King County

2026-2027 BIENNIAL BUDGET

Executive Proposed

September 2025

Executive Summary

King County, Washington

Shannon Braddock
King County Executive

King County

2026-2027
BIENNIAL BUDGET

Executive Summary

Office of the King County Executive
Office of Performance, Strategy and Budget

September 2025

King County, Washington

King County

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King County Executive

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Inside this Summary Report

KING COUNTY OVERVIEW

King County *provides local and regional services to over 2.4 million residents, with a 2026-2027 Budget of about $19.7 billion and over 18,200 employees. The County used an annual budget for 2025 to accommodate a change in election cycles from odd-numbered years to even-numbered years. The County is returning to a biennial budget for 2026-2027 and beyond.*

King County is the 12th largest county by population in the United States and is the ninth largest in terms of total employment. The county is the home of many famous businesses and organizations, including Amazon, Boeing Commercial Airplanes, the Gates Foundation, Microsoft, Starbucks, and the University of Washington. The county was severely affected by the COVID-19 pandemic, with the first U.S. case occurring here. Employment has fully recovered and the tourism industry has rebounded. The increase in teleworking has created large surpluses of office space in Seattle and Bellevue, although most employers have implemented some form of "return to office" policies. Overall growth has been slow since mid-2024, but King County still has strong advantages due to its high-quality workforce, successful organizations, wealth, and natural beauty.

King County government is unique nationally in the range of services it provides. It is both a regional government, providing services throughout most or all of the county, and a local government, providing services in the 250,000 person unincorporated area outside of cities. Regional services include public health, transit, wastewater treatment, housing, behavioral health, elections, property assessment, solid waste transfer and disposal, corrections, regional parks and trails, and the prosecution, defense, and adjudication of felonies. Local services include roads, police protection through the Sheriff's Office, land-use regulation and permitting, and surface water management. Many other governments contract with King County to provide certain services, including police protection, courts, jails, public defense, and additional transit service.

The 2026-2027 Proposed Budget was developed in a period of great change. Long-time Executive Dow Constantine resigned in the spring of 2025 and Shannon Braddock took over as Executive. She is not running in the 2025 election so a new County Executive will take office on November 25. The State Legislature provided a new General Fund revenue source for cities and counties, which allowed King County to avoid massive budget reductions that had been projected. The administration of President Donald J. Trump has proposed and in some cases has implemented significant reductions to federal funds received by King County. As part of H.R. 1, the President and Congress have also cut funding that supports County residents, including Medicaid, housing assistance, and nutrition support. The President's tariffs, government cutbacks, and immigration policies have created substantial economic uncertainty.

TOTAL PROPOSED BUDGET

The 2026-2027 Proposed Budget totals $19.7 billion. This figure cannot meaningfully be compared with the 2025 annual budget or the 2023-2024 biennial budget since these included large amounts of federal pandemic response funds. None of these federal funds remain to be spent in 2026 or beyond. King County voters approved renewals of the Automated Fingerprint Identification System (AFIS)[1] and Parks[2] property tax levy lid lifts in 2025, meaning that the budgets for these functions are larger starting in 2026. In addition, the renewal of the Emergency Medical Services (EMS) levy is on the November ballot. Under King County Code, the Executive cannot propose spending unless the revenue source is secure, so the Proposed Budget does not include the EMS function. The County Council will add EMS funding to the Adopted Budget if the levy passes in November.

TOTAL BUDGET REVENUES BY TYPE

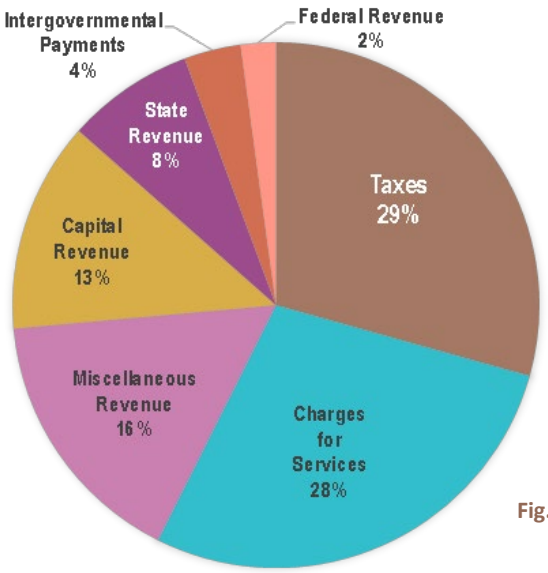


Fig. 1

Figure 1 shows the major sources of revenue to support the 2026-2027 Proposed Budget. Taxes represent only about 29 percent of the total revenue. These are concentrated in a few areas, including the General Fund, Metro Transit, Mental Illness and Drug Dependency (MIDD), and programs supported by voter-approved property taxes, such as parks and specific human services programs. Note again that EMS is not included at this time and would increase tax revenue by about $300 million biennially if approved.

Charges for services is the other large category of revenue at 28 percent. Among the largest components of these revenues are solid waste tipping fees, wastewater treatment charges, and Metro Transit fares.

[1] 58.34% "yes" vote.
[2] 72.94% "yes" vote.

Funds supporting capital projects make up about 13 percent of the total. Federal and state funds combined are about 10 percent and are concentrated in human services, housing, Public Health, and transportation-related grants. There is significant risk that federal funds will be reduced from these forecasts depending on decisions made by Congress and the President about the budgets for federal fiscal years 2026 and 2027.

Figure 2 shows the major categories of appropriations by agency or groups of agencies. The Department of Community and Human Services (DCHS) is now the largest budget at about 17 percent. DCHS has grown significantly in recent years due to new voter-approved levies and additional State funds for behavioral health services. Some of this DCHS funding could be at risk due to federal and state Medicaid reductions. Metro Transit, which previously was always the largest budget, is now second at 16 percent. The Wastewater Treatment Division (WTD) is the third largest agency with about 15 percent of the total budget.

TOTAL BUDGET APPROPRIATIONS

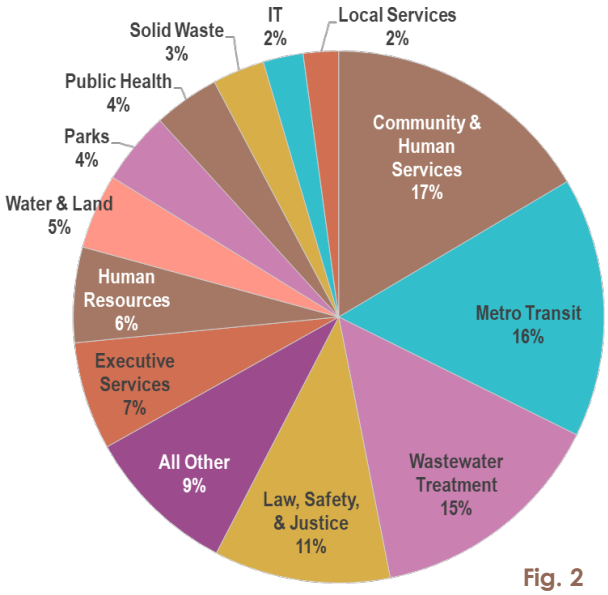


Fig. 2

The combined budgets of the criminal justice branches and agencies constitute about 11 percent of the total county budget. The share of the total budget for these services had been declining in recent years due to State-imposed limitations on the General Fund, but this trend was reversed for 2026-2027 because of new State-approved revenues. This is described in a subsequent section.

The large share shown for Human Resources is artificially inflated since all expenditures for County-provided employee benefits are included in that category.

Again, if the EMS levy is approved in November, spending will be about $300 million higher than shown.

