Decision Package Adjustments	131,866	0	0.0	0.0
2026-2027 Executive Proposed	10,446,574	0	0.0	0.0
2026-2027 Executive Proposed Ordinance	10,447,000	0	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
DS_001 CCFJC Outdoor Space Feasibility Study Provide General Fund support for a feasibility study for installing outdoor green space at the Patricia Clark Children and Family Justice Center.	30,000	0	0.0	0.0
Technical Adjustments				
TA_002 RASKC General Fund Transfer Increase Increase the General Fund transfer to RASKC to account for higher than expected central service costs. This decision package corresponds to TA_002 in Regional Animal Services (A53400).	871,000	0	0.0	0.0
TA_100 Economic Adjustment Adjust estimated costs to reflect inflationary increases.	(769,134)	0	0.0	0.0
Total Decision Package Adjustments	131,866	0	0.0	0.0

**2026-2027 Executive Proposed Operating Budget
GF TRANSFER TO DPH (EN_A69600)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	12,061,572	0	0.0	0.0
2025 Annual Budget Biennialized	24,123,144	0	0.0	0.0
Base Budget Adjustments	(7,208,380)	0	0.0	0.0
Decision Package Adjustments	3,431,470	0	0.0	0.0
2026-2027 Executive Proposed	20,346,234	0	0.0	0.0
2026-2027 Executive Proposed Ordinance	20,347,000	0	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
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Direct Service Changes

DS_011 Regional Office of Gun Violence Prevention (ROGVP)

Provide General Fund support to sustain ROGVP core services in Unincorporated King County through the 2026-2027 biennium. Also extends services in South King County cities for one year, along with countywide case management, financial intermediary support, and temporary County staff. This decision package corresponds to DS_011 in Public Health (A80000).

3,400,000	0	0.0	0.0
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DS_012 Cannabis Prevention Program

Provide General Fund support to Cannabis Prevention Program community grants, funds for community engagement, and an assessment of a pilot intervention funded by cannabis excise tax revenue. This decision package is based on recommendations from the King County Cannabis Inter-Departmental Team and corresponds to DS_012 in Public Health (A80000).

400,000	0	0.0	0.0
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Administrative Service Changes

AC_010 Juvenile Justice Equity Steering Committee

Remove the General Fund transfer to Public Health for the Juvenile Justice Equity Steering Committee (JJESC). Budget for JJESC is moving to the PSB appropriation unit, so this transfer is no longer needed. There is no change to JJESC funding. This decision package corresponds to AC_001 in PSB (A14000) and AC_010 in Public Health (A80000).

(125,000)	0	0.0	0.0
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**2026-2027 Executive Proposed Operating Budget
 GF TRANSFER TO DPH (EN_A69600)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
<p>AC_011 Community Supports for Electronic Monitoring Remove the General Fund transfer to Public Health for Community Supports for Electronic Monitoring (EM). Budget for this program is moving to the DAJD appropriation unit, so this transfer is no longer needed. There is no change to funding for this program. This decision package corresponds to AC_006 in DAJD (A91000) and AC_011 in Public Health (A80000).</p>	(900,000)	0	0.0	0.0
Technical Adjustments				
<p>TA_100 Economic Adjustment Adjust estimated costs to reflect inflationary increases.</p>	656,470	0	0.0	0.0
Total Decision Package Adjustments	3,431,470	0	0.0	0.0

**2026-2027 Executive Proposed Operating Budget
GF TRANSFER TO DNRP (EN_A69700)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	5,251,709	0	0.0	0.0
2025 Annual Budget Biennialized	10,503,418	0	0.0	0.0
Base Budget Adjustments	(4,935,418)	0	0.0	0.0
Decision Package Adjustments	(1,549,943)	0	0.0	0.0
2026-2027 Executive Proposed	4,018,057	0	0.0	0.0
2026-2027 Executive Proposed Ordinance	4,019,000	0	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Administrative Service Changes				
AC_001 General Fund Transfer Use Change Reduce and repurpose the General Fund Transfer to DNRP to reflect funding and needs changes that DNRP is experiencing after renewal of the Parks Levy. The Parks Levy will now cover baseline agriculture, forestry, and incentive program work that used to be paid for by the General Fund. A portion of the previous General Fund Transfer is proposed to be used in 2026-2027 on a one-time basis for Flood Code Updates and Flood Insurance Compliance work.	(1,494,516)	0	0.0	0.0
Technical Adjustments				
TA_100 Economic Adjustment Adjust estimated costs to reflect inflationary increases.	132,573	0	0.0	0.0
TA_101 Agriculture and Forestry Program Adjust budget to reconcile General Fund support for WLRD's agriculture and forestry programs with the program's expected expenditures.	(188,000)	0	0.0	0.0
Total Decision Package Adjustments	(1,549,943)	0	0.0	0.0

