# 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 71 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, the Real Estate Excise Tax (REET) and County hospital levy funds, and COVID-19 program reappropriations. 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 2023-2024 biennial budget was adopted, the County projected a deficit of about $50 million for the 2025 General Fund budget. This was largely the result of high inflation due to the COVID-19 pandemic. This raised the County's costs for salaries, health care benefits, materials, utilities, and construction. However, due to limitations in State law, the County's revenue sources could not grow to cover these costs.

While the proposed 2025 budget was able to be balanced through fewer reductions than originally anticipated due to the availability of some one-time revenues and a significant shift of public health clinic costs to the new proposed County Hospital Levy, the ongoing structural imbalance remains, and the projected gap for the 2026-2027 biennium is about $150 million.

# GENERAL FUND REVENUES: 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 $1.16 billion for 2025.

## Figure 1: GENERAL FUND REVENUES

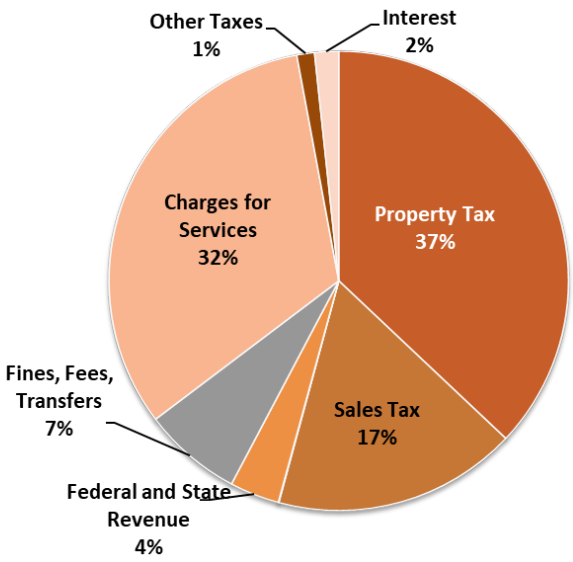


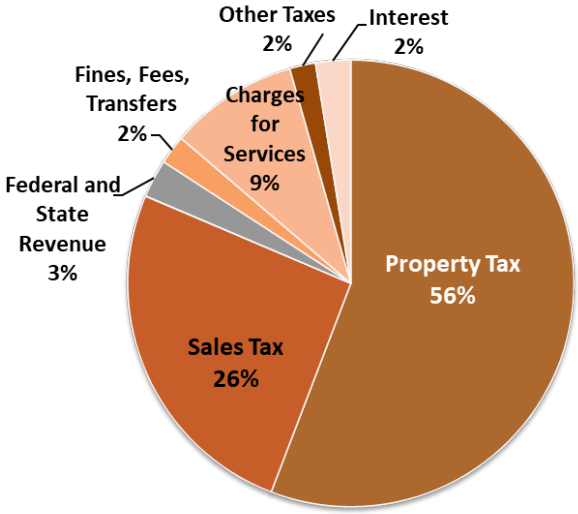

**Figure 1** shows the breakdown of projected 2025 General Fund revenues. The property tax is by far the largest source at 37 percent. Sales taxes, including an additional sales tax for criminal justice programs, represent 17 percent. Charges for services, most of which are charges to other County funds 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 13 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**.

In this view, the property tax accounts for 56 percent of the General Fund's revenue. This is consistent with other Washington counties that do not provide the contracted services that King County does. Sales taxes represent another 26 percent of the revenue. Thus, over 80 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 3 percent of the total.

The heavy 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.

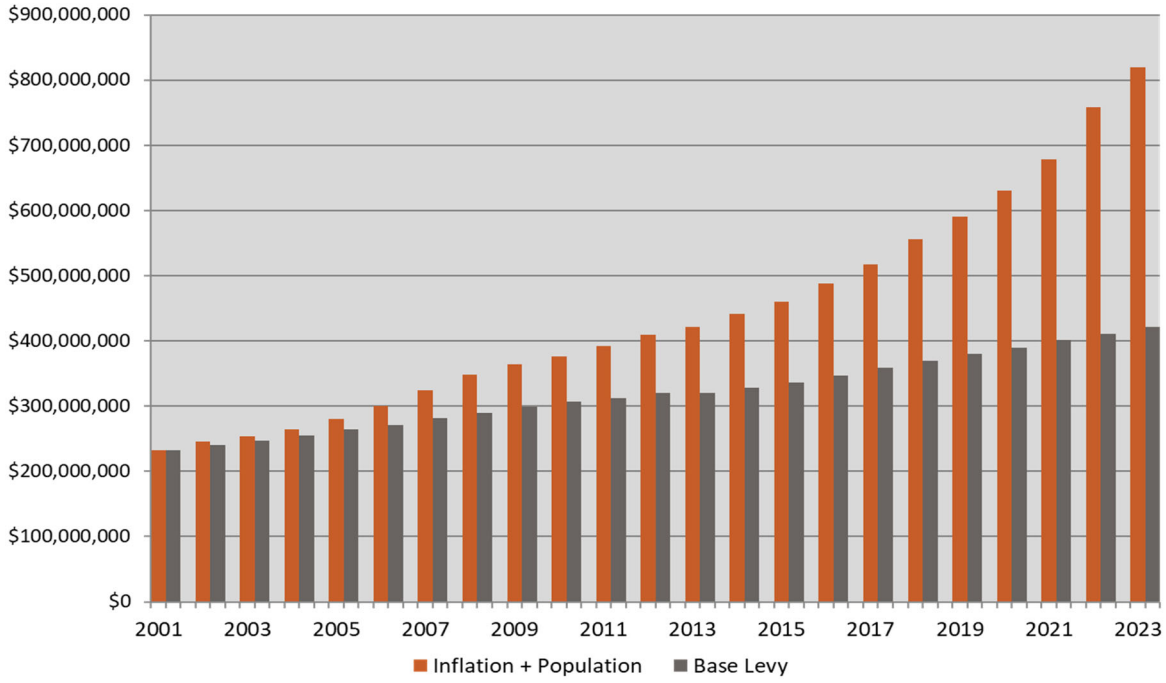
## Figure 2: NET GENERAL FUND REVENUES



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 2023, the difference between the bars is $400 million. 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, unlike most other counties, also is adversely affected by the structure of the sales tax. The sales tax is declining in productivity due to changes in purchasing patterns and other factors. In addition, there are two further sales tax issues affecting King County.

First, 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 4** shows that King County only had 4.0 percent of its taxable retail sales in the unincorporated area in 2023, far lower than any other urban county in Washington.

### Figure 4: SALES TAX IN UNINCORPORATED AREA

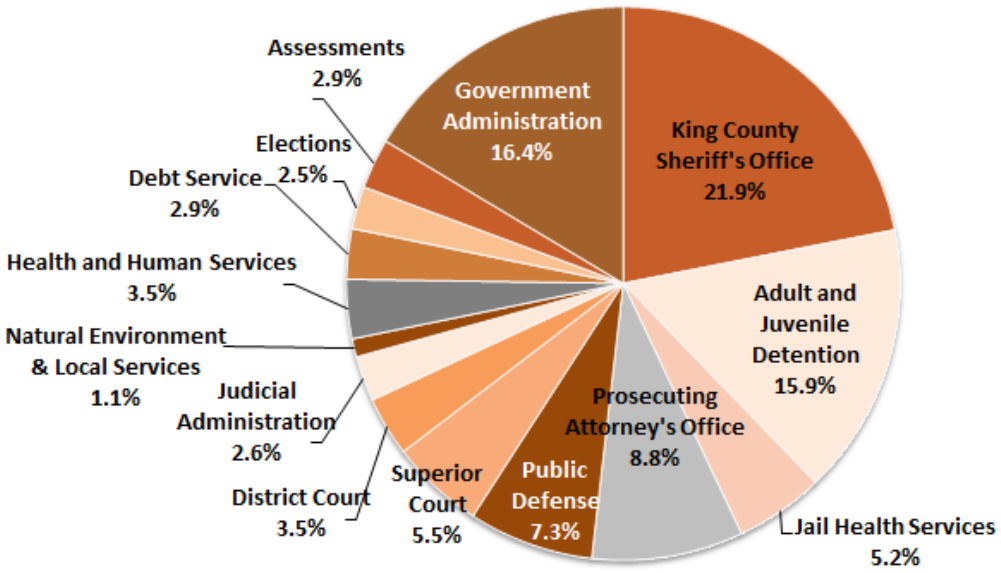
| County | 2023 Taxable Sales | 2023 Unincorporated Taxable Sales | County Share of Taxable Sales |
|---|---|---|---|
| Kitsap | 6,877,533,367 | 3,165,190,460 | 46.0% |
| Clark | 12,365,643,391 | 3,444,725,285 | 27.9% |
| Pierce | 24,060,970,097 | 5,872,478,015 | 24.4% |
| Snohomish | 22,723,283,414 | 5,019,537,931 | 22.1% |
| Whatcom | 6,575,047,431 | 1,364,785,506 | 20.8% |
| Thurston | 8,220,026,532 | 1,543,567,160 | 18.8% |
| Yakima | 5,733,873,601 | 990,774,009 | 17.3% |
| Spokane | 15,506,545,390 | 2,595,800,746 | 16.7% |
| Benton | 6,380,757,642 | 761,700,098 | 11.9% |
| **King** | **93,368,840,337** | **3,765,762,925** | **4.0%** |

Second, 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). 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.

# GENERAL FUND EXPENDITURES

King County's 2025 Proposed Budget includes $1.27 billion in appropriations from the General Fund. **Figure 5** shows how this is split among agencies.

