

General Fund



King County General Fund

King County's General Fund pays for the traditional functions of county government, including courts, the Sheriff's Office, the Prosecuting Attorney's Office, public defense, jails, elections, and property assessments. About 75 percent of the General Fund is spent on public safety, but the County has a long history of providing some support from this fund for public health and human services too. Most of the General Fund's revenue comes from property and sales taxes and contracts to deliver services to other governments.

The 2023 – 2024 Budget

King County uses a biennial (two-year) budget. The \$2.3 billion 2023-2024 Proposed Budget for the General Fund is precariously balanced using one-time sources of funding, including federal pandemic relief funds, which expire at the end of 2024, and salary savings due to higher-than-normal vacancies.

Under Executive Constantine's leadership, the County has achieved significant cost savings in its operations over the last decade. These actions continue in the proposed budget.

- The County will close one of its three downtown office buildings in 2023 because of continued remote work. This will save millions of dollars in operating and maintenance costs.
- Similarly, the County is using strategic sourcing to reduce the cost of purchases such as cellphones, chemicals for wastewater treatment, and copiers.

Deficit looming without State action

Current forecasts show that the **County faces a General Fund budget deficit of \$80 to \$100 million for the 2025-2026 biennium.**

- This is due to the State-imposed arbitrary limit of 1 percent annual revenue growth in property taxes, plus the value of new construction, which typically is about another 1 percent.
- Property taxes are the single largest source of revenue for the General Fund and County costs are growing far faster due to the recent spike in inflation. This has translated into higher costs for labor, fuel, construction, and many other goods and services.
- It is **impossible to maintain existing service levels** when the largest revenue source grows by about 2 percent annually and costs are growing 5 percent or more each year.

Continued on next page

Executive Constantine's Proposed Budget maintains a 7 percent reserve, meeting County requirements, to be prepared for future emergencies, and to maintain the County's AAA bond rating. The AAA rating, the highest possible level, minimizes interest costs when any County department – even those outside the General Fund – borrows money. A lower bond rating would add tens of millions of dollars of additional interest costs, resulting in decreased programming and services for county residents.



State legislative action is critical to preventing major cuts to service

This year hundreds of requests for additional General Fund programs were turned down due to a lack of revenue. Addressing long-term financial challenges requires changes in State law. The County will, again, be pursuing changes to the property tax revenue growth limit and other more progressive revenue sources during the 2023 Legislative session.

- The County is required by the State to provide certain services, so agencies such as the Department of Public Defense and the Department of Adult and Juvenile Detention are largely protected from budget reductions.
- This means that budget, staffing, and service reductions will disproportionately fall on the courts, Prosecutor's Office, public health, human services, and internal service agencies that support other County departments.
- If the Legislature fails to act, very substantial budget cuts will be needed, including the elimination of 300 to 350 jobs.