**2026-2027 Executive Proposed Operating Budget
INTERNAL SUPPORT (EN_A65600)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	26,320,595	0	0.0	0.0
2025 Annual Budget Biennialized	52,641,190	0	0.0	0.0
Base Budget Adjustments	(11,800,000)	0	0.0	0.0
Decision Package Adjustments	3,474,776	0	0.0	0.0
2026-2027 Executive Proposed	44,315,966	0	0.0	0.0
2026-2027 Executive Proposed Ordinance	44,316,000	0	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Administrative Service Changes				
AC_001 Outside Counsel				
Increase assumed costs for hiring outside counsel in the 2026-2027 Biennium based on projected increased need due to forthcoming legal issues and litigation. This cost is partially revenue backed through General Fund Overhead rate charges.	500,000	0	0.0	0.0
Technical Adjustments				
TA_001 Harbor Island Studio Rent				
Transfer funding to the Solid Waste Division as rent payment for the portion of the Harbor Island facility used as the Harbor Island Studio. This decision package only provides funding for 2026.	1,500,000	0	0.0	0.0
TA_100 Economic Adjustment				
Adjust estimated costs for Internal Support to reflect inflationary increases.	52,232	0	0.0	0.0
TA_101 Employee Transportation Program Costs				
Adjust estimated cost of the Employee Transportation Program to reflect updated ridership estimates.	1,890,408	0	0.0	0.0
TA_116 Net Zero Adjustments				
Align budget account lines to actual activity.	0	0	0.0	0.0
Central Rate Adjustments	(467,864)	0	0.0	0.0
Total Decision Package Adjustments	3,474,776	0	0.0	0.0

**2026-2027 Executive Proposed Operating Budget
EXTERNAL SUPPORT (EN_A65700)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	39,291,650	25,848,400	0.0	0.0
2025 Annual Budget Biennialized	78,583,300	51,696,800	0.0	0.0
Base Budget Adjustments	(78,403,300)	(51,696,800)	0.0	0.0
Decision Package Adjustments	21,651,000	17,116,000	0.0	0.0
2026-2027 Executive Proposed	21,831,000	17,116,000	0.0	0.0
2026-2027 Executive Proposed Ordinance	21,831,000	17,116,000	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
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Direct Service Changes

DS_001 External Support Projects Reappropriation
Reappropriate funds for projects appropriated in 2023-2025 that have not been completed. These projects are backed by a combination of fund balance and future bond issuances as originally approved. The bond-funded project amount totals \$15M. Most of the projects aim to support local organizations' capital initiatives that benefit the King County community. These projects have been delayed due to the complexity of capital spending. It is anticipated that most of the projects will be completed in 2026-2027.

19,501,000	15,116,000	0.0	0.0
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DS_003 Capital Needs of Food Banks and Similar Providers
Add funding to grant dollars for capital needs of food banks and similar providers. The PSB Grants Team will conduct an RFP to identify the capital needs. Grants will then be made to the selected projects. The grants will be backed by debt proceeds.

2,000,000	2,000,000	0.0	0.0
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DS_004 Union Hiring Hall
Add funding to continue the Union Hiring Hall, originally funded with federal COVID response dollars. The Union Hiring Hall is designed to remove barriers to employment by creating a direct, accessible entry point for workers to secure union jobs. Through virtual and in-person supports, it links workers to training, apprenticeships, and immediate employment opportunities while ensuring they have the resources and mentorship to succeed long term. This item will be supported by the General Fund.

150,000	0	0.0	0.0
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Total Decision Package Adjustments	21,651,000	17,116,000	0.0	0.0
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Debt Service Funds

The total 2026-2027 Proposed Budget for the **Limited Tax General Obligation (LTGO) Fund** is \$426 million. The adjustments to this budget are technical and include updating principal and interest payment schedules.

This fund also budgets debt service payments for proposed new issuances as outlined below. Since the County’s bond ratings remain high, the 2026-2027 budget provides an opportunity to lock in competitive interest rates for these new investments. The budget proposes issuing debt for various projects as detailed in the table below. For information on individual projects, please refer to the specific CAP form or Decision Package.

Project	Proceeds	Term
	(in millions)	
Climate - Climate Equity Projects	\$ 1.0	10
DCHS – Transit Oriented Development Affordable Housing	\$65.3	20
DCHS – Equitable Affordable Housing	\$19.5	10
DCHS - Equitable Development Initiative	\$2.0	5
DLS - Fall City Septic	\$2.5	10
DLS – Participatory Budgeting Projects	\$15.2	10
DLS - Fairwood Splash Pad	\$1.6	10
DNRP/CFT - Land Conservation Initiative	\$75.0	30
DNRP/SWD - Landfill and Transfer Station Projects	\$204.6	15
DNRP/SWD - Landfill Gas Facility Acquisition	\$80.0	20
Exec - Community Facilities	\$23.0	10
FMD - Acquisitions (Dexter Horton, Renton Red lion)	\$72.7	20
FMD - Broadway Facility	\$17.5	7
FMD - Facility Improvements Countywide	\$98.9	10
KCIT - Telephone Line System Replacement	\$10.0	5
KCIT/FBOD/Assessor - Property Tax Administration System (PTAS)	\$65.0	10
KCSO - Computer Aided Dispatch System	\$17.0	10
KCSO – Payroll System	\$6.0	5

The County’s limited tax general obligation debt capacity is \$13.1 billion, which is based on 1.5 percent of countywide assessed value. As of the end of 2024, the County has only used \$3.1 billion of capacity.