ALL KING COUNTY APPROPRIATIONS INCLUDING CIP

APPROPRIATIONS	2026-2027 PROPOSED
Adult & Juvenile Detention	$592,359,320
Assessments	$77,139,144
County Executive Agencies	$115,875,847
DCHS - Behavioral Health	$1,244,307,316
DCHS - Best Starts For Kids Levy	$353,283,936
DCHS - Community Services	$121,256,334
DCHS - Developmental Disabilities	$259,649,783
DCHS - Housing	$878,508,609
DCHS - Mental Illness & Drug Dependency Fund	$197,407,156
DCHS - Veterans Seniors & Human Services Levy	$195,967,032
Debt Service	$492,761,004
DES - Airport	$102,730,534
DES - Business Resource Center	$62,166,651
DES - Facilities Management Division	$354,413,202
DES - Finance & Business Operations	$86,303,658
DES - Fleet Management Equipment	$108,181,970
DES - Harborview	$340,070,781
DES - Office of Risk Management Services	$152,663,665
DES - Other	$28,860,039
DES - Records & Licensing Services	$60,496,503
DHR - Employee Benefits	$942,339,235
DHR - Human Resources Management	$62,682,776
DHR - Safety & Claims Management	$135,967,287
District Court	$100,241,722
DLS - Roads & Permitting	$422,440,192
DNRP - Other	$25,597,056
DNRP - Parks	$874,195,851
DNRP - Solid Waste	$600,586,531
DNRP - Wastewater	$2,872,648,065
DNRP - Water & Land Resources	$896,881,401
DPH - Emergency Medical Services	$0
DPH - Environmental Health Services	$91,428,064
DPH - Public Health	$697,899,778
Elections	$62,307,708
General Fund Transfers & Other Financing Activities	$515,708,244
Judicial Administration	$75,981,433
King County Information Technology	$543,941,568
Legislative Agencies	$83,602,029
Metro Transit	$3,113,088,516
Other Agencies	$409,608,791
Prosecuting Attorney	$251,433,238
Public Defense	$229,598,283
Sheriff	$697,193,652
Superior Court	$168,985,186
Total	**$19,698,759,089**

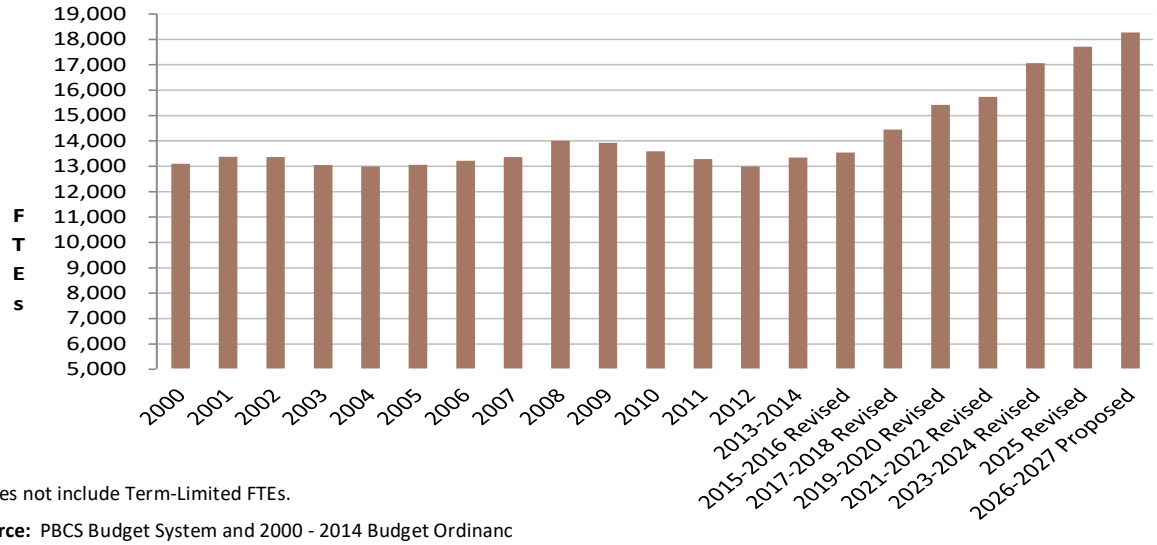
Figure 3 shows the proposed appropriations by "appropriation unit," which are typically departments or divisions within departments. Smaller units have been aggregated in this table.

Fig. 3

Figure 4 shows how County employment has changed over time. The figure uses "full-time equivalents" (FTEs) since not all positions are full-time. For example, an individual employed three days a week would be 0.6 FTE. The figure shows that County employment is sensitive to economic conditions. Employment declined after both the 2001 recession and the Great Recession but remained in a range of 13,000 to 14,000 for two decades. In the 2013-2014 budget, the County took on the public defense function using its own employees instead of contractors in response to a State Supreme Court decision. County employment has grown over the last ten years, driven mostly by staffing increases in Metro Transit, utility agencies, and human services. The 2026-2027 Budget includes 18,268 FTEs.

COUNTY EMPLOYMENT OVER TIME

Fig. 4



*Does not include Term-Limited FTEs.

Source: PBCS Budget System and 2000 - 2014 Budget Ordinanc

Figure 5 shows how positions are distributed among agencies in the 2026-2027 Budget. County programs that depend heavily on people to deliver services have large shares, including Metro Transit (36 percent), the criminal justice agencies (24 percent), and Public Health (7 percent). Programs that are capital-intensive or deliver most services through contracts have much smaller employment, including WTD, the Solid Waste Division (SWD), and DCHS.

COUNTY EMPLOYMENT BY AGENCY

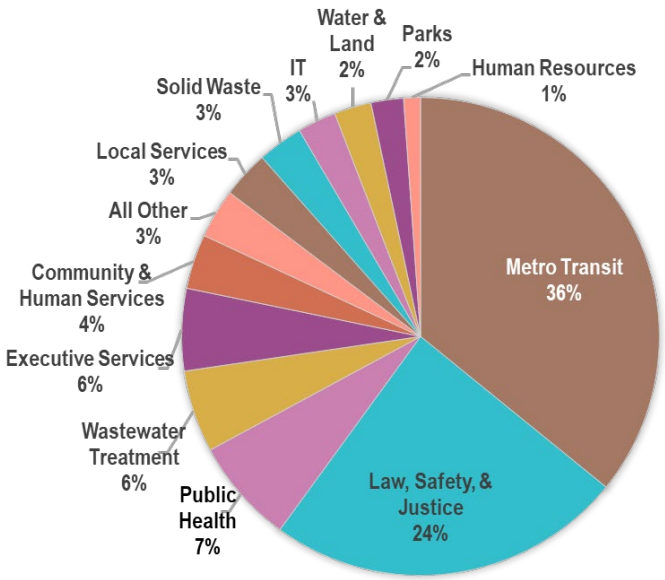


Fig. 5

EFFICIENCIES AND SAVINGS

Executive Braddock directed agencies to look for efficiencies and savings as they developed their 2026-2027 budgets. The Proposed Budget includes many of these, such as:

- The Department of Adult and Juvenile Detention (DAJD) will save an estimated $2.1 million by adding staff to do laundry instead of contracting it out. This also increases security.
- Public Health will redesign the adult dental uninsured program to save $800,000 while continuing to serve about 500 clients annually.
- The Office of Risk Management Services worked with the County's property insurer to make 26 improvements in County buildings to reduce future risk. This reduced potential future losses by $104 million, leading to savings in insurance premiums.
- SWD has purchased the landfill gas processing plant at Cedar Hills from the private operator. The plant will return to service in the fall of 2025 and the revenue from gas sales will reduce future rate growth.
- Metro is using new technology to reduce costs for vanpool services and to improve energy efficiency in Metro facilities.

CHALLENGES

Every County program and agency faces its own challenges and uncertainties. There are three large issues that affect many parts of County government.

First, the federal government is reducing funding for many County programs. The Trump administration has tried to rescind funds already awarded or has tried to impose unacceptable conditions that are contrary to Congressional intent. King County is participating in multiple lawsuits against the federal government on these issues, often with other state and local governments and affected non-profit organizations. One of these cases, Martin Luther King, Jr. County, et al. v. Turner, et al., has preserved the County's access to federal funds for a wide range of human services and transportation programs.