### Figure 5: GENERAL FUND APPROPRIATIONS BY AGENCY

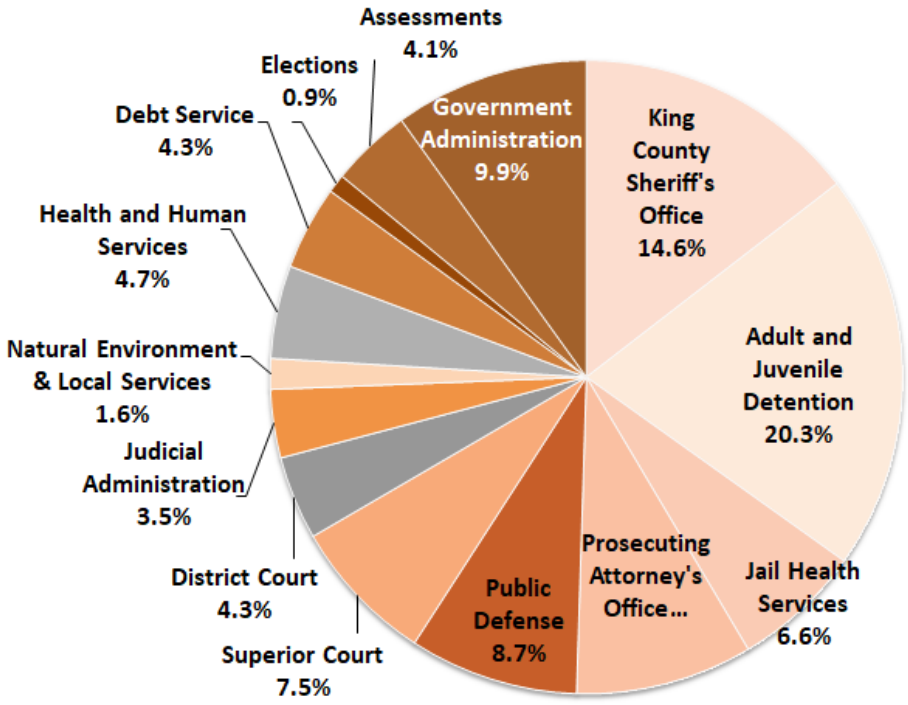



The King County Sheriff's Office (KCSO) has the single largest General Fund appropriation at 21.9 percent, followed by the Department of Adult and Juvenile Detention (DAJD) at 15.9 percent. DAJD is responsible for the two adult jails: the King County Correctional Facility (KCCF) in Seattle and the Maleng 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 71 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 20.3 percent. KCSO shrinks to 14.6 percent because much of its budget is supported by contracts with cities and transit agencies. The criminal justice system represents 74 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 0.9 percent and Government Administration represents about 10 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.

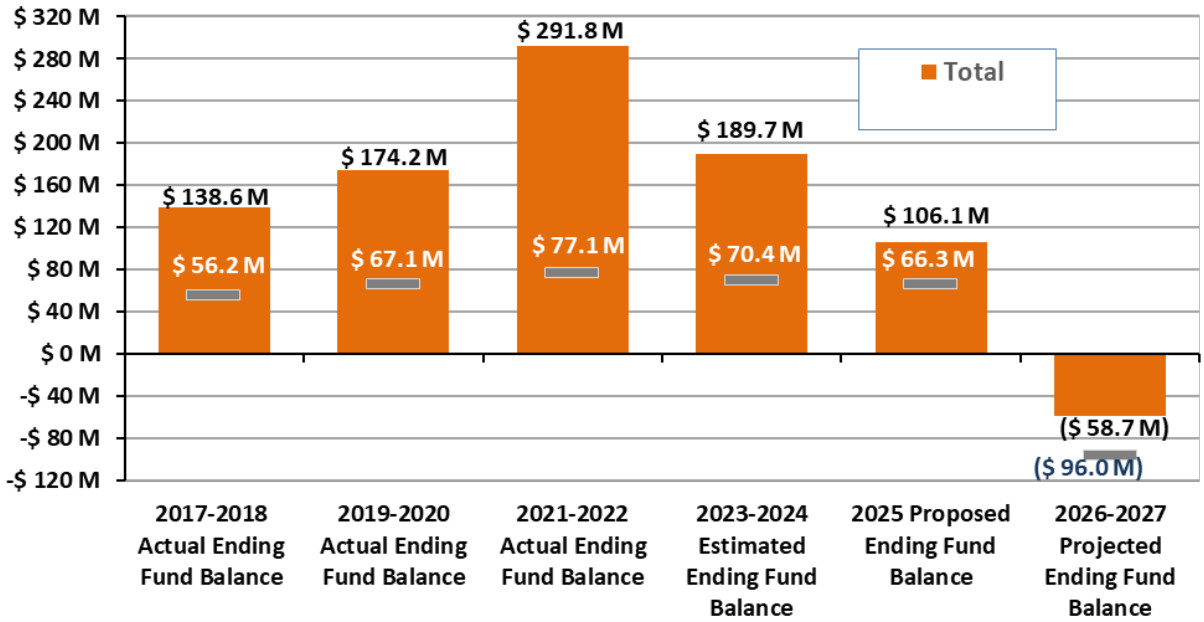
# BALANCING THE GENERAL FUND

Two years ago, after the adoption of the 2023-2024 budget, the projected deficit for the 2025 General Fund budget was about $50 million. The Executive decided to focus on developing a balanced 2025 budget and not to address the severe financial shortfalls that will occur thereafter. The 2025 budget was balanced through the following factors:

- PSB gave reduction targets to most General Fund agencies that were to be implemented across the 2023-2024 2nd omnibus supplemental budget and the 2025 annual budget. In total, General Fund agencies made reductions totaling about $24 million in annual savings.
- The proposed County Hospital Levy will support about $22 million of public health clinic costs that were previously supported by the General Fund, plus about $3 million that was supported by the Public Health Fund.
- The remainder of the 2025 General Fund gap was closed through the use of one-time savings generated by vacant positions in many General Fund agencies and some one-time revenues.

There are a small number of General Fund adds, typically to cover mandatory costs or to make one-time investments. There were many other good proposals for General Fund budget additions that had to be rejected due to lack of funds. As noted above, the projected deficit for the 2026-2027 biennium is about $150 million. Without revenue reform at the state level to improve the structural imbalance in the General Fund in 2025, significant reductions are forecasted for 2026 and beyond.

### Figure 7: GF FUND BALANCE TREND




As seen in **Figure 7**, the General Fund's total fund balance trended upward in recent years due to planned increases in reserves, careful financial management, federal and state revenues for COVID relief, and historical levels of underspending due to pandemic-related impacts. Because of the ongoing structural imbalance in the General Fund and the expiration of one-time support that balanced the 2021-2022 and 2023-2024 budgets, total fund balance is projected to decreased to $190 million by the end of 2024 and to $106 million by the end of 2025.

The structural imbalance is projected to continue its impact through the 2026-2027 biennium, resulting in a projected negative ending fund balance.

### 2025 General Fund (10) Financial Plan (in millions)

**Summary includes Inmate Welfare (16) and Goat Hill Garage Operations (1415) subfunds as reported in ACFR**

| | 2023-2024 Estimated | 2025 Projected | 2026-2027 Projected | 2028-2029 Projected |
|---|---|---|---|---|
| **BEGINNING FUND BALANCE** | **291.8** | **189.7** | **106.1** | **(58.7)** |
| **REVENUES*** | | | | |
| Property Tax* | 829.6 | 430.6 | 890.0 | 929.0 |
| Sales Tax* | 387.0 | 197.3 | 415.4 | 441.3 |
| Federal Revenue | 89.9 | 16.0 | 16.5 | 16.5 |
| State Revenue | 59.0 | 24.6 | 49.1 | 49.1 |
| Fines, Fees, Transfers | 209.5 | 101.3 | 181.1 | 183.4 |
| Charges for Services | 670.4 | 365.2 | 757.3 | 799.6 |
| Other Taxes | 8.6 | 6.3 | 12.8 | 11.3 |
| Interest | 51.8 | 21.3 | 34.3 | 29.3 |
| **General Fund Revenues** | **2,305.8** | **1,162.7** | **2,356.7** | **2,459.6** |
| **EXPENDITURES** | | | | |
| Justice and Safety | 1,677.4 | 901.6 | 1,887.1 | 2,015.6 |
| Administration/General Government | 446.2 | 233.3 | 422.5 | 451.3 |
| Public Health | 81.1 | 20.4 | 41.6 | 44.5 |
| Debt Service | 45.9 | 37.3 | 86.8 | 95.0 |
| Elections | 50.8 | 31.5 | 59.6 | 63.6 |
| Human Services | 52.8 | 23.4 | 39.9 | 28.6 |
| Physical Environment | 19.5 | 19.1 | 30.3 | 32.3 |
| Supplementals/Carryover/Reappropriations | 108.1 | 0.0 | 0.0 | 0.0 |
| Underexpenditures* | (61.5) | (25.5) | (51.6) | (54.9) |
| **General Fund Expenditures** | **2,420.2** | **1,241.1** | **2,516.2** | **2,676.1** |
| Other Fund Transactions * | (12.4) | 5.2 | 5.2 | 10.5 |
| **Ending Fund Balance** | **189.7** | **106.1** | **(58.7)** | **(285.7)** |
| **DESIGNATIONS AND SUBFUNDS *** | | | | |
| Designations | 3.5 | 3.3 | 2.9 | 2.5 |
| Subfund Balances* | 0.0 | 0.0 | 0.0 | 0.0 |
| **EXPENDITURE RESERVES** | | | | |
| Carryover and Reappropriation | 10.3 | 5.2 | 10.5 | 10.5 |
| Credit Rating Reserve* | 4.3 | 4.9 | 6.1 | 7.3 |
| Executive Contingency | 0.1 | 0.1 | 0.1 | 0.1 |
| South Park Bridge Post Annexation Operations | 0.0 | 0.0 | 0.0 | 2.0 |
| Trial Court Improvement Account Reserve | 1.1 | 1.4 | 2.0 | 2.6 |
| Risk Reserve* | 100.0 | 24.9 | 15.7 | 19.9 |
| **Reserves** | **119.3** | **39.8** | **37.3** | **44.8** |
| **Ending Undesignated Fund Balance*** | **70.4** | **66.3** | **(96.0)** | **(330.6)** |
| 6% Undesignated Fund Balance Minimum | 52.8 | 49.7 | 51.4 | 53.4 |
| **Over/(Under) 6% Minimum** | **17.6** | **16.6** | **(147.3)** | **(383.9)** |
| **Over/(Under) 8.0%** | **0.0** | **0.0** | **(164.5)** | **(401.7)** |
| Rainy Day Reserve Fund | 26.2 | 27.0 | 28.6 | 30.4 |

**2025 General Fund Financial Plan Footnotes**

- 2023-2024 Estimated reflects PSB's best estimate of total biennial revenues and expenditures through 12/31/2024.