The total 2025 Proposed Budget for the **Unlimited Tax General Obligation (UTGO) Fund** is \$65.9 million. All adjustments to this budget were technical changes and reflect the current debt service schedules, and new bonds that are planned to be issued in 2027 based on the voter approved levy for health and safety improvements at King County's Harborview Medical Center campus. Limited Tax General Obligation Bond financing is approved by the County Council while UTGO financing is approved by voters.

**2026-2027 Executive Proposed Operating Budget
LIMITED GO BOND REDEMPTION (EN_A46500)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	209,007,951	207,707,951	0.0	0.0
2025 Annual Budget Biennialized	418,015,902	415,415,902	0.0	0.0
Base Budget Adjustments	0	0	0.0	0.0
Decision Package Adjustments	7,617,043	7,617,043	0.0	0.0
2026-2027 Executive Proposed	425,632,945	423,032,945	0.0	0.0
2026-2027 Executive Proposed Ordinance	425,633,000	423,033,000	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Technical Adjustments				
TA_001 Debt Service Adjustment Adjust the principal and interest for previous financings and estimate costs for financings in 2025 through 2027.	7,617,043	7,617,043	0.0	0.0
Total Decision Package Adjustments	7,617,043	7,617,043	0.0	0.0

2026-2027 Proposed Financial Plan
Limited Tax General Obligation (LTGO) Debt Service Fund / 000008400

Category	2025 Estimated	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Beginning Fund Balance	\$ 11,074,508	\$ 8,749,537	\$ 8,749,537	\$ 8,749,537
Revenues				
Intergovernmental Payments (HMC, CDA)	14,182,598	28,372,885	28,372,885	28,372,885
Charges/Contributions from County Funds	136,202,876	394,660,060	416,767,237	402,767,237
Total Revenues	\$ 150,385,474	\$ 423,032,945	\$ 445,140,122	\$ 431,140,122
Expenditures				
Principal	102,604,735	303,844,374	314,959,862	304,959,862
Interest	50,105,710	119,188,571	130,180,260	126,180,260
Transfers/Contingencies	-	2,600,000	2,600,000	2,600,000
Total Expenditures	\$ 152,710,445	\$ 425,632,945	\$ 447,740,122	\$ 433,740,122
Estimated Underexpenditures	-	(2,600,000)	(2,600,000)	(2,600,000)
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	\$ 8,749,537	\$ 8,749,537	\$ 8,749,537	\$ 8,749,537
Reserves				
General Fund balance	953,230	953,230	953,230	953,230
Parks FRED fund balance	145,125	145,125	145,125	145,125
KCIT/FMD Fund Bal.	4,053,766	4,053,766	4,053,766	4,053,766
Total Reserves	\$ 5,152,121	\$ 5,152,121	\$ 5,152,121	\$ 5,152,121
Reserve Shortfall	-	-	-	-
Ending Undesignated Fund Balance	\$ 3,597,416	\$ 3,597,416	\$ 3,597,416	\$ 3,597,416

Financial Plan Notes

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- 2026-2027 Proposed Budget ties to PBCS.
- Outyear projections columns: revenue and expenditure projections are consistent with figures provided by PSB's BFPA guidance and assumptions for Actual and Projected debt service.

Revenue Notes:

- Revenues are based on current and estimated debt service schedules.

Expenditure Notes:

- Expenditures are based on current debt service schedules and estimates for projects proposed to be financed in the 2026-2027 Executive Proposed budget.

Reserve Notes:

- Reserves are unused bond proceeds from completed projects that are remitted back to the LTGO fund and will be used for future debt service payments.

Last updated 08/27/2025 by Chris McGowan.

**2026-2027 Executive Proposed Operating Budget
UNLIMITED GO BOND REDEMP (EN_A46600)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	19,259,075	19,220,000	0.0	0.0
2025 Annual Budget Biennialized	38,518,150	38,440,000	0.0	0.0
Base Budget Adjustments	0	0	0.0	0.0
Decision Package Adjustments	28,609,909	27,450,000	0.0	0.0
2026-2027 Executive Proposed	67,128,059	65,890,000	0.0	0.0
2026-2027 Executive Proposed Ordinance	67,129,000	65,890,000	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Technical Adjustments				
TA_001 UTGO Debt Service Adjust the UTGO appropriation to fund the estimated debt service.	28,609,909	0	0.0	0.0
TA_050 Revenue Adjustment Revise budgeted revenues to match current forecast.	0	27,450,000	0.0	0.0
Total Decision Package Adjustments	28,609,909	27,450,000	0.0	0.0

2026-2027 Proposed Financial Plan
Unlimited Tax General Obligation (UTGO) Debt Service Fund / 000008500