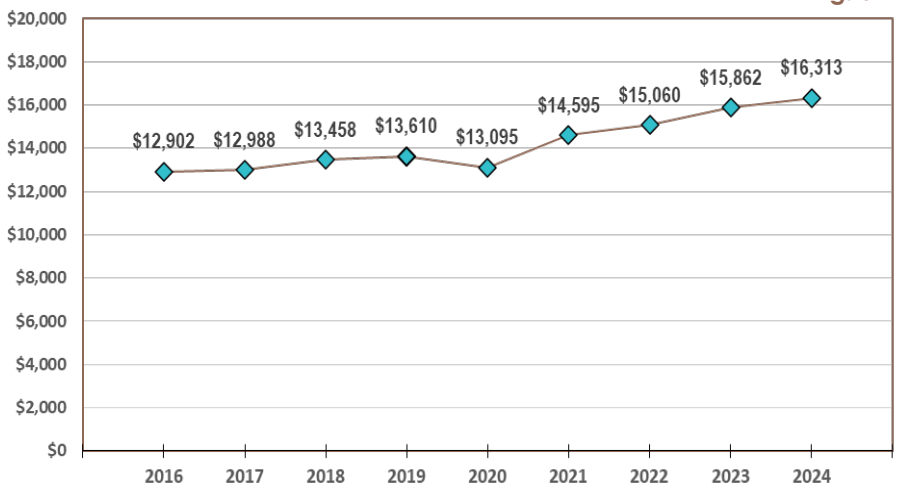
While successful litigation has preserved access to previously awarded funds, there is a great risk that the 2026 federal budget will include significant reductions in Medicaid, housing, and other human services funds. These will have immediate effects on the clinics run by Public Health and the behavioral health programs run by DCHS. Additional effects could come from cuts to programs that benefit King County residents, including housing and nutrition support, that would lead to requests for more County services.

The 2026-2027 Proposed Budget addresses one known area of federal budget reductions. Federal grants for many emergency management functions are being discontinued, so the budget shifts funding for 11 positions in the Office of Emergency Management to County funds.

Second, the costs for employee health coverage continue to increase faster than general inflation. These costs are shown in **Figure 6.** The County's annual costs per employee stayed in a fairly narrow range from 2016 through 2019, then dipped in 2020 as services were postponed during the first year of the pandemic. 2024 costs were 25 percent higher than in 2020. Actuarial forecasts expect significant continued cost increases. The tentative labor agreement with the coalition of unions increases premium sharing, but this only covers a small portion of the projected cost increases.

EMPLOYEE HEALTH CARE COST

Fig. 6

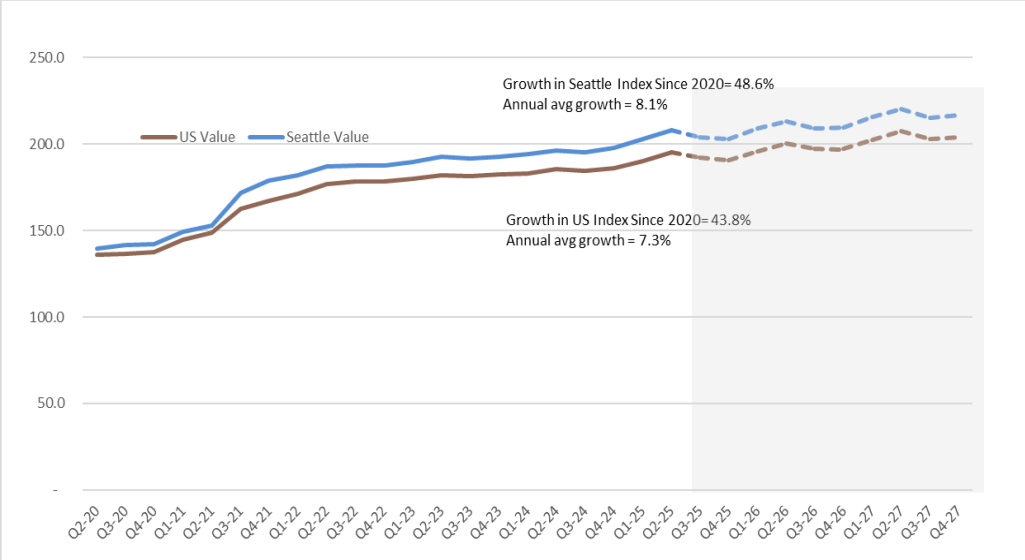


Federal actions could further increase these costs. At this writing, President Trump has imposed tariffs on many countries that supply pharmaceuticals to the U.S. At least a portion of these tariffs will show up in higher costs for prescriptions. Cuts to Medicaid are estimated to remove health insurance for 75,000 to 100,000 King County residents in 2027. As these residents increasingly use more expensive health care options, such as emergency rooms, costs will shift to other funders, including employers who pay for health insurance for their employees.

Third, construction costs have been growing rapidly since the beginning of the pandemic. This was initially due to supply chain issues but now has become endemic as costs for many materials and for labor have increased. **Figure 7** shows trends in Seattle area and national construction costs. Both have increased steadily, although the local average of 8.1 percent per year is slightly higher than the national one. Construction inflation is a major issue for WTD, SWD, Metro, and Harborview Hospital.

SEATTLE AND US CONSTRUCTION COST INDEX LAST 6 YEARS
MORTENSON INDEX

Fig. 7



The County's General Fund is the only truly flexible money that can be used for any lawful purpose. General Fund revenues and expenditures are those associated with traditional county services in Washington State.

Revenues

The General Fund is projected to receive $2.67 billion in revenue in 2026-2027. As seen in **Figure 8**, property taxes are the single largest source of revenue at about 33 percent of the total. Sales taxes account for about 24 percent of General Fund revenues, an increase from 17 percent in the 2025 budget because of the new 0.1 percent sales tax and the expansion of the tax base.

General Fund Revenues

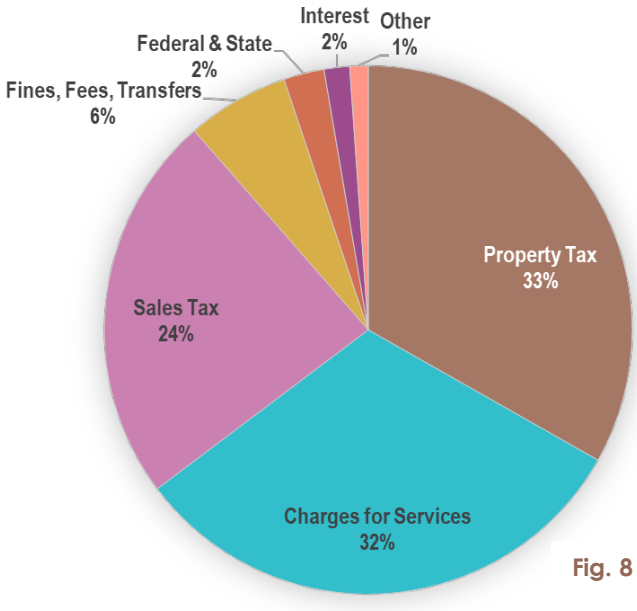


Fig. 8

Charges for services make up 32 percent and include two major components. The first is payments from other governments that purchase services from the County, including having the Sheriff's Office serve as the police department for cities, transit agencies, and the Muckleshoot Tribe. Other examples in this category are payments for the District Court to serve as a city's municipal court and a share of the cost of elections paid by other governments. The second major component is payments from other County agencies for services purchased from General Fund departments. This includes payments to the Prosecuting Attorney's Office for civil legal services and allocations of costs for administrative agencies budgeted in the General Fund, such as the County Council, Executive's Office, and Department of Human Resources.

