



King County

BUDGET ADVISORY TASK FORCE

Progress Report

September 23, 2005

BUDGET ADVISORY TASK FORCE

Key Recommendations for 2006 Budget Development

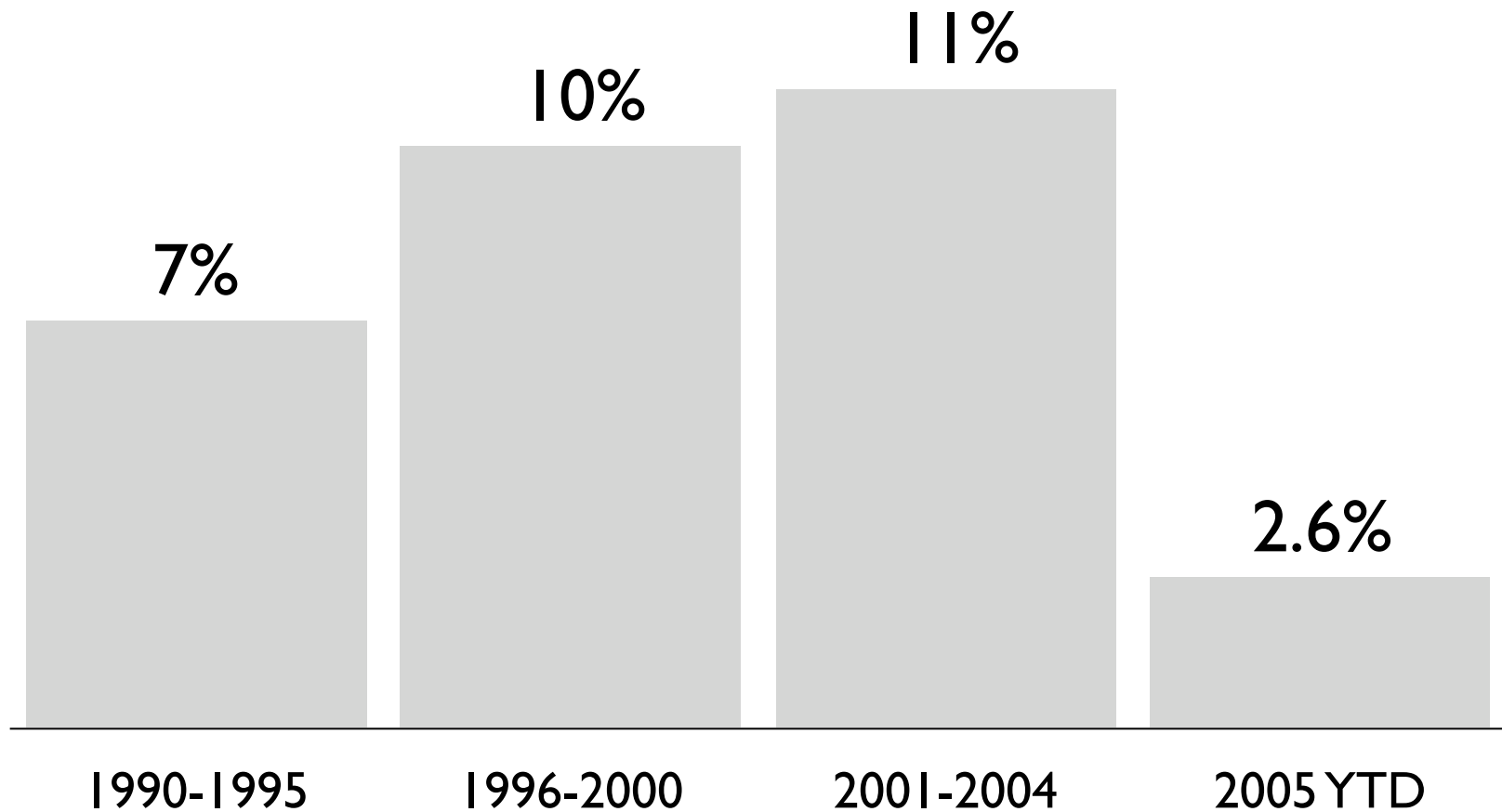
- Contain Employee Health Care/Benefit cost growth
- Promote Annexation/Incorporation of Urban Unincorporated areas
- Streamline operations
- Invest in technology