Category	2025 Estimated	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Beginning Fund Balance	\$ 2,850,248	\$ 5,059,815	\$ 4,321,756	\$ 4,321,756
Revenues				
Property Taxes	18,970,000	65,890,000	120,860,000	149,670,000
Other Income	200,000			
Total Revenues	\$ 19,170,000	\$ 65,890,000	\$ 120,860,000	\$ 149,670,000
Expenditures				
Principal	6,740,000	28,064,250	48,344,000	59,868,000
Interest	10,220,433	38,563,809	72,516,000	89,802,000
Contingency	-	500,000	500,000	500,000
Total Expenditures	\$ 16,960,433	\$ 67,128,059	\$ 121,360,000	\$ 150,170,000
Estimated Underexpenditures		(500,000)	(500,000)	(500,000)
Other Fund Transactions				
Total Other Fund Transactions	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 5,059,815	\$ 4,321,756	\$ 4,321,756	\$ 4,321,756
Reserves				
Cashflow Reserve	3,000,000	3,000,000	3,000,000	3,000,000
Total Reserves	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Reserve Shortfall	-	-	-	-
Ending Undesignated Fund Balance	\$ 2,059,815	\$ 1,321,756	\$ 1,321,756	\$ 1,321,756

Financial Plan Notes

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- 2026-2027 Proposed Budget ties to PBCS.
- Outyear projections columns: revenue and expenditure projections are consistent with figures provided by PSB's BFPA guidance and assumptions for Actual and Projected debt service.

Revenue Notes:

- Revenues are based on the July OEFA forecast.
- Other Income estimates are based on current year interest earnings and are not included in budgeted projections.

Expenditure Notes:

- Expenditures are based on current estimates from the principal and interest payment schedules for existing debt and updated financings based on projected program spending.

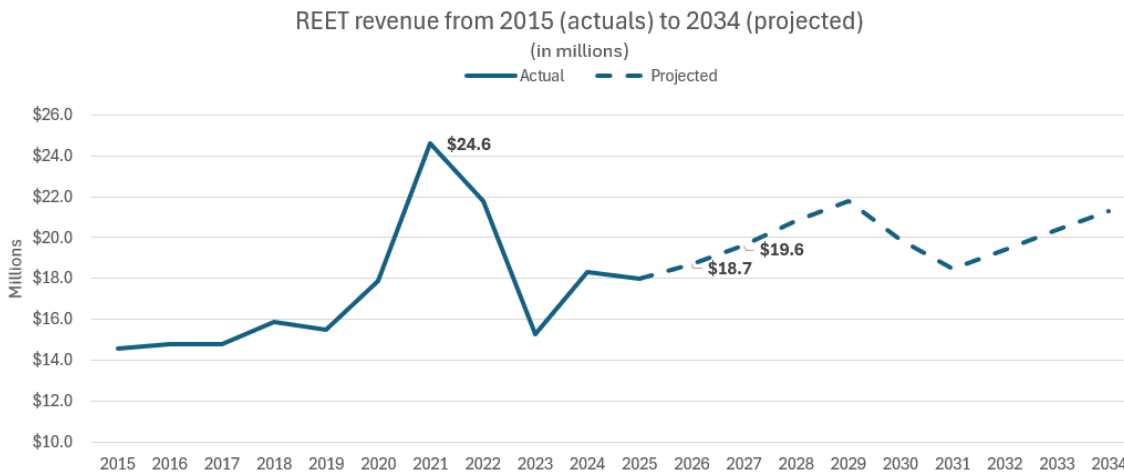
Last Updated 08/15/2025 by Chris McGowan.

Real Estate Excise Tax

State law allows cities and counties to impose up to a 0.5 percent excise tax on property sales, which is known as the Real Estate Excise Tax (REET).¹ The use of REET is restricted to acquisition, development, and major maintenance of certain types of capital assets, such as parks, roads, and other public facilities.

King County collects REET only in the unincorporated area, so the strong sales of properties in some of the major cities provide no direct benefit to the County. The City of Seattle’s REET revenue is expected to be about four times as much as King County’s in 2025. And the City of Bellevue, with roughly half the population of the County’s unincorporated area, receives roughly the same amount of REET as King County.

In 2021, REET revenue collection peaked due to strong demand in the real estate market and low interest rates, culminating in almost \$25 million in excise taxes collected in a single year. However, REET revenue declined sharply in 2022 and 2023, driven by the slowdown in the housing market and higher interest rates. Current estimates project a gradual stabilization in REET revenue through 2034. The County expects to collect \$18.7 million and \$19.6 million in 2026 and 2027 respectively. As the chart below shows, REET revenues are anticipated to remain between \$18 million to \$21 million per year through 2034.



By County and state policy, REET is spent on projects benefiting the unincorporated area, primarily on parks capital projects. REET funding will be used to fund the following expenditures.

- \$17.9 million for Parks to fund various projects including fish passage projects; rehabilitation of play areas at Preston Athletic Fields, Lake Geneva Park and others; environmental remediation and monitoring work; and the new Skyway Community Center.
- \$3.6 million for debt service for the central maintenance facility and bridge replacement projects.
- \$14.4 million for Road Services to fund projects in unincorporated King County including roadway preservation, bridge replacement design, and the removal of fish barriers.