- 2025 Proposed Budget is consistent with the budget system of record (PBCS).

- Revenue estimates for 2024 - 2029 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.

| | 2025 | 2026-2027 | 2028-2029 |
|---|---|---|---|
| Property Tax | As proposed | 3.3% | 4.4% |
| Sales Tax (including sales tax dedicated to criminal justice) | As proposed | 5.3% | 6.2% |
| All Other* | As proposed | -1.7% | 3.6% |
| Blended Revenue Growth Rate | As proposed | 1.3% | 4.4% |

**Other revenues are projected to fall in 2025 assuming federal COVID relief and state funding for the Blake decision response both end.*

- Property Tax forecasts for 2024 - 2029 are based on August 2024 OEFA forecast adopted by the Forecast Council and assume the current property tax structure.

- Sales Tax forecasts for 2024 - 2029 are based on the August 2024 forecast provided by OEFA.

- Expenditure estimates for 2026-2027 and 2028-2029 are based on the following assumptions. The percentages indicate the expected percentage change over the previous budget cycle. In addition, outyear expenditure estimates assume the removal of one-time items in the 2025 budget.

| | 2025 | 2026-2027 | 2028-2029 |
|---|---|---|---|
| CPI (Seattle July to June CPI-U) | As proposed | 5.8% | 5.6% |
| Blended Labor | As proposed | 4.5% | 5.3% |
| Operating GF Transfers | As proposed | 4.5% | 5.3% |
| Blended Operating Growth Rate | As proposed | 6.3% | 7.0% |

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

| | 2025 | 2026-2027 | 2028-2029 |
|---|---|---|---|
| Building Repair and Replacement | 1.7 | 2.0 | 2.1 |
| GF-backed IT Projects | 2.4 | 2.5 | 2.6 |
| Expenditure of Designated Fund Balance | - | - | - |
| Total | 4.1 | 4.5 | 4.8 |

- The debt service schedule for 2025 - 2029 is based on the following table (in millions):

| | 2025 | 2026-2027 | 2028-2029 |
|---|---|---|---|
| Existing Debt Issues | 29.6 | 43.1 | 37.4 |
| New Debt Issuance | 7.2 | 41.2 | 53.2 |
| Debt contingency for new issues and variable rate | 0.5 | 2.5 | 4.5 |
| Total Debt Service | 37.3 | 86.8 | 95.0 |

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.

- The 2025 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 $25.5 million is included in the annual budget, reflecting an assumed $20.3 million in actual underexpenditures and a reappropriation of $5.2 million into 2026-2027.

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

| | 2025 | 2026-2027 | 2028-2029 |
|---|---|---|---|
| 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-Profiteering Program | 0.1 | 0.1 | 0.1 |
| Dispute Resolution | 0.0 | 0.0 | 0.0 |
| Wheelchair Access | 1.0 | 0.6 | 0.2 |
| Total* | 3.3 | 2.9 | 2.5 |

*Totals may not match financial plan exactly due to rounding

- Other Fund Transactions primarily includes assumed reappropriations that will occur from budget to budget.

- Subfunds of the General Fund include the Inmate Welfare Fund and the Goat Hill Garage Operations. Both of these subfunds have been closed and are presumed to have zero balance by the end of 2024. Remaining subfund balances will be transferred to the General Fund fund balance.

- 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 | 2025 Proposed Budget |
|---|---|
| General Fund transfer for Debt Service | $ 37,271,000 |
| General Fund transfer to Department of Local Services (DLS) | $ 10,695,000 |
| General Fund transfer to Department of Community and Human Services (DCHS) | $ 21,835,000 |
| General Fund transfer to Department of Executive Services (DES) | $ 5,158,000 |
| General Fund transfer to Department of Public Health (DPH) | $ 8,458,000 |
| General Fund transfer to Department of Natural Resources and Parks (DNRP) | $ 2,784,000 |
| General Fund capital transfer to Department of Executive Services (DES) | $ 1,725,000 |
| General Fund transfer to General Fund Technology Capital (Fund 3280) | $ 2,403,000 |
| Internal Support | $ 20,421,000 |
| External Support | $ 15,132,000 |

**General Fund transfer for Debt Service: $37,271,000**

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 3.7 percent in 2025.

- In 2025, this contribution will pay the debt service on thirty current projects and fifteen new or expanding projects. New and expanded projects include Department of Local Services participatory budgeting work, multiple community facilities throughout the County, and multiple projects at the Maleng Regional Justice Center (MRJC).

**General Fund transfer to Department of Local Services (DLS): $10,695,000**

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

- $3.9 million funds the Permitting Division's code enforcement program, which investigates and resolves complaints of code violations in unincorporated King County. Half of the funding supports Prosecuting Attorney's Office (PAO) and Risk Management services arising from code enforcement actions.

- $6.8 million will support investments in urban unincorporated King County and the development of a community-centered advisory board, including:
    - $4.1 million in participatory budgeting projects reappropriated from previous award cycles.
    - $0.4 million in support for White Center business organizations and beautification of the business district.
    - Support for the ongoing administrative needs of the participatory budgeting program.

**General Fund transfer to Department of Community and Human Services (DCHS): $21,835,000**
Transfers to DCHS support several programs in the Community Services Operating, Employment and Education Resources, and Behavioral Health Funds. The General Fund also supports costs for the SoDo facility lease budgeted in DCHS.

Transfer to Employment and Education Resources Fund (Fund 2240, $8.3 million)

- $5.0 million in funding for the Restorative Community Pathways program to divert juvenile cases out of the criminal legal system and provide services for harmed parties.
- $1.4 million for youth and family services contracts.
- $0.5 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.
- $0.1 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.
- $1.3 million supports administration of the youth programs and other miscellaneous education and employment services.

Transfer to Community Services Operating Fund (Fund 1421, $4.1 million)

- $1.4 million for domestic violence survivor services such as community advocacy, crisis intervention, legal advocacy, shelter, and safety planning.
- $0.8 million for sexual assault victim services.
- $0.5 million for civil legal services contracts.
- $0.2 million for senior center services and operations.
- $0.1 million for the LELO relicensing program.
- $1.1 million for administrative costs associated with managing community service contracts.

Transfer to Behavioral Health Fund (Fund 1120, $0.1 million)

- $0.1 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 ($9.3 million)

- $9.3 million to support the portion of the SoDo facility lease attributed to DCHS.

**General Fund transfer to Department of Executive Services (DES): $5,158,000**
- $2.8 million is transferred to support the animal services program. This represents approximately 34 percent of the funding for this regional service.

- $0.7 million for maintenance and operations at the Renton Red Lion.
- $0.7 million to support maintenance and operations at the Kent Hotel.
- $0.5 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.
- $0.5 million for maintenance and operations at the Harbor Island warehouse.

**General Fund transfer to Public Health – Seattle & King County (PHSKC): $8,458,000**

- $3.4 million will be contributed to Regional Community Health Services, which include a variety of community partnership programs.
- $2.7 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.
- $1.8 million will be contributed to support gun violence prevention and other efforts to reduce youth involvement in the criminal legal system.
- $0.5 million will be contributed to Prevention to serve the community by monitoring, investigating, controlling and prevention of over 60 notifiable communicable diseases.
- $0.1 million will be contributed to Environmental Health Healthy Community Planning to help partners better support integration of health and equity into local, regional, and state planning efforts to ensure that guidelines, planning documents and funding criteria include public health and equity elements.

**General Fund transfer to Department of Natural Resources and Parks (DNRP): $2,784,000**

- $1.5 million funds the Local Infrastructure Project Area (LIPA) transfers to the City of Seattle for the Transfer of Development Rights (TDR) program.
- $215,000 supports the Historic Preservation Programs.
- $67,000 pays for an Immigrant-Refugee Farm Program Coordinator to support the Farmland Leasing Program.
- $960,000 pays for agriculture and forestry programming in the Water and Land Resources Division. General Fund dollars will contribute to the preservation of high-priority farmland as part of the Land Conservation Initiative (LCI), furthering the Strategic Climate Action Plan through support of forest programs that ensure King County forests are resilient against wildfires, and continue the Public Benefits Rating System/Current Use Taxation (PBRS/CUT) program. Benefits of this investment include:
    - 400 net new acres of farmland in production.
    - Acquisition of conservation easements on 475 acres of high-priority farmland.
    - At least 500 new acres of farm and forestland enrolled in PBRS/CUT; at least 300 acres are new, LCI priority properties.
    - At least 60 private forestland stewardship plans approved annually, with special focus on climate resilience and enhancing carbon sequestration potential; plans cover a minimum of 500 acres.
    - Monitoring of at least 20 percent of the properties enrolled in PBRS and 33 percent of properties enrolled in Farmland Preservation programs; enhancement of the County farmland leasing program with a focus on Equity and Social Justice benefits.