Health Reform Initiative

- New three-tiered pharmaceutical formulary saving \$2 million annually (2003-2005)
- Initiated case management and disease management programs (January 2005)
- Wellness Assessments start in 2006
- Healthy Incentives program starts in 2007:
Higher co-pays and deductibles for non-participating employees

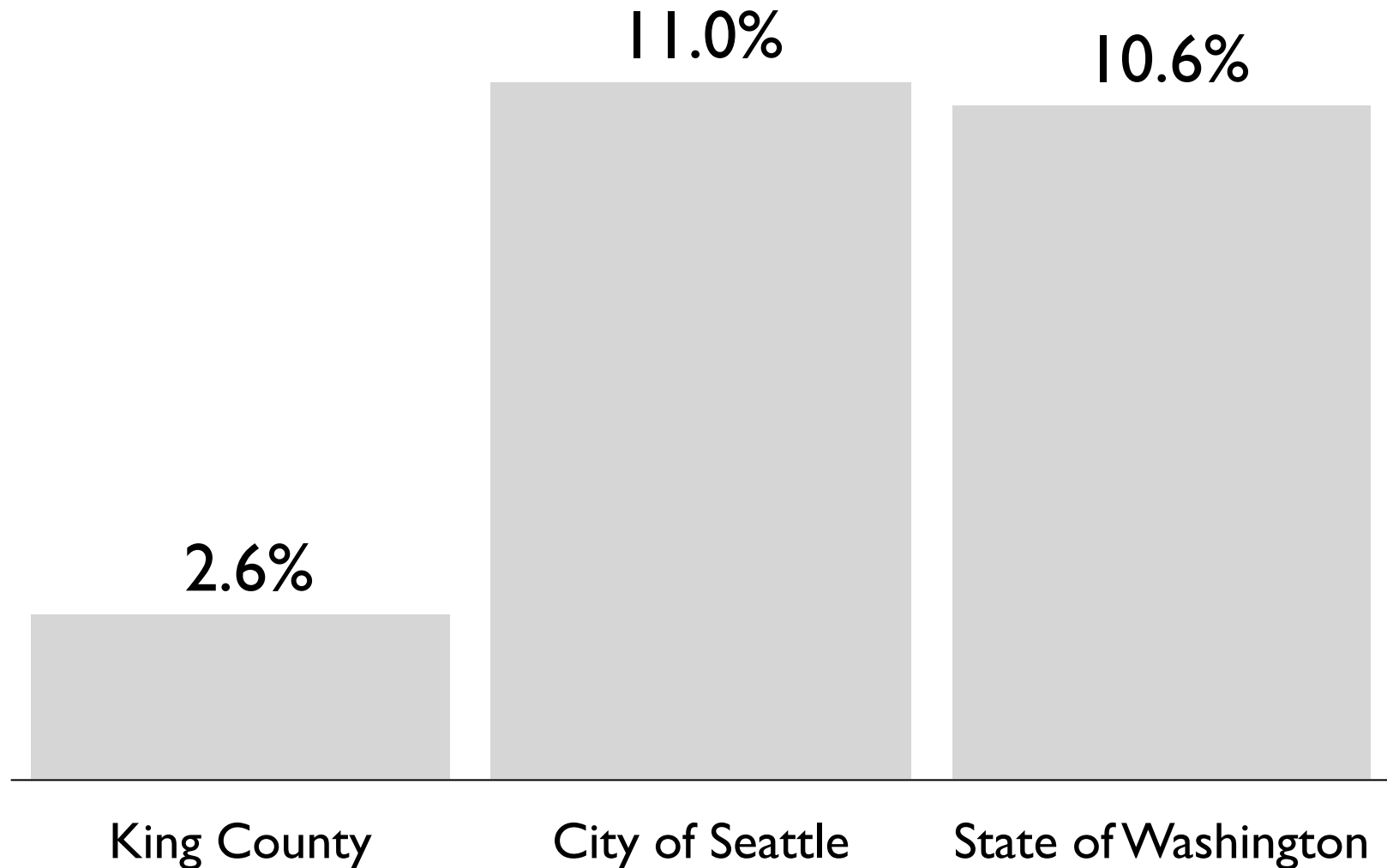
Medical Cost Growth

King County Self-Insured Medical and Prescription Drug Plan, Per Employee



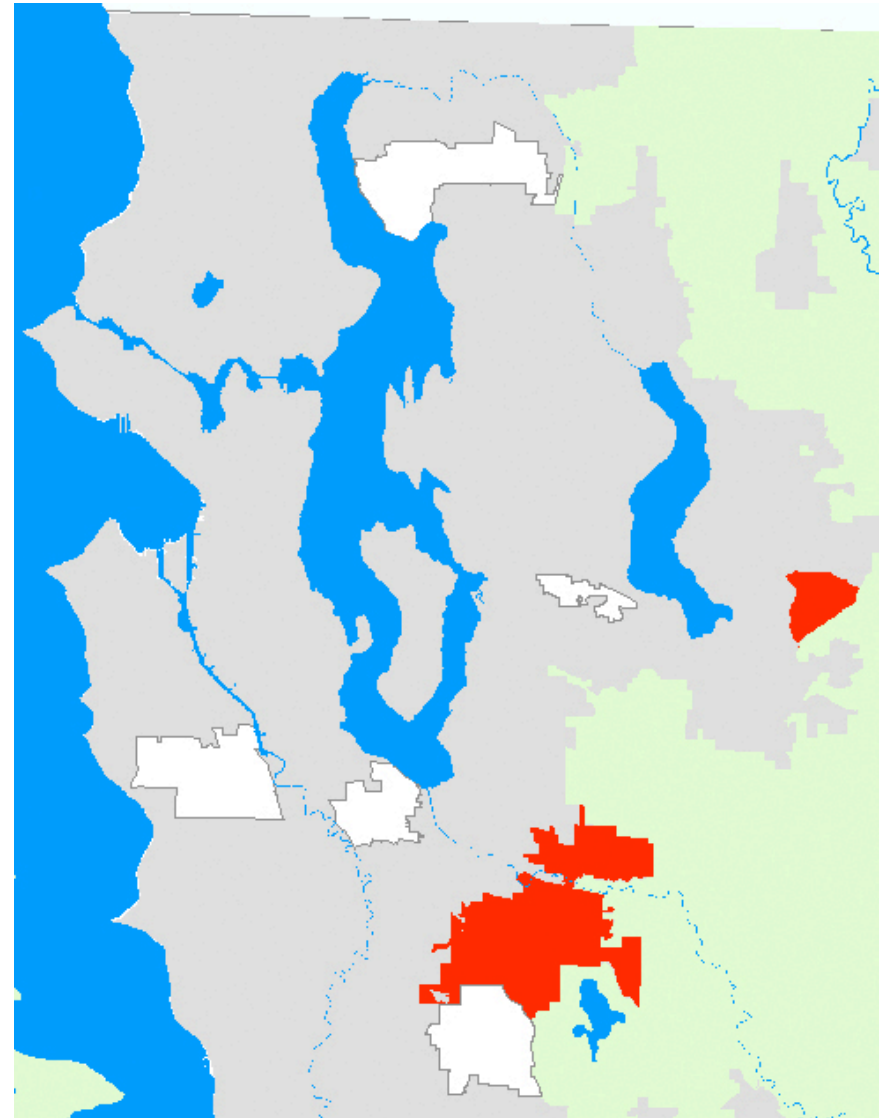
YTD Employee Medical Cost Growth

Comparison of major public employers



Annexations and Incorporations

- **Klahanie**
On November 2005 ballot
(Annex to City of Issaquah)
- **East Renton Plateau**
MOU for 2006 ballot
(Annex to City of Renton)
- **Fairwood**
April 2006 Ballot
(Incorporation)



Task Forces and Business Plans

- Metropolitan Parks Task Force:
Parks Business Plan
- Health Advisory Task Force
- Human Services Task Force
- Strategic Advisory Council:
Technology Strategic Plan & Business Plan
- Solid Waste Business Plan

Operational Master Plans

- **Adult Detention** (2004)
- **District Court** (2005)
- **Public Health** (underway)
- **Superior Court – Targeted Family and Children services** (underway)
- **Sheriff** (2006 Executive Proposed Budget)