¹ There are actually two separate REET authorities, each at a 0.25 percent tax rate. State law has somewhat different restrictions on the allowable use of each tax.

CAP Summary by Fund

Budget: 2026-2027 Biennial Budget, Scenario: Executive Proposed, Agency: All, Fund: 3681 REAL ESTATE EXCISE TAX, NUMBER 1, Cap Status: Approved, Is IT Proj? Both Yes and No

2026-2027 Biennial Budget - Executive Proposed

3681 REAL ESTATE EXCISE TAX, NUMBER 1 - Other				
Project Number	Project Name Class Code	Tech Adj	FY26-27	Narratives
1033534	REET 1 Debt Service STANDALONE		\$641,650	Scope: This project is for debt service funded by REET 1. Description of Budget Request: The requested appropriation will fund ongoing debt service on REET 1 debt.
1130281	REET 1 Transfer to Roads Capital STANDALONE		\$14,386,332	Scope: This project transfers REET 1 proceeds to the Road Capital Fund. Description of Budget Request: The requested budget will transfer REET 1 proceeds to support various projects in the Roads capital program.
1134866	REET 1 Transfer to Parks STANDALONE		\$2,951,332	Scope: This project transfers REET 1 proceeds to support the Parks Capital Program. Description of Budget Request: The requested budget will transfer REET 1 proceeds to support various projects in the Parks capital program.
3681 - REAL ESTATE EXCISE TAX, NUMBER 1		Total	\$17,979,314	
Grand Total			\$17,979,314	

**2026-2027 Proposed Financial Plan
REAL ESTATE EXCISE TAX (REET) 1 / 000003681**

Capital Improvement Program (CIP) Budget

	2025 Ending Balance (Year End ITD Balance)	2026-2027 Proposed	2026-2027 (Balance + Budget)	2028-2029 Projected	2030-2031 Projected
Capital Budget Revenue Sources:					
Revenue Backing from Fund Balance	23,442,937	-	23,442,937	-	-
Real Estate Excise Tax	-	17,979,314	17,979,314	21,330,000	19,250,000
Interest and Misc.	-	-	-	350,000	350,000
Total Capital Revenue	\$ 23,442,937	\$ 17,979,314	\$ 41,422,251	\$ 21,680,000	\$ 19,600,000
Capital Appropriation:					
Debt Service	78,323	641,650	719,973	639,650	640,650
Transfer to Parks	9,318,560	2,951,332	12,269,892	10,520,175	9,479,675
Transfer to Roads	14,046,054	14,386,332	28,432,386	10,520,175	9,479,675
Total Capital Appropriation	\$ 23,442,937	\$ 17,979,314	\$ 41,422,251	\$ 21,680,000	\$ 19,600,000

CIP Fund Financial Position

	2025 Annual-to-Date Actuals	2025 Estimated	2026-2027 Budget-to-Date Actuals	2026-2027 Estimated	2028-2029 Projected	2030-2031 Projected
Beginning Fund Balance	\$ 23,272,005	\$ 23,272,005	\$ 24,027,829	\$ 24,027,829	\$ 25,217,720	\$ 19,376,567
Capital Funding Sources						
Real Estate Excise Tax	3,245,684	3,245,684		19,169,205	21,330,000	19,250,000
Interest and Misc.	442,971	442,971		-	350,000	350,000
Total Capital Revenue	\$ 3,688,655	\$ 3,688,655	\$ -	\$ 19,169,205	\$ 21,680,000	\$ 19,600,000
Capital Expenditures						
Debt Service	253,420	253,420		641,650	639,650	640,650
Transfer to Parks	1,768,108	1,768,108		2,951,332	12,849,815	11,925,797
Transfer to Roads	911,303	911,303		14,386,332	14,031,689	13,166,764
Total Capital Expenditures	\$ 2,932,831	\$ 2,932,831	\$ -	\$ 17,979,314	\$ 27,521,154	\$ 25,733,211
Other Fund Transactions						
Total Other Fund Transactions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 24,027,829	\$ 24,027,829	\$ 24,027,829	\$ 25,217,720	\$ 19,376,567	\$ 13,243,355
Reserves						
Cashflow Reserve	1,000,000	1,000,000		1,000,000	1,000,000	1,000,000
Debt Service Reserve	321,000	321,000		321,000	321,000	321,000
Participatory Budgeting Reserve	1,000,000	1,000,000		1,000,000	-	-
Dedicated to Budgeted Projects	-	21,706,829		22,896,720	18,055,567	11,922,355
Total Reserves	\$ 2,321,000	\$ 24,027,829	\$ -	\$ 25,217,720	\$ 19,376,567	\$ 13,243,355
Projected Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	\$ 21,706,829	\$ -	\$ 24,027,829	\$ -	\$ -	\$ -

Financial Plan Notes**CIP Budget:**

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- 2025 Estimated Ending Balance (Year End ITD Balance) column reflects the best estimate of the inception to date budget balances and actual balances after 2024 is closed.
- 2026-2027 Proposed Budget is consistent with PIC.
- 2026-2027 Adopted Budget is consistent with PIC for 2026-2027 Final Adopted Budget and proposed supplementals (note here).
- 2026-2027 Total (Balance + Budget) column sums the 2025 Ending Balance (Year End ITD Balance) column and the 2026-2027 Proposed column.
- Outyear projections should be consistent with PIC.