Fines, fees, and transfers account for about 6 percent of revenue, with penalties for late property tax payments and rent for County-owned rights-of-way being the two largest components. The County's General Fund receives minimal direct support from the federal or state governments in most budgets, although the share was higher during the pandemic. For 2026-2027, federal and state revenue is projected to be less than 3 percent of the General Fund.

The County's "net" General Fund revenue includes only those funds that are truly flexible. Most of the charges for service are for specific programs and cannot be used in other ways. When these are excluded, the County has about $1.80 billion of flexible General Fund revenue for 2026-2027.

As seen in **Figure 9**, property tax accounts for 49 percent of this total, which is typical for counties in Washington. As will be described in more detail below, state law limits property tax revenue growth to 1 percent per year, plus the value of new construction. This means that the largest General Fund revenue source does not keep up with cost growth in most years, so the General Fund has faced significant financial challenges even in good times. Sales taxes represent 35 percent of the total, which is a much larger share than in previous years.

Net General Fund Revenues

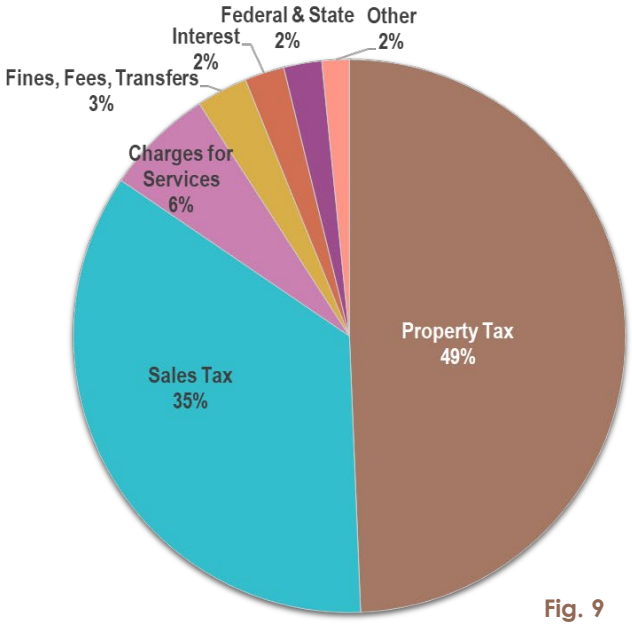


Fig. 9

In 2025, the Washington Legislature made two changes to the sales tax that provided meaningful new revenue for King County's General Fund. First, it approved HB 2015, which gives qualifying counties and cities the ability to impose a 0.1 percent additional sales tax for criminal justice purposes (broadly defined).[3] 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.

Second, the Legislature 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. This will also increase other sales taxes received by the County, including for Metro Transit, the MIDD Fund, the Health Through Housing Fund, and the Doors Open program that supports arts and cultural organizations. However, some County agencies will pay additional sales taxes as they use these services. This will apply especially to information technology projects, security services, and the temporary employees used by Jail Health Services.

[3] To qualify, the jurisdiction's police agency must meet certain standards, as determined by the Criminal Justice Training Commission. The County believes the Sheriff's Office meets these standards.

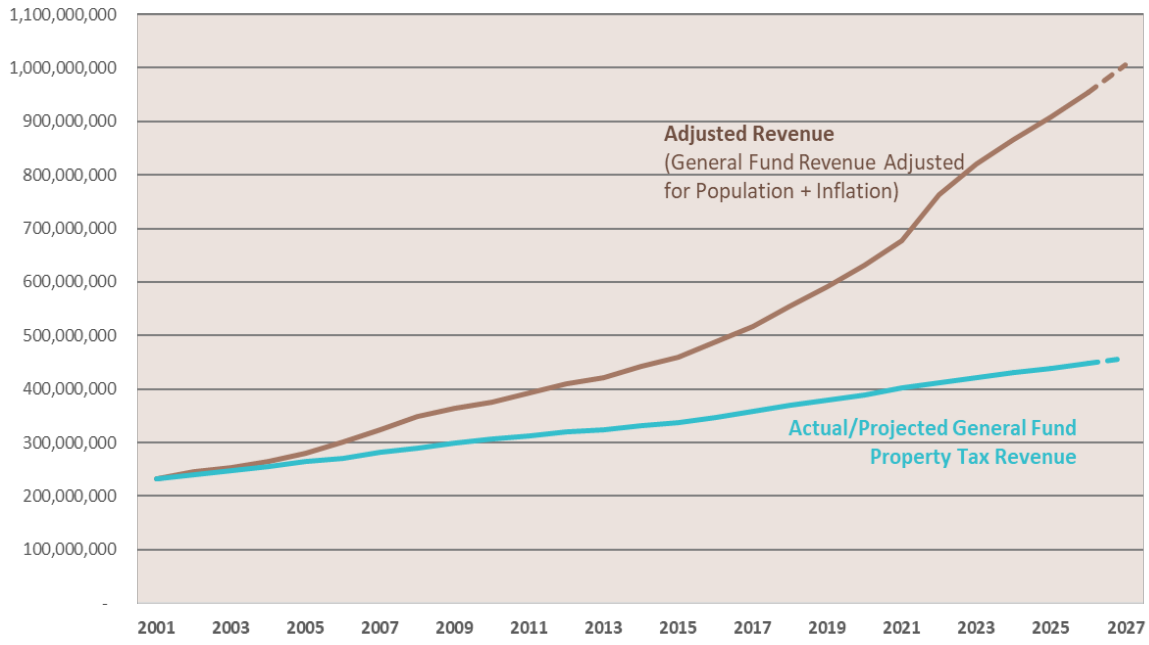
Property Tax Revenue Doesn't Keep Up

As noted previously, King County's General Fund is heavily dependent on the property tax, which is projected to be 49 percent of net General Fund revenue in 2026-2027. In 2001, State voters passed an initiative to limit annual property tax revenue growth for most governments to 1 percent per year (this initiative did not pass in King County). The initiative was later found to violate the State Constitution, but the Legislature immediately reinstated it. Efforts to change the limit over the last 20 years, including in the 2024 and 2025 Legislative sessions, have been unsuccessful.

There are two exceptions to the 1 percent revenue growth limit. The first is that the value of new construction is added to the tax base. This varies widely from year to year but is typically in the range of 0.5 to 1.5 percent. Second, voters can approve higher taxes through levy lid lifts, which allow the 1 percent revenue growth limit to be exceeded. The cumulative effect of the 1 percent cap has dramatically limited the growth of King County General Fund revenues. **Figure 10** compares actual revenues with the revenue that would have been received if property taxes kept up with inflation and population growth.

King County Property Tax Levy

Fig. 10



In 2025, the County's General Fund would have received about $908 million of General Fund property tax had revenue kept up with inflation and population growth since 2001. Actual revenue was about $439 million, a $469 million difference. The County has asked voters to approve several levy lid lifts over the years, most for new programs such as land acquisition, services to veterans, or behavioral health centers. However, some levy lid lifts have been to preserve programs the General Fund could no longer afford, such as park operations and some human services. Had property tax revenue kept up

with inflation and population growth, King County would have not needed to ask voters for the tax increases to preserve services.

The recent increase in inflation has exacerbated this issue. Annual inflation in the Seattle area was 5.00 percent in 2021, 8.95 percent in 2022, 5.80 percent in 2023, 3.71 percent in 2024, and is projected to be 3.20 percent in 2025. The County's July economic forecast has inflation averaging 3.6 percent per year in 2026 and 2027, but the effect of the Trump administration's tariffs could increase that. To address this and to be able to recruit and retain employees, most County staff received wage increases of 4.0 percent in each of 2023 and 2024, 5.5 percent in 2025, and will receive 3.75 percent in 2026 and again in 2027. Corrections Officers and Sheriff deputies – the two largest groups of General Fund employees – received significantly larger wage increases due to high vacancy rates for both jobs. It is impossible to maintain services when costs are growing at these rates and property tax revenue is only allowed to increase by 1 percent annually.