**General Fund capital transfer to Department of Executive Services (DES): $1,725,000**

The General Fund capital transfer to DES pays for General Fund backed Facilities Management Division (FMD) projects for the Building Repair and Replacement and the Major Maintenance Reserve subfunds.

The proposed 2025 transfer includes:

- $1.5 million for installation of jump protection panels at the King County Correctional Facility (KCCF).
- $0.2 million for installation of new beds at KCCF to improve safety of individuals in custody.

**General Fund transfer to General Fund Technology Capital: $2,403,000**

The General Fund transfer to the General Fund Technology Capital Fund (Fund 3280) in 2025 will pay for two new IT projects supported by General Fund revenues, in addition to a small amount of reappropriation for previously approved projects:

- $0.9 million for the Department of Judicial Administration Data Warehouse Project
- $1.1 million for the King County Sheriff's Office CAD Replacement Project
- $0.4 million of reappropriation for existing projects

**Internal Support: $20,421,000**

The Internal Support budget includes charges that are paid centrally on behalf of General Fund agencies. In 2025, 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

**External Support: $15,132,000**

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 2025 Proposed Budget includes the following items:

- $11.2 million in community facility capital investments.
- $1.0 million to support the development and implementation of gun violence prevention programs.
- $2.7 million in operational and programming support for local external partners.
- $0.1 million for dues and memberships for outside organizations.

## 2025 Executive Proposed Operating Budget
## GF TRANSFER TO DEBT SERVICE (EN_A69100)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **66,137,882** | **0** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **38,137,650** | **0** | **0.0** | **0.0** |
| Base Budget Adjustments | 0 | 0 | 0.0 | 0.0 |
| Decision Package Adjustments | (866,955) | 0 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **37,270,695** | **0** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **37,271,000** | **0** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Technical Adjustments** | | | | |
| TA_001 Debt Service Contingency<br>Adjust appropriation to include upcoming bonding activity. | (5,063,000) | 0 | 0.0 | 0.0 |
| **Central Rate Adjustments** | 4,196,045 | 0 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | (866,955) | 0 | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## GF TRANSFER TO DLS (EN_A69200)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **13,300,027** | **0** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **4,397,183** | **0** | **0.0** | **0.0** |
| Base Budget Adjustments | 853,922 | 0 | 0.0 | 0.0 |
| Decision Package Adjustments | 5,443,220 | 0 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **10,694,325** | **0** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **10,695,000** | **0** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Direct Service Changes** | | | | |
| DS_001 White Center Revitalization<br>Provide General Fund support for a TLT, space rental, and start-up funding for three years to support the establishment of a self-sustaining White Center business organization. Corresponds to DS_001 in Local Services Administration (A77000). | 333,352 | 0 | 0.0 | 0.0 |
| DS_002 White Center Beautification<br>Provide General Fund support for feasibility and design alternatives to improve safety and create a more welcoming streetscape in the White Center business district. Corresponds to DS_002 in Local Services Administration (A77000). | 100,000 | 0 | 0.0 | 0.0 |
| DS_005 Minimum Wage Implementation<br>Provide General Fund support to continue the implementation of the communications plan adopted in the 2023-2024 Third Omnibus. This includes a partial-year TLT for technical assistance, legal consultation, and support costs. Corresponds to TA_002 in Local Services Administration (A77000). | 141,973 | 0 | 0.0 | 0.0 |
| **Administrative Service Changes** | | | | |
| AC_001 DLS General Public Services Central Rate Increases<br>Provide General Fund funding to the Department of Local Services (DLS) to support increases in DLS's central rate charges. | 673,000 | 0 | 0.0 | 0.0 |
| **Technical Adjustments** | | | | |
| TA_003 Participatory Budgeting Grant Reappropriation<br>Reappropriate the unspent grant funds from previous rounds of Participatory Budgeting from 2022-2024 and reappropriate 2024 programmatic funds for contracting with a consultant to provide technical contracting and invoice development support. Corresponds to TA_003 in Local Services Administration (A77000). | 4,050,000 | 0 | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## GF TRANSFER TO DLS (EN_A69200)

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| TA_100 Economic Adjustment<br>Adjust estimated costs to reflect inflationary increases. | 144,895 | 0 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | 5,443,220 | 0 | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## GF TRANSFER TO DCHS (EN_A69400)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **58,171,397** | **0** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **13,235,849** | **0** | **0.0** | **0.0** |
| Base Budget Adjustments | 1,295,300 | 0 | 0.0 | 0.0 |
| Decision Package Adjustments | 7,302,933 | 0 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **21,834,082** | **0** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **21,835,000** | **0** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Direct Service Changes** | | | | |
| DS_001 Restorative Community Pathways (RCP) Evaluation Reappropriation<br>Reappropriate RCP evaluation funding that will be contracted and encumbered in 2024. The evaluation is estimated to be available around July 2025 and will provide important information for the 2026-2027 budget process and help determine the future of RCP. Corresponds to DS_001 in Employment and Education Resources (A93600). | 250,000 | 0 | 0.0 | 0.0 |
| DS_005 New Family Services Program<br>Remove General Fund support for the New Family Services Program to address the General Fund deficit. Expenditures and funding will be shifted to Best Starts for Kids. Corresponds to DS_005 in Employment and Education Resources (A93600). | (224,000) | 0 | 0.0 | 0.0 |
| DS_006 Community Prevention and Wellness Initiative Matching Funds<br>Provide General Fund to the 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. This funding will cover required CPWI matching funds for alcohol, cannabis, tobacco, opioid, and other drug prevention programs in local communities and schools. Corresponds to DS_001 in Behavioral Health (A92400). | 137,824 | 0 | 0.0 | 0.0 |
| **Administrative Service Changes** | | | | |
| AC_002 King County Jobs Initiative<br>Eliminate the King County Jobs Initiative (KCJI) program to address the General Fund deficit. This program was last contracted in 2022. Corresponds to AC_002 in Community Services Operating (A88800). | (404,392) | 0 | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## GF TRANSFER TO DCHS (EN_A69400)