Revenue Notes:

- Revenues shown are equal to the budgeted expenditure. Revenues include new revenue and fund balance designated to projects.

Appropriation Notes:

- Outyear Capital Expenditure projections (transfer to Parks and transfer to Roads) includes \$500K in funding from fund balance for participatory budgeting programs in Parks and Roads, respectively for 2026-2027 and 2028-2029.

CIP Fund Financial Position:

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- Budget to Date (BTD) Actuals (expenditures and revenue) reflect EBS totals for budgetary accounts as of the most recent closed month.
- 2025 Annual-to-Date Actuals column reflect amounts in EBS (August 21, 2025)
- 2025 Estimated column reflects the best estimate for the biennium based on actuals and should be informed by the fund's spending plan.
- Outyear revenue projections and expenditure estimates are based on the most recent projections and reflect current project plans. Outyear allocations for projects not requesting budget in this cycle are included in the financial plan.

Revenue Notes:

- Outyear revenue projections are based on the latest Office of Economic and Financial Analysis forecasts (July 2025).

Expenditure Notes:

- Outyear expenditure projections assume 25% burn down of estimated 2026-2027 balance in 2028-2029 and 35% burn down of the remaining balance in 2030-2031.

Reserve Notes:

- Reserves dedicated to budgeted projects is for projects that are already appropriated. This fund balance cannot be used for other projects without disappropriating projects or creating a shortfall in the fund.
- Reserves available for future projects are funds that are not dedicated to projects that are already appropriated.
- Cashflow reserve is intended to cover shortfalls given the volatility of real estate excise tax revenues.
- Debt service reserve is the annual debt service payment amount needed to cover existing debt issuance, including 2021A S Park Bridge and 2022A Upper Tolk Creek.
- Participatory budgeting reserve are designed to projects under King County's participatory budgeting program and are expected to be spent in the outyears.
- No reserves for participatory budgeting is expected for 2028-2029.

Last Updated August 22, 2025 by Elka Peterson Horner (PSB) using data from PIC and EBS.

CAP Summary by Fund

Budget: 2026-2027 Biennial Budget, Scenario: Executive Proposed, Agency: All, Fund: 3682 REAL ESTATE EXCISE TAX, NUMBER 2, Cap Status: Approved, Is IT Proj? Both Yes and No

2026-2027 Biennial Budget - Executive Proposed

3682 REAL ESTATE EXCISE TAX, NUMBER 2 - Other				
Project Number	Project Name Class Code	Tech Adj	FY26-27	Narratives
1033539	REET 2 Debt Service STANDALONE		\$3,012,500	Scope: This project transfers REET 2 proceeds to Debt Service to fund ongoing debt service for the Parks central maintenance facility. Description of Budget Request: The requested appropriation will fund ongoing debt service on REET 2 debt.
1134869	REET 2 Transfer to Parks STANDALONE		\$14,966,814	Scope: This project transfers REET 2 funds to the various Parks funds for REET 2 funded projects. Description of Budget Request: The requested budget will transfer REET 2 proceeds to support various projects in the Parks capital program.
3682 - REAL ESTATE EXCISE TAX, NUMBER 2		Total	\$17,979,314	
Grand Total			\$17,979,314	

**2026-2027 Proposed Financial Plan
REAL ESTATE EXCISE TAX (REET) 2 / 000003682**

Capital Improvement Program (CIP) Budget

	2025 Ending Balance (Year End ITD Balance)	2026-2027 Proposed	2026-2027 (Balance + Budget)	2028-2029 Projected	2030-2031 Projected
Capital Budget Revenue Sources:					
Revenue Backing from Fund Balance	15,165,849	-	15,165,849	-	-
Real Estate Excise Tax	10,945,271	17,979,314	28,924,585	20,880,973	18,804,843
Interest and Misc.	-	-	-	450,000	450,000
Total Capital Revenue	\$ 26,111,120	\$ 17,979,314	\$ 44,090,434	\$ 21,330,973	\$ 19,254,843
Capital Appropriation:					
Debt Service	1,666,390	3,012,500	4,678,890	3,012,500	3,011,250
Transfer to Parks	24,444,730	14,966,814	39,411,544	18,318,473	16,243,593
Total Capital Appropriation	\$ 26,111,120	\$ 17,979,314	\$ 44,090,434	\$ 21,330,973	\$ 19,254,843