When the 2025 budget was adopted, the County faced a projected $150 million General Fund deficit for 2026-2027, largely because of the property tax revenue growth limit. Inflation and caseload increases would have made this about $175 million. The County avoided disastrous General Fund budget reductions because of the Legislature's approval of HB 2015. Note that this $203.5 million of new sales tax revenue only offsets a portion of the approximately $1 billion biennial property tax gap.

Existing Sales Taxes Are Less Productive in King County

Prior to the passage of HB 2015, King County received General Fund sales tax revenues from two sources: the basic local sales tax and the original criminal justice sales tax. Both are less productive In King County than in many other counties.

Unincorporated Area Sales Tax

Fig. 11

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%**

King County is adversely affected by the structure of the basic local sales tax. The sales tax rate received by a county 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 no sales tax at the full 1.0 percent rate. **Figure 11** shows that King County only had 4.2 percent of its taxable retail sales in the unincorporated area in 2024, far lower than any of the ten most populous counties.

The separate 0.1 percent criminal justice sales 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). As the County has implemented the State Growth Management Act, its unincorporated area population has declined as a share of the total county population. 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 breaks 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. While this study has not been updated, it is likely that the disproportionality has increased due to growing felony caseloads and higher public defense costs.

Appropriations

General Fund Appropriations by Agency

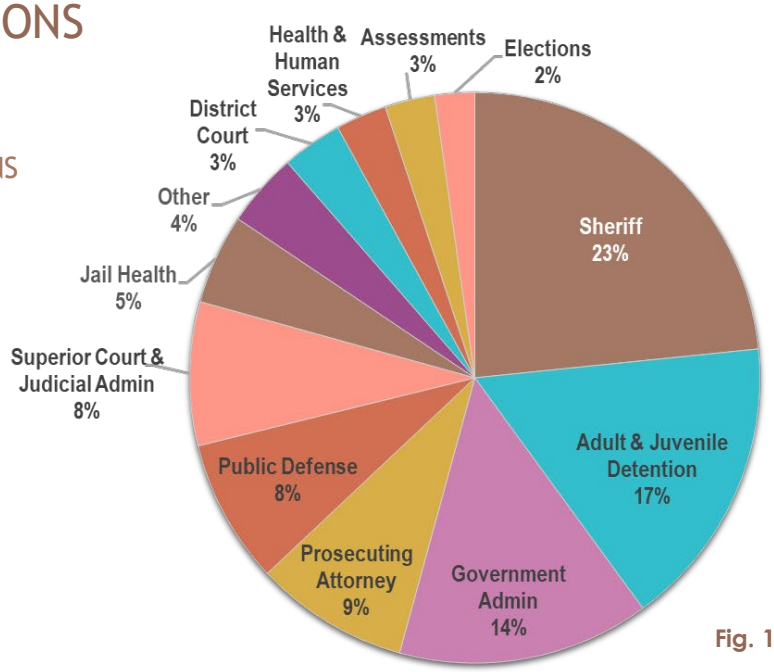


Fig. 12

The 2026-2027 General Fund Proposed Budget includes $2.73 billion of appropriations. **Figure 12** shows these by agency, with the government administration units aggregated.

The Justice and Safety function consists of the Sheriff's Office (KCSO), DAJD, Jail Health Services (JHS), the Prosecuting Attorney's Office (PAO), the Department of Public Defense (DPD), Superior Court, District Court, and the Department of Judicial Administration (the clerk's function to support Superior Court). Together, they comprise about 73.5 percent of the General Fund budget, with the Sheriff's Office being the single largest expense. The State-mandated assessment and elections functions are another 5.1 percent while 2.9 percent of the budget goes to Public Health and human services.

Figure 12 includes all the programs the County provides on behalf of other governments. When these are removed, the "net" General Fund appropriations look different, as seen in **Figure 13**.

Net General Fund Appropriations by Agency

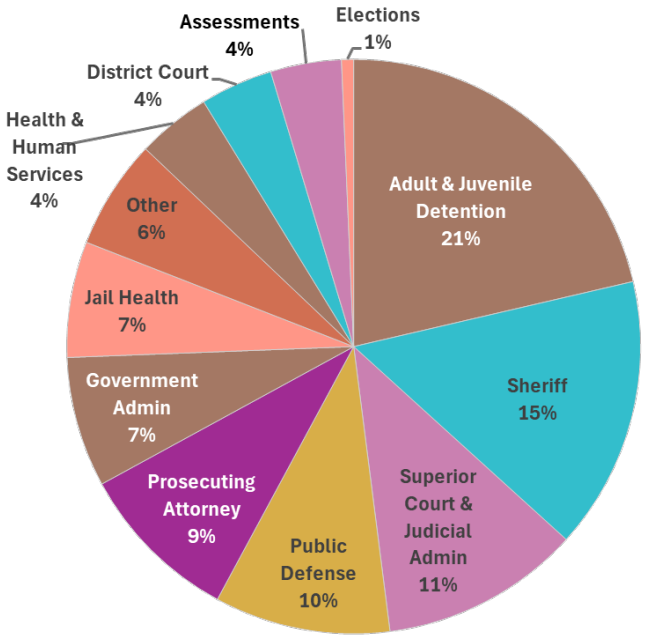


Fig. 13

Net General Fund appropriations total $1.86 billion and 77.8 percent goes to the justice system. The mix changes significantly because the KCSO budget includes large amounts of contract revenue. The KCSO share of the budget goes down from 23.4 percent in the total General Fund to 15.4 percent in the net, while the shares for all other criminal justice agencies increase. DAJD is now the largest net General Fund appropriation at 21.4 percent of the total.

Note also that the portion of the budget for government administration, including the Executive's Office, County Council agencies, Department of Human Resources, and others, decreases from 14.3 percent of the total to 7.3 percent of the net. This is because these agencies support the entire government and recover portions of their costs from other funds.

The portion of the net budget allocated to assessments and elections remains largely unchanged but the portion for Public Health and human services goes up to 4.2 percent.

General Fund Appropriations by Agency

APPROPRIATIONS	2026-2027 PROPOSED
Adult & Juvenile Detention	$453,052,036
Assessments	$77,139,144
DCHS - General Fund Transfer To Dchs	$34,657,033
DES - Executive Services Administration	$7,754,815
DES - FMD Parking Facilities	$7,244,810
DES - General Fund Transfer To DES	$10,446,574
DES - Office of Emergency Management	$13,491,535
DES - Real Estate Services	$11,269,209
DES - Records & Licensing Services	$34,921,193
District Court	$93,627,559
DLS - General Fund Transfer To DLS	$16,169,358
DNRP - General Fund Transfer To DNRP	$4,018,057
DPH - General Fund Transfer To DPH	$20,346,234
DPH - Jail Health Services	$139,307,284
DPH - Medical Examiner	$24,105,337
Elections	$61,709,046
EXEC - Climate Office	$13,761,292
EXEC - County Executive	$774,559
EXEC - Office of Economic Opportunity & Creative Economy	$2,519,698
EXEC - Office Of Equity & Social Justice	$12,094,264
EXEC - Office Of Labor Relations	$8,309,587
EXEC - Office Of Performance Strategy & Budget	$37,433,544
EXEC - Office Of The Executive	$16,827,427
General Fund Transfer To Debt Service	$83,965,394
Human Resources Management	$61,407,666
Internal Support	$44,315,966
Judicial Administration	$70,850,383
LEG - Board Of Appeals	$2,113,268
LEG - Council Administration	$53,174,245
LEG - County Auditor	$7,514,768
LEG - County Council	$4,445,921
LEG - Hearing Examiner	$1,588,591
LEG - King County Civic Television	$2,456,863
LEG - Office Of Law Enforcement Oversight	$6,792,969
LEG - Ombuds Tax Advisor	$5,515,403
Prosecuting Attorney	$238,398,352
Public Defense	$223,547,666
Sheriff	$639,012,252
Small Agency	$34,754,323
Superior Court	$151,565,182
Total	**$2,732,398,808**

Figure 14 shows General Fund appropriations for each agency. Note that there are some other "appropriation units" that are not actual agencies but are used to appropriate money for specific purposes. Many departments, such as Community and Human Services, Local Services, and Public Health, receive large amounts of additional money beyond that sent from the General Fund.