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| AC_005 Record Relief and LFO Expungement<br>Eliminate the Record Relief and LFO Expungement program to address the General Fund deficit. This reduction is consistent with the Executive's preexisting plan to phase out this program in 2025. Corresponds to AC_005 in Community Services Operating (A88800). | (642,125) | 0 | 0.0 | 0.0 |
| AC_008 CYYAD Leadership Funding<br>Remove General Fund support for Children, Youth, and Young Adult Division (CYYAD) leadership costs to address the General Fund deficit. Expenditures and funding will be shifted to Best Starts for Kids. Corresponds to TA_004 in Employment and Education Resources (A93600). | (157,000) | 0 | 0.0 | 0.0 |
| AC_009 Mary's Place Coordinated Intake Line<br>Remove General Fund support for the Mary's Place Coordinated Intake Line. This program will be funded by Short-Term Lodging Taxes. Corresponds to TA_008 in Housing and Community Development (A35000). | (329,000) | 0 | 0.0 | 0.0 |
| **Technical Adjustments** | | | | |
| TA_001 Grants Application and Capacity Building (GSCB) Program<br>Eliminate the GACB program to address the General Fund deficit. Similar services will continue through several other DCHS technical assistance and capacity building programs. Corresponds to DS_001 in Developmental Disabilities (A92000). | (810,000) | 0 | 0.0 | 0.0 |
| TA_100 Economic Adjustment<br>Adjust estimated costs to reflect inflationary increases. | 202,851 | 0 | 0.0 | 0.0 |
| TA_101 SoDo Lease Support<br>Transfer General Fund revenue to pay for SoDo lease costs attributed to DCHS. | 9,278,775 | 0 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | 7,302,933 | 0 | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## GF TRANSFER TO DES (EN_A69500)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **8,678,216** | **0** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **4,378,108** | **0** | **0.0** | **0.0** |
| Base Budget Adjustments | 0 | 0 | 0.0 | 0.0 |
| Decision Package Adjustments | 779,246 | 0 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **5,157,354** | **0** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **5,158,000** | **0** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Direct Service Changes** | | | | |
| DS_013 Renton Red Lion Operating and Maintenance Costs<br>Provide General Fund funding for security, essential utilities, and maintenance to operate the Renton Red Lion facility. This decision package corresponds to DS_013 in Facilities Management Internal Services (A60100). | 678,553 | 0 | 0.0 | 0.0 |
| **Technical Adjustments** | | | | |
| TA_100 Economic Adjustment<br>Adjust estimated costs to reflect inflationary increases. | 100,693 | 0 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | 779,246 | 0 | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## GF TRANSFER TO DPH (EN_A69600)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **60,021,145** | **0** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **29,764,426** | **0** | **0.0** | **0.0** |
| Base Budget Adjustments | 0 | 0 | 0.0 | 0.0 |
| Decision Package Adjustments | (21,307,044) | 0 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **8,457,382** | **0** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **8,458,000** | **0** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Administrative Service Changes** | | | | |
| AC_007 ADA Coordinator Position<br>Provide General Fund support for a new Americans with Disabilities Act (ADA) coordinator position in the Department of Public Health, as recommended by the Internal Disability Accessibility Assessment. Corresponds to AC_007 in Public Health (A80000). | 177,382 | 0 | 0.0 | 0.0 |
| **Technical Adjustments** | | | | |
| TA_001 County Hospital Tax Revenue for Public Health<br>Reduce General Fund revenue for the Public Health Clinics. Financial support for the clinics will move to the proposed county hospital tax. | (22,300,000) | 0 | 0.0 | 0.0 |
| TA_100 Economic Adjustment<br>Adjust estimated costs to reflect inflationary increases. | 815,574 | 0 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | (21,307,044) | 0 | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## GF TRANSFER TO DNRP (EN_A69700)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **5,928,000** | **0** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **2,601,000** | **0** | **0.0** | **0.0** |
| Base Budget Adjustments | 0 | 0 | 0.0 | 0.0 |
| Decision Package Adjustments | 183,000 | 0 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **2,784,000** | **0** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **2,784,000** | **0** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Administrative Service Changes** | | | | |
| AC_002 Local Food Initiative General Fund Reduction<br>Remove General Fund support for the local food initiative in order to address the General Fund deficit. Corresponds to AC_002 in DNRP Administration (A38200). | (92,000) | 0 | 0.0 | 0.0 |
| **Technical Adjustments** | | | | |
| TA_100 Economic Adjustment<br>Adjust estimated costs to reflect inflationary increases. | 275,000 | 0 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | 183,000 | 0 | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## GF CIP TRANSFER TO DES (EN_A69900)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **6,500,190** | **0** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **0** | **0** | **0.0** | **0.0** |
| Decision Package Adjustments | 1,725,000 | 0 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **1,725,000** | **0** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **1,725,000** | **0** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Administrative Service Changes** | | | | |
| AC_001 KCCF Bunk Modifications (2nd & 3rd Floors)<br>Provide General Fund support for capital project 1147794 in the Major Maintenance Reserve Subfund (3421) to install new beds in the KCCF West Wing on floors 2 and 3 to improve safety for individuals in custody. | 225,000 | 0 | 0.0 | 0.0 |
| AC_003 Jail Jump Barriers<br>Provide General Fund support for capital project 1143877 in the Building Repair and Replacement Subfund (3951) to install jump barriers at all balconies and stairways in residential wings of KCCF. | 1,500,000 | 0 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | 1,725,000 | 0 | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## GF TRANSFER TO PSB GF IT CAP F3280 (EN_A70100)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **3,022,007** | **0** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **0** | **0** | **0.0** | **0.0** |
| Decision Package Adjustments | 2,402,197 | 0 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **2,402,197** | **0** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **2,403,000** | **0** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Technical Adjustments** | | | | |
| TA_001 2023-2024 Project Reappropriations<br>Reappropriate General Fund support for IT projects approved in the 2023-2024 biennium. | 388,000 | 0 | 0.0 | 0.0 |
| TA_101 New General Fund-backed IT Projects<br>Provide General Fund support for two new IT projects for General Fund agencies: Department of Judicial Administration Data Warehouse and King County Sheriff's Office CAD Replacement. | 2,014,197 | 0 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | 2,402,197 | 0 | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## INTERNAL SUPPORT (EN_A65600)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **44,696,570** | **1,600,000** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **20,153,184** | **725,000** | **0.0** | **0.0** |
| Base Budget Adjustments | 0 | 0 | 0.0 | 0.0 |
| Decision Package Adjustments | 267,411 | (725,000) | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **20,420,595** | **0** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **20,421,000** | **0** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Technical Adjustments** | | | | |
| TA_050 Revenue Adjustments<br>Revised budgeted revenues to match current forecast. | 0 | (725,000) | 0.0 | 0.0 |
| TA_100 Economic Adjustment<br>Adjust estimated costs for Internal Support to reflect inflationary increases. | 1,753,892 | 0 | 0.0 | 0.0 |
| TA_101 Employee Transportation Program Costs<br>Adjust estimated cost of the Employee Transportation Program to reflect updated ridership estimates. | 480,236 | 0 | 0.0 | 0.0 |
| **Central Rate Adjustments** | (1,966,717) | 0 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | 267,411 | (725,000) | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## EXTERNAL SUPPORT (EN_A65700)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **27,995,500** | **25,765,000** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **125,250** | **0** | **0.0** | **0.0** |
| Base Budget Adjustments | 0 | 0 | 0.0 | 0.0 |
| Decision Package Adjustments | 15,006,400 | 11,254,400 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **15,131,650** | **11,254,400** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **15,132,000** | **11,255,000** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Direct Service Changes** | | | | |
| DS_001 External Support Projects Reappropriation<br>Reappropriate funds for projects appropriated in 2023-2024 that have not yet been completed. These projects are backed by a combination of fund balance and future bond issue as originally approved. It is anticipated that most of the projects will be completed in 2025. | 14,956,400 | 11,254,400 | 0.0 | 0.0 |
| DS_002 Judges for Justice<br>Provide additional funding for Judges for Justice. | 50,000 | 0 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | 15,006,400 | 11,254,400 | 0.0 | 0.0 |

## Debt Service Funds

The total 2025 Proposed Budget for the **Limited Tax General Obligation (LTGO) Fund** is $206.2 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 2025 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 (in millions) | Term |
|---|---|---|
| DCHS – Transit Oriented Development Affordable Housing | $77.8 | 20 |
| DCHS – Equitable Affordable Housing | $19.5 | 10 |
| Assessor/FBOD - Property Tax Administration System (PTAS) | $25.0 | 10 |
| DAJD – Datawarehouse | $2.0 | 5 |
| DLS - Fall City Septic | $2.5 | 10 |
| DLS – Participatory Budgeting Projects | $18.5 | 10 |
| DLS – Skyway Resource Center | $2.4 | 10 |
| DLS/Roads – Road Safety Improvements | $1.0 | 10 |
| DNRP/CFT - Land Conservation Initiative | $73.0 | 30 |
| DNRP/SWD - Landfill and Transfer Station Projects | $177.9 | 16 |
| Exec - Community Facilities | $8.9 | 10 |
| FMD –Acquisitions (Dexter Horton, Renton Red Lion, Animal Shelter) | $92.7 | 20 |
| FMD – Electric Vehicle Charging Infrastructure | $4.5 | 10 |
| FMD – King County Courthouse Fire Alarm System | $7.5 | 10 |
| FMD - Maleng Regional Justice Center | $37.0 | 20 |
| FMD / Elections – Security Cameras | $0.6 | 10 |
| KCIT - Multifactor Authentication | $2.0 | 5 |
| KCIT – Shared Device Telephony Solution | $3.6 | 5 |
| KCSO – Helicopter | $5.0 | 10 |
| KCSO – Payroll System | $6.0 | 10 |
| Various Climate Equity Projects | $4.8 | 7 |

The County's limited tax general obligation debt capacity is $12.5 billion, which is based on 1.5 percent of countywide assessed value. As of the end of 2023, the County has only used $3.3 billion of capacity.

The total 2025 Proposed Budget for the **Unlimited Tax General Obligation (UTGO)** Fund is $19.3 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 2024 and 2025 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.

## 2025 Executive Proposed Operating Budget
## LIMITED GO BOND REDEMPTION (EN_A46500)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **431,608,747** | **429,008,747** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **244,774,910** | **243,474,910** | **0.0** | **0.0** |
| Base Budget Adjustments | 0 | 0 | 0.0 | 0.0 |
| Decision Package Adjustments | (38,566,959) | (38,566,959) | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **206,207,951** | **204,907,951** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **206,208,000** | **204,908,000** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Technical Adjustments** | | | | |
| TA_001 LTGO Debt Financing<br>Adjust the LTGO appropriation to fund the estimated debt service for new debt financed projects and previously issued bonds. | (38,566,959) | 0 | 0.0 | 0.0 |
| TA_050 Revenue Adjustment<br>0 | 0 | (38,566,959) | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | (38,566,959) | (38,566,959) | 0.0 | 0.0 |

## 2025 Executive Proposed Operating Budget
## UNLIMITED GO BOND REDEMP (EN_A46600)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **23,559,313** | **23,057,100** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **6,455,663** | **6,207,300** | **0.0** | **0.0** |
| Base Budget Adjustments | 0 | 0 | 0.0 | 0.0 |
| Decision Package Adjustments | 12,803,412 | 13,012,700 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **19,259,075** | **19,220,000** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **19,260,000** | **19,220,000** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Administrative Service Changes** | | | | |
| AC_001 9th and Alder Debt Service<br>Funds ongoing debt service cost of the acquisition of the Kaiser property at 9th and Alder in Seattle. | 3,900,000 | 0 | 0.0 | 0.0 |
| **Technical Adjustments** | | | | |
| TA_001 UTGO Debt Service<br>Adjust the UTGO appropriation to fund the estimated debt service. | 8,903,412 | 0 | 0.0 | 0.0 |
| TA_050 Revenue Adjustment<br>0 | 0 | 13,012,700 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | 12,803,412 | 13,012,700 | 0.0 | 0.0 |