CIP Fund Financial Position

	2025 Annual-to-Date Actuals	2025 Estimated	2026-2027 Budget-to-Date Actuals	2026-2027 Estimated	2028-2029 Projected	2030-2031 Projected
Beginning Fund Balance	\$ 18,819,978	\$ 18,819,978	\$ 15,165,849	\$ 19,244,675	\$ 20,434,566	\$ 14,323,383
Capital Funding Sources						
Real Estate Excise Tax	3,245,684	9,042,075		19,169,205	20,880,973	18,804,843
Interest and Misc.	331,906	331,906		-	450,000	450,000
Total Capital Revenue	\$ 3,577,590	\$ 9,373,981	\$ -	\$ 19,169,205	\$ 21,330,973	\$ 19,254,843
Capital Expenditures						
Debt Service	1,506,500	1,506,500		3,012,500	3,012,500	3,011,250
Transfer to Parks	5,725,219	7,442,785		14,966,814	24,429,656	22,660,335
Total Capital Expenditures	\$ 7,231,719	\$ 8,949,285	\$ -	\$ 17,979,314	\$ 27,442,156	\$ 25,671,585
Other Fund Transactions						
Total Other Fund Transactions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 15,165,849	\$ 19,244,675	\$ 15,165,849	\$ 20,434,566	\$ 14,323,383	\$ 7,906,642
Reserves						
Cashflow Reserve	500,000	500,000		1,000,000	1,000,000	1,000,000
Debt Service Reserve	1,500,000	1,500,000		1,500,000	1,500,000	1,500,000
Dedicated to Budgeted Projects	13,165,849	17,244,675		17,934,566	11,823,383	5,406,642
Total Reserves	\$ 15,165,849	\$ 19,244,675	\$ -	\$ 20,434,566	\$ 14,323,383	\$ 7,906,642
Projected Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	\$ -	\$ -	\$ 15,165,849	\$ -	\$ -	\$ -

Financial Plan Notes

CIP Budget:

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- 2025 Estimated Ending Balance (Year End ITD Balance) column reflects the best estimate of the inception to date budget balances and actual balances after 2024 is closed.
- 2026-2027 Proposed Budget is consistent with PIC.
- 2026-2027 Adopted Budget is consistent with PIC for 2026-2027 Final Adopted Budget and proposed supplementals (note here).
- 2026-2027 Total (Balance + Budget) column sums the 2025 Ending Balance (Year End ITD Balance) column and the 2026-2027 Proposed column.
- Outyear projections should be consistent with PIC.

Revenue Notes:

- Revenues shown are equal to the budgeted expenditure. Revenues include new revenue and fund balance designated to projects.
- Revenues are based on the July 2025 OEFA forecast.

Appropriation Notes:

- Appropriation is based on the July 2025 OEFA forecast. Over or under collection is reconciled in outyear appropriations.

CIP Fund Financial Position:

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- Budget to Date (BTD) Actuals (expenditures and revenue) reflect EBS totals for budgetary accounts as of the most recent closed month.
- 2025 Annual-to-Date Actuals column reflect amounts in EBS (August 21, 2025).
- 2025 Estimated column reflects the best estimate for the biennium based on actuals and should be informed by the fund's spending plan.
- Outyear revenue projections and expenditure estimates are based on the most recent projections and reflect current project plans. Outyear allocations for projects not requesting budget in this cycle are included in the financial plan.

Revenue Notes:

- Revenues are based on the July 2025 OEFA forecast.

Expenditure Notes:

- Outyear expenditure projections assume 25% burn down of estimated 2026-27 balance in 2028-29, and 35% burn down of remaining balance in 2030-31.

Reserve Notes:

- Reserves dedicated to budgeted projects is for projects that are already appropriated. This fund balance cannot be used for other projects without disappropriating projects or creating a shortfall in the fund.
- Reserves available for future projects are funds that are not dedicated to projects that are already appropriated.

Last Updated August 26, 2025 by Elka Peterson Horner (PSB) using data from PIC and EBS.

County Hospital Levy

In 2024, the Washington State Legislature passed [HB 2348](#), which expands the eligible uses of an existing property tax levy for county public hospitals to include funding for the operations, maintenance, and capital expenses for public hospitals and outpatient clinics. The levy previously funded only maintenance costs for county public hospitals.

In 2026, the King County Executive proposes implementing the county hospital levy at a rate of \$0.15 per \$1,000 of assessed value (AV). Based on the August 2025 OEFA forecast, the revenue from the levy in 2026 will be \$134 million. The proposed tax rate for future years will depend on capital needs at Harborview and continued planning for operations and maintenance. Proposed county hospital levy funding will be used to fund the following expenditures in 2026:

- \$99 million for Harborview Medical Center operations.
- \$42 million to support capital projects at Harborview that are part of the voter-approved bond program.
- \$45 million to pay for a portion of the cost of a new parking garage on the Harborview campus.
- \$24 million to cover the 2026-2027 costs of five Harborview major maintenance projects approved in 2025.
- \$23 million for tenant improvements to the Duncan Building, which will be the new location of the Pioneer Square Clinic.
- \$10 million for additional Harborview major maintenance projects. This will support condition assessments and preliminary planning.
- \$1 million to continue to pay for County staff and support for the Harborview board.
- \$31 million as a reserve for potential Medicaid cuts that would adversely affect Harborview's finances.