Fig. 14

How the New Revenue Was Used

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).
- 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 declined.

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.

Challenges

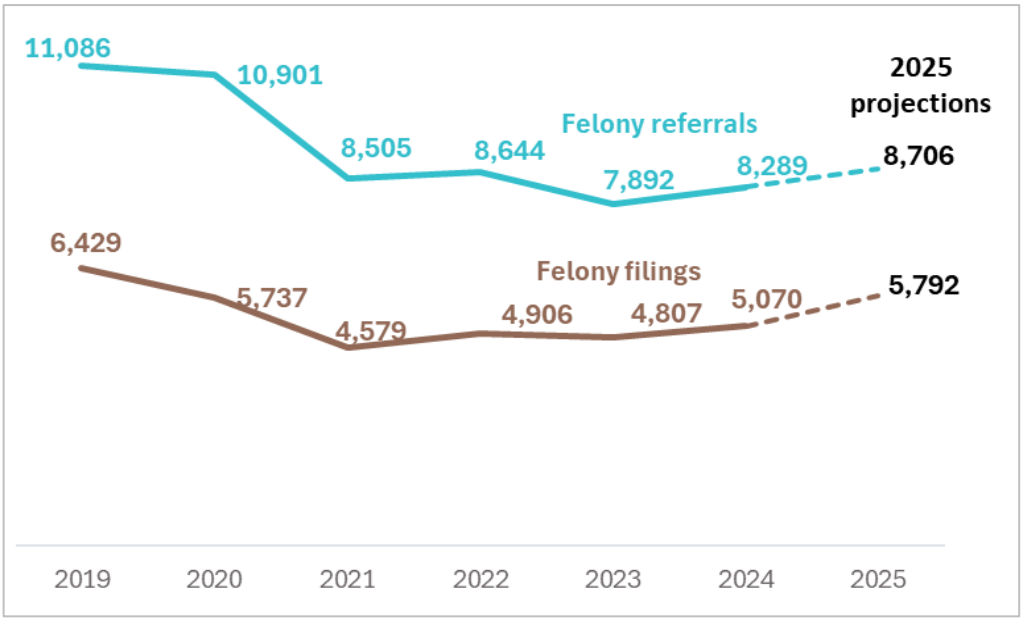
In addition to the general budget challenges listed previously, the General Fund has three other major issues. First, the 1 percent property tax revenue growth limit and slow projected growth in sales taxes means that 2026-2027 spending levels cannot be sustained. The financial plan shows a reserve shortfall of $70-90 million for the 2028-2029 biennium. This problem will require further action by the Legislature on local government revenues. If not, the County likely will be back to reducing budgets.

Second, the costs of several parts of the justice system have been growing rapidly. It is not always fully recognized that most people in the justice system are low-income and have one or more behavioral health issues. DPD represents approximately 88 percent of individuals charged with felonies, 58 percent of those charged with misdemeanors, and nearly all youth charged in juvenile court. JHS estimates that 65-70 percent of individuals in jail have a confirmed behavioral health issue, a much higher percentage than 15-20 years ago. This has led to rapid cost growth for the relevant agencies. Between 2023 and the 2026 Proposed Budget,[4] DPD costs increased by 24.4 percent, DAJD by 18.3 percent, and JHS by 17.2 percent.[5] Overall General Fund growth was only 8.1 percent for the same period.[6]

[4] These are annualized figures imputed from the corresponding biennial budgets.
[5] KCSO grew by 22.2 percent in the same period, but much of this growth was due to added staffing for contract cities and transit agencies.
[6] Calculating General Fund growth for this period is challenging because of federal COVID response money in the 2023 budget. Perhaps better comparisons are with the growth for other General Fund agencies between 2023 and 2026: Assessments at 12.4 percent, District Court at 9.3 percent, the Prosecutor's Office at 8.8 percent, and Superior Court at 7.9 percent.

Adult Felony Referrals and Filings

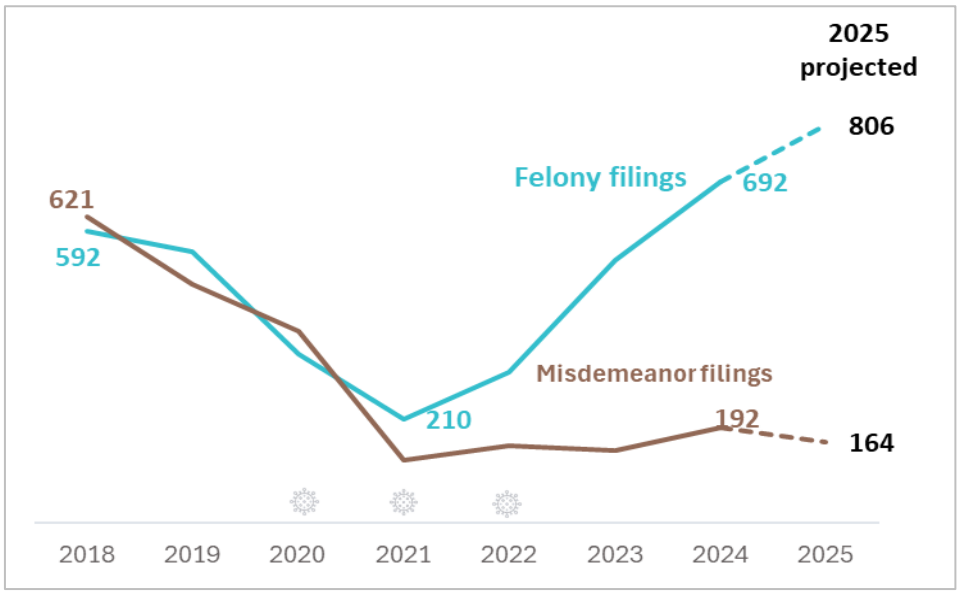
Fig. 15



In addition to dealing with more behavioral health costs, caseloads in the justice system have been increasing. As shown in **Figure 15**, adult felony case filings have increased by about 26 percent since 2021.[7] Crime and filings fell at the beginning of the pandemic, but crime rates rose in 2022 and 2023. Pandemic-related restrictions meant that a significant backlog of cases accumulated. Although crime has declined in the last two years, reducing the backlog has increased filings. This increases costs, especially for DPD.

Juvenile Felony and Misdemeanor Filings

Fig. 16



Juvenile court filings have grown even more. **Figure 16** shows the trends in felony and misdemeanor filings since 2018. Misdemeanor filings plummeted during the pandemic and have stayed low, largely due to diversion programs. In contrast, felony filings have soared and exceed pre-pandemic levels. This has increased the average daily population in juvenile detention to about 65 in the second quarter of 2025, the highest level in at least a decade.

[7] The 2025 figure is a projection based on filings through July.

Third, the State Supreme Court has adopted new caseload standards for public defense. These have a 10-year phase-in period starting in 2026. Staffing additions in recent budgets and longstanding practices for case weighting mean that the County already exceeds the previous standards. DPD estimates that the County is about 30 percent of the way to the new standards, a level that is not required until 2028. While these standards are not an immediate issue, they will require significant increases in DPD's budget in future years. This is essentially unaffordable with current revenue sources, so DPD may eventually be in a situation where it has to decline cases due to lack of staff. That likely would mean that charges would be dismissed. The State Court of Appeals recently ruled that counties can sue the State for providing inadequate funding for public defense. If this litigation is ultimately successful, the State would either have to provide more revenue options or take on the cost of public defense.