**2025 Proposed Financial Plan**
**Limited Tax General Obligation (LTGO) Debt Service Fund /000008400**

| Category | 2023-2024 Estimated | 2025 Proposed | 2026-2027 Projected | 2028-2029 Projected |
|---|---|---|---|---|
| **Beginning Fund Balance** | **7,530,512** | **$7,192,511** | **$7,192,511** | **$7,192,511** |
| **Revenues** | | | | |
| Intergovernmental Payments (HMC, CDA) | 28,365,386 | 14,812,693 | 29,625,386 | 29,625,386 |
| Charges/Contributions from County Funds | 301,630,146 | 190,095,258 | 380,190,516 | 380,190,516 |
| Refunding Bond Proceeds | 4,821,730 | 0 | 0 | 0 |
| Other Income | 1,007,706 | 0 | 0 | 0 |
| **Total Revenues** | **335,824,968** | **$204,907,951** | **$409,815,902** | **$409,815,902** |
| **Expenditures** | | | | |
| Principal | 204,691,776 | 148,092,759 | 296,185,518 | 296,185,518 |
| Interest | 126,536,832 | 56,815,192 | 113,630,384 | 113,630,384 |
| Payments for refunded debt | 4,821,730 | 0 | 0 | 0 |
| Other Expenses | 112,631 | 0 | 0 | 0 |
| Transfers/Contingencies | 0 | 1,300,000 | 2,600,000 | 2,600,000 |
| **Total Expenditures** | **336,162,969** | **$206,207,951** | **$412,415,902** | **$412,415,902** |
| **Estimated Underexpenditures** | **0** | **(1,300,000)** | **(2,600,000)** | **(2,600,000)** |
| **Other Fund Transactions** | | | | |
| **Total Other Fund Transactions** | **0** | **$0** | **$0** | **$0** |
| **Ending Fund Balance** | **$7,192,511** | **$7,192,511** | **$7,192,511** | **$7,192,511** |
| **Reserves** | | | | |
| General Fund balance | 553,395 | 553,395 | 553,395 | 553,395 |
| Parks FRED fund balance | 200,778 | 200,778 | 200,778 | 200,778 |
| KCIT/FMD Fund Bal. | 4,053,766 | 4,053,766 | 4,053,766 | 4,053,766 |
| **Total Reserves** | **4,807,939** | **$4,807,939** | **$4,807,939** | **$4,807,939** |
| Reserve Shortfall | 0 | 0 | 0 | 0 |
| **Ending Undesignated Fund Balance** | **$2,384,572** | **$2,384,572** | **$2,384,572** | **$2,384,572** |

**Financial Plan Notes**

All financial plans have the following assumptions, unless otherwise noted in below rows.

2025 Proposed Budget ties to PBCS and matches 2025 Estimated.

Revenues Notes:

Revenues based on latest estimates from OEFA, excluding revenues from the proposed Harborview Levy.

Expenditure Notes:

Expenditures are on current estimates from the principal and interest payment schedules for existing debt and updated project schedules.

Last Updated 08/02/2024 by Chris McGowan.

**2025 Proposed Financial Plan**
**Unlimited Tax General Obligation (UTGO) Debt Service Fund / 000008500**

| Category | 2023-2024 Estimated | 2025 Proposed | 2026-2027 Projected | 2028-2029 Projected |
|---|---|---|---|---|
| **Beginning Fund Balance** | **$1,188,749** | **$3,348,895** | **$3,309,820** | **$3,309,820** |
| **Revenues** | | | | |
| Property Taxes | 26,200,000 | 19,220,000 | 64,900,000 | 118,990,000 |
| Other Income | 155,000 | | | |
| **Total Revenues** | **$26,355,000** | **$19,220,000** | **$64,900,000** | **$118,990,000** |
| **Expenditures** | | | | |
| Principal | 18,265,000 | 7,452,000 | 27,907,000 | 51,165,700 |
| Interest | 5,929,854 | 11,557,075 | 36,993,000 | 67,824,300 |
| Contingency | 0 | 250,000 | | |
| **Total Expenditures** | **$24,194,854** | **$19,259,075** | **$64,900,000** | **$118,990,000** |
| **Estimated Underexpenditures** | | | | |
| **Other Fund Transactions** | | | | |
| **Total Other Fund Transactions** | **0** | **0** | **0** | **0** |
| **Ending Fund Balance** | **$3,348,895** | **$3,309,820** | **$3,309,820** | **$3,309,820** |
| **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 | 0 | 0 | 0 | 0 |
| **Ending Undesignated Fund Balance** | **$348,895** | **$309,820** | **$309,820** | **$309,820** |

**Financial Plan Notes**
All financial plans have the following assumptions, unless otherwise noted in below rows.
2025 Proposed Budget ties to PBCS.
Outyear ***projections columns*** : revenue and expenditure inflation assumptions are consistent with figures provided by PSB's BFPA guidance.

Revenues Notes:
Revenues based on the August 2024 OEFA Forecast.

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.

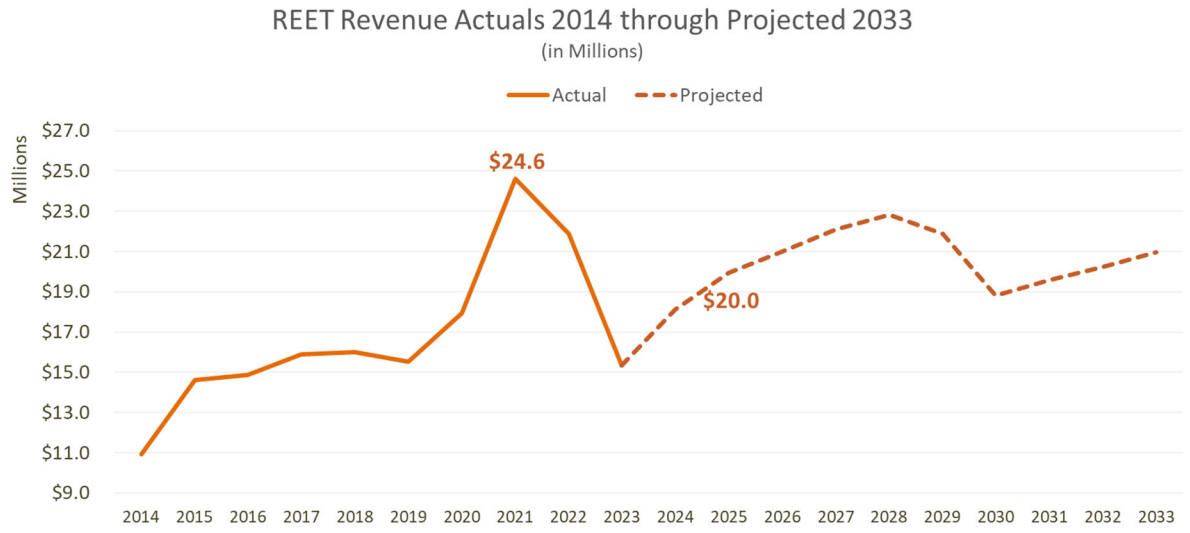
Last Updated 08/26/2024 by Chris McGowan.

## 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 about six times as much as King County's in 2023. Even the City of Bellevue, with roughly half the population of the County's unincorporated area, receives more REET than 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 recovery in REET revenue through 2033. The County expects to collect $20 million in 2025. As the chart below shows, REET revenues are anticipated to remain between $20 million to $22 million per year through 2033.




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.

- $8.6 million for Parks to fund various projects including fish passage projects; improving bridge and trestle structures on the Snoqualmie Valley, Burke Gilman, and other Regional Trails; and rehabilitation of existing parks facilities including completion of the ADA Transition Plan and progress on electric vehicle infrastructure.
- $1.8. million for debt service for the central maintenance facility and bridge replacement projects.
- $2.4 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: 2025 Annual Budget, Scenario: Executive Proposed, Agency: All, Fund: 3681 REAL ESTATE EXCISE TAX, NUMBER 1, Cap Status: Approved, Is IT Proj? Both Yes and No

## 2025 Annual Budget - Executive Proposed

**3681 REAL ESTATE EXCISE TAX, NUMBER 1 - Other**

| Project Number | Project Name<br>Class Code | Tech Adj | FY25 | Narratives |
|---|---|---|---|---|
| 1033534 | **REET 1 Debt Service**<br>STANDALONE | ✓ | $321,000 | **Scope:** This project is for debt service funded by REET 1.<br>**Description of Budget Request:** This project is for debt service funded by REET 1. |
| 1130281 | **REET 1 Transfer to Roads Capital**<br>STANDALONE | | $2,373,807 | **Scope:** This project transfers REET 1 proceeds to the Road Capital Fund.<br>**Description of Budget Request:** This project transfers REET 1 proceeds to the Road Capital Fund. |
| 1134866 | **REET 1 Transfer to Parks**<br>STANDALONE | | $3,550,000 | **Scope:** This project transfers REET 1 proceeds to support the Parks Capital Program.<br>**Description of Budget Request:** This project transfers Real Estate Excise Tax 1 proceeds to support the Parks Capital Program. |
| **3681 - REAL ESTATE EXCISE TAX, NUMBER 1** | | **Total** | **$6,244,807** | |
| **Grand Total** | | | **$6,244,807** | |

# CAP Summary by Fund

Budget: 2025 Annual Budget, Scenario: Executive Proposed, Agency: All, Fund: 3682 REAL ESTATE EXCISE TAX, NUMBER 2, Cap Status: Approved, Is IT Proj? Both Yes and No