**2026-2027 Executive Proposed Operating Budget
COUNTY HOSPITAL LEVY (EN_A17000)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2025 Annual Budget	86,500,000	88,788,000	0.0	0.0
2025 Annual Budget Biennialized	173,000,000	177,576,000	0.0	0.0
Base Budget Adjustments	(38,000,000)	0	0.0	0.0
Decision Package Adjustments	109,000,000	98,673,000	0.0	0.0
2026-2027 Executive Proposed	244,000,000	276,249,000	0.0	0.0
2026-2027 Executive Proposed Ordinance	244,000,000	276,249,000	0.0	0.0

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
DS_001 Parking Allocation				
Allocate County Hospital Levy revenue to parking and transfer funding to the 3740 capital fund.	45,000,000	0	0.0	0.0
DS_002 Infrastructure Allocation				
Allocate County Hospital Levy revenue to 2026-2027 infrastructure projects, Duncan Building tenant improvements, and infrastructure quick planning.	57,000,000	0	0.0	0.0
Technical Adjustments				
TA_001 Inflationary Adjustment for Harborview Operations				
Adjust expenditures to apply inflationary adjustments.	7,000,000	0	0.0	0.0
TA_050 Revenue Adjustment				
Revise budgeted revenues to match current forecast for new tax rate and interest earnings.	0	98,673,000	0.0	0.0
Total Decision Package Adjustments	109,000,000	98,673,000	0.0	0.0

**2026-2027 Proposed Financial Plan
County Hospital Levy / 000001700**

Category	2025 Estimated	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Beginning Fund Balance	-	21,880,585	96,129,585	248,846,585
Revenues				
Property Tax	86,680,585	274,729,000	298,617,000	324,515,000
Interest Earnings	700,000	1,520,000	2,000,000	3,000,000
Total Revenues	\$ 87,380,585	\$ 276,249,000	\$ 300,617,000	\$ 327,515,000
Expenditures				
Contributions to County Hospital Operating	46,000,000	99,000,000	108,900,000	119,790,000
Contribution to Parking (County Capital)	-	45,000,000	-	-
Contributions to County Hospital Infrastructure	19,000,000	57,000,000	38,000,000	38,000,000
Contributions to County Capital	-	42,000,000	42,000,000	42,000,000
County Staff and Board Support	500,000	1,000,000	1,000,000	1,000,000
Total Expenditures	\$ 65,500,000	\$ 244,000,000	\$ 189,900,000	\$ 200,790,000
Estimated Underexpenditures		(42,000,000)	(42,000,000)	(42,000,000)
Other Fund Transactions				
Total Other Fund Transactions	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 21,880,585	\$ 96,129,585	\$ 248,846,585	\$ 417,571,585
Reserves				
Operating Reserve		31,000,000	62,000,000	93,000,000
Capital Reserve for prop 1 bond program (1701)	21,700,000	64,718,400	107,718,400	151,218,400
Maintenance Reserve				
Total Reserves	\$ 21,700,000	\$ 95,718,400	\$ 169,718,400	\$ 244,218,400
Reserve Shortfall	-	-	-	-
Ending Undesignated Fund Balance	\$ 180,585	\$ 411,185	\$ 79,128,185	\$ 173,353,185

Financial Plan Notes

- All financial plans have the following assumptions, unless otherwise noted in below rows:
- 2026-2027 Proposed Budget ties to PBCS.
- Outyear projections columns: revenue and expenditure inflation assumptions are consistent with figures provided by PSB's BFPA guidance and the agency's internal assumptions and methodology.

Revenue Notes:

Levy began in 2025 at rate of 10 cents per \$1000 of Assessed Value. The Executive's 2026 proposed tax rate is 15 cents per \$1000 of Assessed Value. The outyears assume continuation of the 15 cent rate. Other income includes interest. As of July 2025, \$380,000 was collected for interest income, so the assumption is roughly doubled for 2026-2027 and grows in the outyears as fund balance accumulates.

Expenditure Notes:

County staff and board support costs have not been inflated.

Major Infrastructure transfer for County Hospital forecast to remain \$19M annually but \$57M has been approved for infrastructure spend in 2026-2027, this comprises \$24M of proposed infrastructure projects, \$23M for Duncan Building tenant improvements, and \$10M for infrastructure quick response and project planning.

County Operating transfer has been inflated by 5% annually. The transfer plan is as follows: transfer to County Hospital Operating is anticipated to occur yearly. Contributions to County Hospital Infrastructure and Parking will occur through transfer to Fund 3740. Any accumulated interest will be transferred to the capital reserve.

Estimated underexpenditure reflects the \$21M annual contribution to County Capital. In 2025, while \$21M was allocated to County Capital, no proposal for this amount was developed and the amount was not transferred. This is reflected in the Capital Reserve. At this time, there are no additional plans for the recurring allocation to County Capital. Thus, \$42M per biennium is estimated as an underexpenditure and reflected in the Capital Reserve.

Reserve Notes:

Capital Reserve reflects the \$21M annual contribution to County Capital as well as estimated accumulated interest income. An additional 1.5 cents of the rate will be reserved for response to federal budget cuts adversely affecting Harborview. It is currently assumed that this practice will be continued in the outyears.

Last Updated 8/29/25 by Marina Sebright using data from PBCS and BFPA assumptions.