Other Noteworthy Budgets

Metro Transit

Metro Transit is the County's largest function and provides bus service throughout the county. It is one of the ten largest bus and trolley systems in the U.S. by ridership. Metro also contracts with Sound Transit, the City of Seattle, and a few other organizations to operate additional bus service and regional light rail. Ridership was greatly affected by the COVID-19 pandemic. It has gradually recovered to about 74 percent of 2019 levels.

Metro's finances are currently strong because of the infusion of nearly $1 billion of federal money during the pandemic and the expansion of the sales tax base. The Proposed Budget restores 334,000 hours of bus service that was reduced during the pandemic. It also includes funding to operate two new RapidRide lines: the I line that connects Renton, Kent, and Auburn; and the J line between the University District and South Lake Union in Seattle.

The Proposed Budget includes continuation of the SaFE Reform program that was implemented in the 2025 budget and in a supplemental appropriation in mid-2025. This includes adding KCSO transit police and contracted security officers, more frequent cleaning of buses and bus stops, and outreach teams to help people access behavioral health services.

However, Metro's current revenue sources are inadequate to fund the current level of operations and an ambitious capital proposal in the longer run. **Figure 17** shows the projected trend in Metro's fund balance. By 2031 Metro will exhaust its undesignated fund balance and will either have to reduce spending or start to use reserves set aside under current policies.

Metro Transit Fund Balance

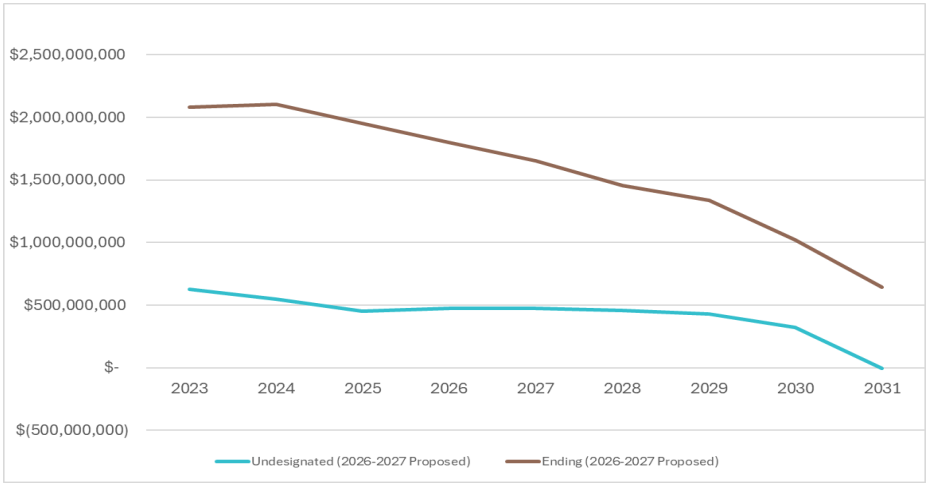


Fig. 17

As a consequence, the 2026-2027 Proposed Budget ramps down some of the previously projected capital program. Metro has been operating with a goal to convert the entire fleet to zero emissions by 2035. It has become clear that this is not financially or technologically possible. Local utilities cannot provide sufficient additional electric capacity at every base on this schedule. Bus manufacturers cannot produce enough vehicles to meet this schedule and the reliability of some zero-emissions buses has been problematic. Thus, while the capital budget assumes continued investment in electrification, some of the projects are postponed for several years. Full conversion to zero emissions is likely to occur by the mid-2040s.

HOSPITAL TAX, HARBORVIEW, AND PUBLIC HEALTH

In 2024, King County received an expanded property tax authority to support the County's public hospital (Harborview) and associated clinics. The Council set the 2025 tax rate at 10 cents per $1000 of assessed value, which was half of the maximum allowed rate. For 2026 and 2027, Executive Braddock is proposing a 15-cent rate that would raise $275 million over the biennium, to be allocated as follows:

- $99 million for Harborview operations, a 5 percent per year increase over the 2025 level.
- $42 million to support capital projects at Harborview that are part of the voter-approved bond program. This acknowledges that the bond issue cannot fully fund all of the projects included in its original scope because of construction inflation.
- $45 million to pay for a portion of the cost of a new parking garage to be built 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 has been acquired to be the new location of the Pioner 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.

The 2026-2027 Proposed Budget continues implementation of the Harborview Medical Center capital project, which was approved in 2020 and is mostly supported by voter-approved bonds. A new appropriation of $220 million is included in the budget, most of which will go to design and permitting of the new hospital tower and associated infrastructure improvements on other parts of the campus.

Starting in 2025, Harborview is providing $28 million annually to support the clinics operated by the County's Public Health Department. This support used to come from the General Fund but the State-imposed revenue limitations made it difficult to continue that funding. Harborview

currently has agreed to continue this support through 2027. Negotiations will need to occur in 2027 to determine funding levels for 2028 and beyond.

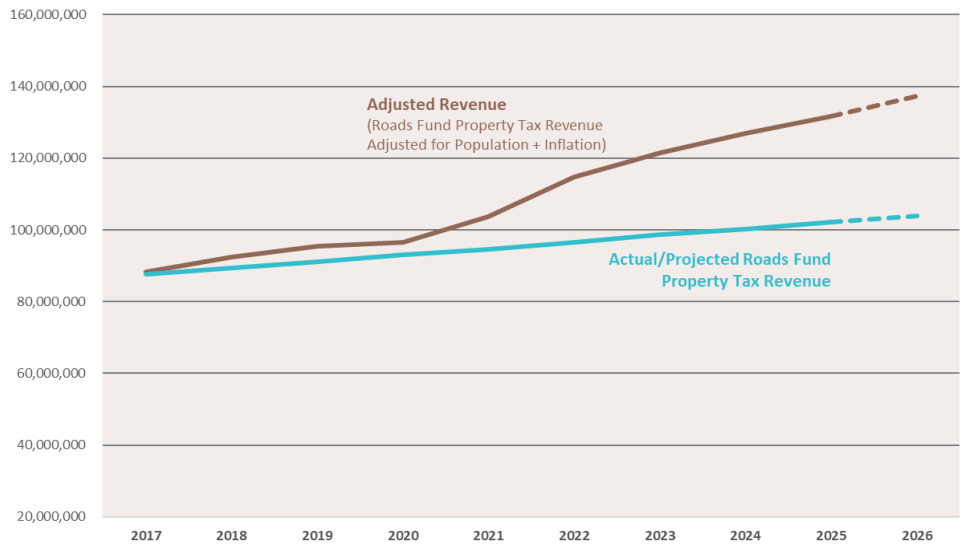
The Public Health Fund's financial plan shows large deficits starting in 2028. Cost growth exceeds projected revenue growth from State and local sources. Much of existing federal funding is uncertain and the Medicaid cuts in HR 1 would significantly reduce revenue for the clinics. The financial plan does not assume continued support from Harborview for the health clinics after 2027, but even if that support were continued, the Fund would face deficits. The Executive has started a process to review the current operational model for the clinics to determine ways to restructure clinic operations to increase efficiency. To support this process, the 2026-2027 Proposed Budget eliminates 27 vacant positions in clinic operations.

ROAD SERVICES DIVISION

The Department of Local Services (DLS) has two operating divisions, each of which faces major financial challenges. The Roads Services Division maintains all streets, roads, bridges, sidewalks, and traffic signals in the unincorporated portion of the county. The largest revenue source for Roads is a property tax collected only in the unincorporated area. As with the General Fund, revenue growth is capped by State law at 1 percent per year. **Figure 18** shows how this revenue stream has grown since 2017.[8] If revenue had kept up with inflation and population growth, Roads would have nearly $30 million more funding in 2025 than it currently has.