## 2025 Annual Budget - Executive Proposed

### 3682 REAL ESTATE EXCISE TAX, NUMBER 2 - Other

| Project Number | Project Name<br>Class Code | Tech Adj | FY25 | Narratives |
|---|---|---|---|---|
| 1033539 | **REET 2 Debt Service**<br>STANDALONE | ✓ | $1,510,000 | **Scope:** This project transfers REET 2 proceeds to Debt Service to fund ongoing debt service for the Parks central maintenance facility.<br>**Description of Budget Request:** This project transfers REET 2 proceeds to Debt Service to fund ongoing debt service for the Parks Central Maintenance facility |
| 1134869 | **REET 2 Transfer to Parks**<br>STANDALONE | | $5,081,386 | **Scope:** This project transfers REET 2 funds to the various Parks funds for REET 2 funded projects.<br>**Description of Budget Request:** REET 2 Transfer to Parks - this project transfers REET 2 funds to the various Parks funds for REET 2 funded projects. |
| **3682 - REAL ESTATE EXCISE TAX, NUMBER 2** | | **Total** | **$6,591,386** | |
| **Grand Total** | | | **$6,591,386** | |

**2025 Proposed Financial Plan**
**Real Estate Excise Tax (REET) 1 / 000003681**

## Capital Improvement Program (CIP) Budget

| | 2023-2024 Ending Balance (Year End ITD Balance) | 2025 Proposed | 2025 Total (Balance + Budget) | 2026-2027 Projected | 2028-2029 Projected |
|---|---|---|---|---|---|
| **Capital Budget Revenue Sources:** | | | | | |
| Revenue Backing from Fund Balance | 27,195,434 | | 27,195,434 | 1,000,000 | 1,000,000 |
| Real Estate Excise Tax | | 6,244,807 | 6,244,807 | 21,550,000 | 22,350,000 |
| Interest and Misc. | | | - | 350,000 | 350,000 |
| **Total Capital Revenue** | **$ 27,195,434** | **$ 6,244,807** | **$ 33,440,241** | **$ 22,900,000** | **$ 23,700,000** |
| Capital Appropriation: | | | | | |
| Debt Service | 41,238 | 321,000 | 362,238 | 641,650 | 639,650 |
| Transfer to Parks | 15,211,439 | 3,550,000 | 18,761,439 | 11,129,175 | 11,530,175 |
| Transfer to Roads | 11,942,757 | 2,373,807 | 14,316,564 | 11,129,175 | 11,530,175 |
| **Total Capital Appropriation** | **$ 27,195,434** | **$ 6,244,807** | **$ 33,440,241** | **$ 22,900,000** | **$ 23,700,000** |

## CIP Fund Financial Position

| | 2023-2024 Biennial-to-Date-Actuals | 2023-2024 Estimated | 2025 Budget-to-Date Actuals | 2025 Estimated | 2026-2027 Projected | 2028-2029 Projected |
|---|---|---|---|---|---|---|
| **Beginning Fund Balance** | **$ 24,291,451** | **$ 24,291,451** | **$ 26,808,757** | **$ 31,725,384** | **$ 29,164,711** | **$ 22,016,330** |
| Capital Funding Sources | | | | | | |
| Real Estate Excise Tax | 13,002,967 | $ 21,518,817 | | 6,244,807 | 21,550,000 | 22,350,000 |
| Interest and Misc. | 2,002,450 | $ 2,530,000 | | | 350,000 | 350,000 |
| **Total Capital Revenue** | **$ 15,005,417** | **$ 24,048,817** | **$ -** | **$ 6,244,807** | **$ 21,900,000** | **$ 22,700,000** |
| Capital Expenditures | | | | | | |
| Debt Service | 692,925 | 801,000 | | 321,000 | 641,650 | 639,650 |
| Transfer to Parks | 6,093,683 | 6,158,199 | | 5,114,350 | 14,540,947 | 15,112,536 |
| Transfer to Roads | 5,701,503 | 9,655,685 | | 3,370,130 | 13,865,784 | 14,403,614 |
| **Total Capital Expenditures** | **$ 12,488,111** | **$ 16,614,884** | **$ -** | **$ 8,805,480** | **$ 29,048,381** | **$ 30,155,800** |
| Other Fund Transactions | | | | | | |
| **Total Other Fund Transactions** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| **Ending Fund Balance** | **$ 26,808,757** | **$ 31,725,384** | | **$ 29,164,711** | **$ 22,016,330** | **$ 14,560,531** |
| **Ending Fund Balance designated to current projects*** | **$ 24,487,757** | **$ 29,404,384** | | **$ 27,343,711** | **$ 19,695,330** | **$ 13,240,531** |
| Reserves | | | | | | |
| Cashflow Reserve | 1,000,000 | 1,000,000 | | 500,000 | 1,000,000 | 1,000,000 |
| Debt Service Reserve | 321,000 | 321,000 | | 321,000 | 321,000 | 320,000 |
| Participatory Budgeting Reserve | 1,000,000 | 1,000,000 | | 1,000,000 | 1,000,000 | - |
| **Total Reserves** | **$ 2,321,000** | **$ 2,321,000** | **$ -** | **$ 1,821,000** | **$ 2,321,000** | **$ 1,320,000** |
| Projected Shortfall | - | - | - | - | - | - |
| **Ending Undesignated Fund Balance** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Financial Plan Notes**

***CIP Budget:***

*All financial plans have the following assumptions, unless otherwise noted in below rows.*
*2023-2024 Estimated Ending Balance (Year End ITD Balance) column reflects the best estimate of the inception to date budget balances and actual balances after 2023 is closed.*
*2025 Proposed Budget is consistent with PIC.*
*2025 Total (Balance + Budget) column sums the 2023 + 2024 Ending Balance (Year End ITD Balance) column and the 2025 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.
Outyear revenues are projected based on the latest Office of Economic and Financial Analysis forecasts (August 2024).

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 as of July 2024.*
*2023-2024 Biennial to Date Actuals column reflect amounts in EBS.*
*2023-2024 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.*

Revenues Notes:
Outyear revenue projections are based on the latest Office of Economic and Financial Analysis forecasts (August 2024).
Expenditure Notes:
Outyear expenditure projections assume 25% burn down of estimated 2025 balance in 2026-2027 and 35% burn down of the remaining balance in 2028-2029.

Reserve Notes:
Ending Fund balance designated to current projects row 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.
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 8/30/2024 by Yan Gao using data from PIC and BI Insights.

**2025 Proposed Financial Plan**
**Real Estate Excise Tax (REET) 2 / 000003682**

## Capital Improvement Program (CIP) Budget

| | 2023-2024 Ending Balance (Year End ITD Balance) | 2025 Proposed | 2025 Total (Balance + Budget) | 2026-2027 Projected | 2028-2029 Projected |
|---|---|---|---|---|---|
| **Capital Budget Revenue Sources:** | | | | | |
| Revenue Backing from Fund Balance | 21,691,667 | | 21,691,667 | | |
| Real Estate Excise Tax | | 6,591,386 | 6,591,386 | 21,550,000 | 22,350,000 |
| Interest and Misc. | | | | 450,000 | 450,000 |
| **Total Capital Revenue** | **$ 21,691,667** | **$ 6,591,386** | **$ 28,283,053** | **$ 22,000,000** | **$ 22,800,000** |
| Capital Appropriation: | | | | | |
| Debt Service | 122,140 | 1,510,000 | 1,632,140 | 3,012,500 | 3,012,500 |
| Transfer to Parks | 21,569,527 | 5,081,386 | 26,650,913 | 18,987,500 | 19,787,500 |
| **Total Capital Appropriation** | **$ 21,691,667** | **$ 6,591,386** | **$ 28,283,053** | **$ 22,000,000** | **$ 22,800,000** |

## CIP Fund Financial Position

| | 2023-2024 Biennial-to-Date-Actuals | 2023-2024 Estimated | 2025 Budget-to-Date Actuals | 2025 Estimated | 2026-2027 Projected | 2028-2029 Projected |
|---|---|---|---|---|---|---|
| **Beginning Fund Balance** | **$ 31,516,941** | **$ 31,516,941** | **$ 30,064,259** | **$ 21,016,531** | **$ 18,362,731** | **$ 13,633,799** |
| Capital Funding Sources | | | | | | |
| Real Estate Excise Tax | 13,002,967 | $ 16,717,439 | | 6,591,386 | 21,550,000 | 22,350,000 |
| Interest and Misc. | 2,683,967 | $ 3,390,000 | | - | 450,000 | 450,000 |
| **Total Capital Revenue** | **$ 15,686,934** | **$ 20,107,439** | **$ -** | **$ 6,591,386** | **$ 22,000,000** | **$ 22,800,000** |
| Capital Expenditures | | | | | | |
| Debt Service | 3,009,750 | $ 3,044,000 | | 1,510,000 | 3,012,500 | 3,012,500 |
| Transfer to Parks | 14,129,866 | $ 27,563,849 | | 7,735,186 | 23,716,432 | 24,752,878 |
| **Total Capital Expenditures** | **$ 17,139,616** | **$ 30,607,849** | **$ -** | **$ 9,245,186** | **$ 26,728,932** | **$ 27,765,378** |
| Other Fund Transactions | | | | | | |
| Prior year adjustments | | - | | - | | |
| **Total Other Fund Transactions** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| **Ending Fund Balance** | **$ 30,064,259** | **$ 21,016,531** | | **$ 18,362,731** | **$ 13,633,799** | **$ 8,668,421** |
| **Ending Fund Balance designated to current projects*** | **$ 27,564,259** | **$ 18,516,531** | | **$ 16,362,731** | **$ 11,133,799** | **$ 6,168,421** |
| Reserves | | | | | | |
| Cashflow Reserve | 1,000,000 | 1,000,000 | | 500,000 | 1,000,000 | 1,000,000 |
| Debt Service Reserve | 1,500,000 | 1,500,000 | | 1,500,000 | 1,500,000 | 1,500,000 |
| **Total Reserves** | **$ 2,500,000** | **$ 2,500,000** | **$ -** | **$ 2,000,000** | **$ 2,500,000** | **$ 2,500,000** |
| Projected Shortfall | - | - | - | - | - | - |
| **Ending Undesignated Fund Balance** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Financial Plan Notes**

***CIP Budget:***

*All financial plans have the following assumptions, unless otherwise noted in below rows.*
*2023-2024 Estimated Ending Balance (Year End ITD Balance) column reflects the best estimate of the inception to date budget balances and actual balances after 2023 is closed.*
*2025 Proposed Budget is consistent with PIC.*
*2025 Total (Balance + Budget) column sums the 2023 + 2024 Ending Balance (Year End ITD Balance) column and the 2025 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. Outyear revenues are projected based on the latest Office of Economic and Financial Analysis forecasts (August 2024).