ROADS PROPERTY TAX LEVY

Fig. 18

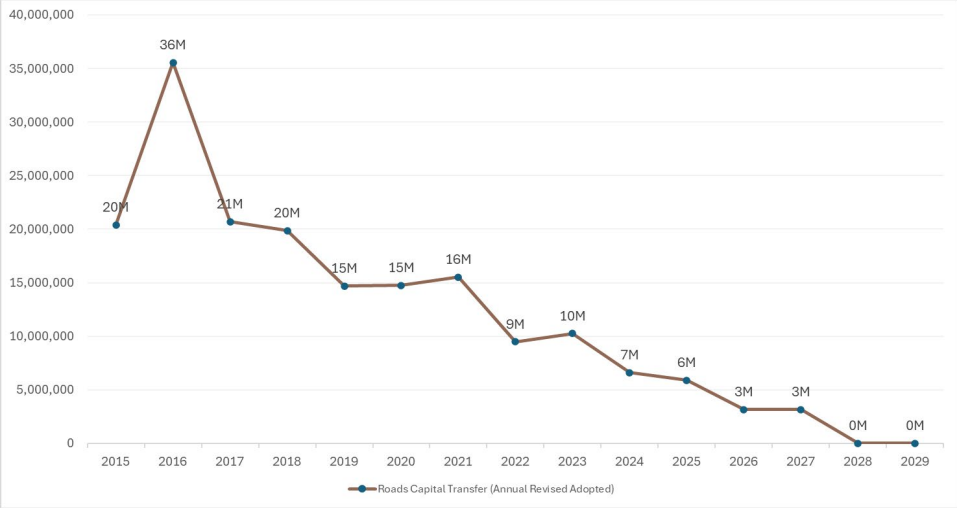


The only other regular source of funding for Roads is a portion of the State gas tax. This revenue stream has remained essentially constant for many years. Roads also receives grants for some of the cost of capital projects, but these vary widely from year to year.

[8] Data for earlier years are affected by annexations that removed urban areas from the unincorporated area.

ROADS ANNUAL CAPITAL TRANSFER

Fig. 19



Because of these revenue limitations, Roads has been gradually reducing its capital program. **Figure 19** shows the trend in contributions from the operating fund to the capital fund since 2015. Roads has prioritized preserving operating funding for as long as possible, so the 2026-2027 Proposed Budget shows continued reductions in the capital program to only $3 million per year. Unless a new funding source is obtained, Roads likely will have no funding available for new capital projects by 2028, other than projects funded from outside sources, such as the King County Flood Control District or State grants. This will eventually lead to closures of roads or bridges when there is no money for repair or replacement.

PERMITTING DIVISION

The DLS Permitting Division is responsible for land use, permitting, and environmental review in the unincorporated portion of the county. This mostly involves residential development but there are occasional large industrial projects that require permitting. New State legislation (SB 5290) requires permits to be issued on strict timelines beginning in 2025 or a portion of the cost of the permit will be rebated. To meet these requirements, Permitting changed processes, improved performance reporting, and added staff in 2024. As of July 2025, 96 percent of new permits had been processed within the State requirements.

Unfortunately, high interest rates and a weakening economy started to reduce permit volumes in the summer of 2024. Volumes are now at all-time lows, even below the numbers seen during the pandemic. Current forecasts are that these low levels are likely to persist for several years. This means that current spending is far in excess of revenues, leading to a projected negative fund balance of $8.75 million by the end of 2025.

The 2026-2027 Proposed Budget addresses this situation in several ways. First, eight positions are being eliminated, all of which are vacant, and additional positions will remain unfilled when they become vacant. Permitting believes it can still meet the SB 5290 timelines with the reduced staff. Second, the Executive is proposing an 11.8 percent rate increase, plus a restructuring of the fee schedule to generate more revenue in the initial stages of permit review. Third, the budget includes funding for a new permitting technology system that will reduce future operating costs. This will be funded through a 3.5 percent rate surcharge for 2026 and 2027 only. Because of the large negative fund balance, Permitting's financial plan does not assume full financial recovery until the end of 2031.

HOMELESSNESS RESPONSE

Services to individuals experiencing homelessness in King County are funded through a complex mix of federal, State, and local money. King County and the City of Seattle created the King County Regional Homelessness Authority (KCRHA) to improve coordination among programs. Most of the County's funding for homelessness services flows through KCRHA.

Revenues to support these services are declining in 2026 and 2027. Federal pandemic response funding has ended. Revenue from document recording fees has declined since the housing market has slowed due to high interest rates. The State backfilled this shortfall in 2025 but has not fully backfilled it for 2026-2027.

The 2026-2027 Proposed Budget continues support for most homeless shelters, people living in vehicles, and related programs using a combination of State and local funding sources. Funding is also provided to operate a new shelter in Federal Way that is expected to open by the end of 2025. During the pandemic, the County and Seattle funded a large new shelter on 6th Avenue South. This was paid for with federal pandemic response funds and the County and City have committed local resources through the end of the property lease in May 2027. Unless new revenue is received, the Proposed Budget assumes this shelter will have to be closed at that time.

The County estimates that this set of decisions will result in $83 million for KCRHA in 2026-2027, slightly less than the Authority's request.

The Proposed Budget uses $3 million of General Fund to help support shelters. The General Fund would also provide $2.6 million to non-profits that are losing federal funding for homelessness prevention, shelters, and transitional and supportive housing.

Potential federal cuts could have a disastrous effect on affordable housing. Significant reductions are being discussed for permanent supportive housing and operations and rent support. King County does not have funds to offset these potential cuts, meaning that hundreds of individuals might become homeless within a few months.

MIDD

The Mental Illness and Drug Dependency (MIDD)[9] Fund is supported by a 0.1 percent sales tax authorized in State law. Voter approval is not required. The MIDD tax was first collected in King County in 2008. The County Council has chosen to impose the tax for specific periods of time, although that is not required by State law. The current authorization expires at the end of 2025 and a 9-year renewal is planned.

MIDD spending is governed by an implementation plan that sets out specific strategies. The Executive has recommended continuing the existing plan for 2026-2027 in order to give the new Executive an

[9] This terminology is now archaic but is the wording in State statute. Today, this would be labeled as "Behavioral Health."

opportunity to guide the development of an updated plan. Legislation to extend the current plan will accompany the Proposed Budget. The Proposed Budget is consistent with this plan.

DCHS worked with organizations and the MIDD Advisory Committee to develop a proposed 2026-2027 budget. Unfortunately, this was done before the July revenue forecast, which was lower than previously assumed. The Executive was thus required to reduce some of the recommended expenditures. This challenge was met in large part by recognizing that many MIDD programs have significant underexpenditures because of the difficulty of finding qualified staff.

The Executive is also proposing two specific reserves of MIDD funds: $5 million for future expected costs of Medications for Opioid Use Disorder (MOUD) in JHS, and $8 million to be available to partially offset potential federal cuts to behavioral health services. Consequently, the MIDD Fund may have a small reserve shortfall by the end of 2027.

A new MIDD implementation plan will have to address multiple challenges, including sales tax revenue growth that is slower than expenditure growth, likely reductions in State and federal funds for behavioral health, and growing demands for many services. A new plan will need to be in place by early 2027 for use with the 2028-2029 budget.

INFORMATION TECHNOLOGY INITIATIVES

King County Information Technology (KCIT) has two major initiatives in the 2026-2027 Proposed Budget. In response to guidance from Executive Braddock, KCIT proposes establishing an Artificial Intelligence Innovation Fund by reallocating $1 million of existing fund balance. Agencies would be asked to submit proposals in early 2026 and KCIT would use the existing technology project review process to select proposals for funding. Requests for Microsoft Copilot licenses would go through the same review process. KCIT is also proposing to add two staff to support AI efforts.

KCIT is also proposing significant new investments in information security. Many governments, including the Port of Seattle and Seattle Public Library, have been subject to ransomware and other attacks. King County has already invested in IT security staffing and systems in recent budgets. The Proposed Budget would expand on this with additional staffing and with an externally staffed 24/7 Security Operations Center.