Appropriation Notes: Over or under collection in revenues in prior years are 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.*
*2023-2024 Biennial to Date Actuals column reflect amounts in EBS.*
*2023-2024 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.*

Revenues Notes:
Outyear revenue projections are based on the latest Office of Economic and Financial Analysis forecasts (August 2024).
Expenditure Notes:
Outyear expenditure projections assume 25% burn down of estimated 2025 balance in 2026-2027 and 35% burn down of the remaining balance in 2028-2029.

Reserve Notes:
Ending Fund balance designated to current projects row 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.
Approximately $5 million of the Ending Fund balance designated to current projects are designated to Parks Central Maintenance Facility project.
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 for the Parks Central Maintenance Facility project.

Last Updated 8/30/2024 by Yan Gao using data from PIC and BI Insights.

## 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 2025, the King County Executive proposes implementing the county hospital levy at a rate of $0.085 per $1,000 of assessed value (AV). Based on the August 2024 OEFA forecast, the revenue from the levy in 2025 will be $74.6 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 2025:

- $25 million for Harborview Medical Center operations.
- $25 million for clinic operations for King County's 11 public health centers, the Sexual Health Clinic, and the Tuberculosis Control Program Clinic.
- $19 million for ongoing maintenance at Harborview, with specific investments to be determined via a later appropriation in 2025.
- $6 million for County administrative costs and the fund's rainy-day reserve.

## 2025 Executive Proposed Operating Budget
## COUNTY HOSPITAL LEVY (EN_A17000)

| Operating Budget Summary | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **2023-2024 Revised Budget** | **0** | **0** | **0.0** | **0.0** |
| **2024 Revised Budget Annualized** | **0** | **0** | **0.0** | **0.0** |
| Decision Package Adjustments | 70,145,411 | 75,620,000 | 0.0 | 0.0 |
| **2025 Executive Proposed Budget** | **70,145,411** | **75,620,000** | **0.0** | **0.0** |
| **2025 Executive Proposed Ordinance** | **70,146,000** | **75,620,000** | **0.0** | **0.0** |

| Decision Package Adjustment Detail | Expenditures | Revenues | Reg FTE | TLT |
|---|---|---|---|---|
| **Direct Service Changes** | | | | |
| DS_001 County Hospital Coordination and Board Support<br>Transfer county hospital tax revenue to the Executive Office to cover costs for a County Hospital District Director, one-time temporary labor, and legal and consultative costs. Associated with DS_001 in the Executive Office. | 1,145,411 | 0 | 0.0 | 0.0 |
| DS_002 County Hospital Levy Support for Harborview<br>Transfer county hospital tax revenue to Harborview for operations costs, major infrastructure projects, and the contribution to mission population support in Public Health. Appropriations for specific major infrastructure projects will follow in 2025 as part of the annual Harborview maintenance budget in the Harborview Medical Center Repair and Replacement fund. | 44,000,000 | 0 | 0.0 | 0.0 |
| DS_003 County Hospital Levy Support for Public Health Clinics<br>Transfer county hospital tax revenue to Public Health to sustain operations. | 25,000,000 | 0 | 0.0 | 0.0 |
| **Technical Adjustments** | | | | |
| TA_050 Revenue Adjustments<br>Revised budgeted revenues to match current forecast. | 0 | 75,620,000 | 0.0 | 0.0 |
| **Total Decision Package Adjustments** | 70,145,411 | 75,620,000 | 0.0 | 0.0 |

**2025 Proposed Financial Plan**

**County Hospital Levy / 1700**

| Category | 2023-2024 Estimated | 2025 Proposed | 2026-2027 Projected | 2028-2029 Projected |
|---|---|---|---|---|
| **Beginning Fund Balance** | **-** | **-** | **5,474,589** | **23,694,485** |
| **Revenues** | | | | |
| Local | - | 74,620,000 | 163,122,000 | 179,241,000 |
| Other | - | 1,000,000 | 1,000,000 | 1,000,000 |
| **Total Revenues** | **$ -** | **$ 75,620,000** | **$ 164,122,000** | **$ 180,241,000** |
| **Expenditures** | | | | |
| Contributions to County Hospital Operating | - | 25,000,000 | 52,432,000 | 55,894,451 |
| Contributions to County Hospital Infrastructure | | 19,000,000 | 38,000,000 | 38,000,000 |
| Contributions to King County Operations | | 25,000,000 | 53,040,000 | 57,368,064 |
| County Staff and Central Rates | - | 1,145,411 | 2,430,104 | 2,628,401 |
| Debt Service | - | - | - | - |
| **Total Expenditures** | **$ -** | **$ 70,145,411** | **$ 145,902,104** | **$ 153,890,916** |
| **Estimated Underexpenditures** | | | | |
| **Other Fund Transactions** | | | | |
| **Total Other Fund Transactions** | **$ -** | **$ -** | **$ -** | **$ -** |
| **Ending Fund Balance** | **$ -** | **$ 5,474,589** | **$ 23,694,485** | **$ 50,044,569** |
| **Reserves** | | | | |
| Capital Debt Service Reserve | - | - | 16,000,000 | 42,000,000 |
| Operating, Capital, and Maintenance Reserve | - | - | - | - |
| Rainy Day Reserve | - | 6,446,814 | 6,838,780 | 7,396,824 |
| **Total Reserves** | **$ -** | **$ 6,446,814** | **$ 22,838,780** | **$ 49,396,824** |
| Reserve Shortfall | - | 972,225 | | - |
| **Ending Undesignated Fund Balance** | **$ -** | **$ -** | **$ 855,705** | **$ 647,745** |

**Financial Plan Notes**

All financial plans have the following assumptions, unless otherwise noted in below rows.

2025 Proposed Budget ties to PBCS.

Outyear projections columns: revenue and expenditure inflation assumptions are consistent with the levy forecast.

Revenue Notes:

Levy proposed to begin in 2025 at rate of 8.5 cents per $1000 of Assessed Value. Other income includes interest.

Expenditure Notes:

Expenditures include a $5M contribution to Harborview to cover Mission Population payment to Public Health, which does not inflate over time per the Hospital Services Agreement. Consistent with the levy forecast, the remaining transfer to the County Hospital, the transfer for King County Operations in Public Health, and County staff costs inflated at 4% annually. Major Infrastructure transfer for County Hospital forecast to remain $19M annually.

Reserve Notes:

Capital Debt Service Reserve reflects estimated capacity for debt service if the levy remains at the initial rate. Exact requirement will vary based on the timing of debt issuance. Rainy Day Reserve covers King County expenditures - the transfer to Public Health, County hospital staff, overhead, and central rates. Operating, capital, and maintenance reserve will capture underspend in 2025 for use in later years.

Last Updated September 13, 2024 by PSB using data from PBCS and OEFA forecasts.

## COVID-19 Program Reappropriations

King County received over $2 billion in federal funding in response to the COVID-19 pandemic, including $437 million in Coronavirus Local Fiscal Relief (CLFR) funds through the American Rescue Plan Act (ARPA). As of early 2024, estimated King County's CLFR-funded investments as reported to U.S. Department of Treasury include:

- $70 million for homeless response
- $60 million for economic recovery programs
- $60 million for community resiliency
- $30 million for jobs and housing
- $170 million for county operations
- $60 million for public health response

Note that the total exceeds $437 million because some appropriations were not fully spent and funds were subsequently reappropriated.

With health and safety as the top priorities, King County will reappropriate the remaining CLFR funds in 2025 to continue to ensure an equitable recovery for everyone in the community. The reappropriation in the 2023-2024 budget was approximately $220 million.

Table 1 summarizes CLFR reappropriations that are included in the 2025 Proposed Budget.

Table 1 - Pandemic Response Funds in 2025 Proposed Budget

| Department | Proposed 2025 Reappropriation |
|---|---|
| Community and Human Services | $18,300,000 |
| Public Health | $2,800,000 |
| Executive | $5,500,000 |
| Local Services | $2,200,000 |
| Executive Services | $3,100,000 |
| Natural Resources and Parks | $1,600,000 |
| **Total** | **$33,500,000** |

While most COVID relief funding was spent on new and expanded programming, some of the federal funding could be used for costs traditionally funded by the County's own revenues if that revenue was affected by the pandemic. The 2021 American Rescue Plan Act (ARPA) included a method for calculating "lost revenue" for each eligible government. This calculation determined that King County lost $148 million of revenue due to the pandemic.

The County was allowed to replace that lost revenue with federal funding by allocating a portion of its total $437 million CLFR allocation.

The County used this flexibility to replace lost revenue in two ways. First, over $14 million was used to cover General Fund costs in 2022, allowing the General Fund to start the 2023-2024 biennium with a higher fund balance. Second, approximately $82 million was used or will be used to fund pandemic response programs that would be difficult to qualify for direct federal support because of contracting restrictions or eligibility challenges. This second category essentially transfers federal money to replace General Fund lost revenues and then uses that General Fund for the new programs.