Technology Investments

- Law Safety and Justice Integration Program
- Electronic Court Records System
- Jail Health Electronic Medical Record Project
- Security/Privacy Program
- Business Continuity for County Operations

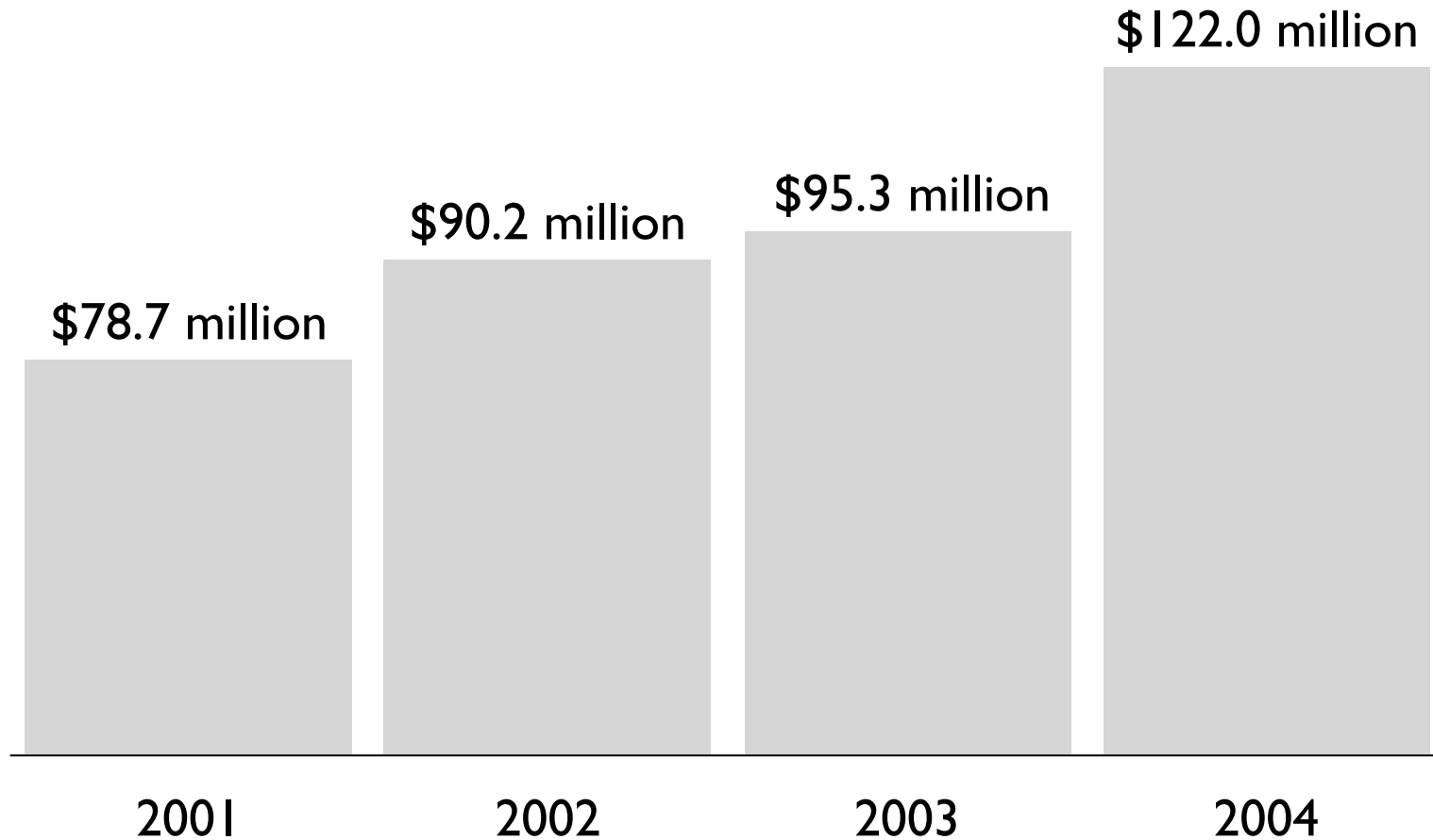
\$137m Shortfall Over Four Years

The County employed several strategies to cover the budget shortfall:

- Budget cuts
\$74.4 million
- New revenue (grants, fee increases, Parks levy)
\$31.2 million
- Cedar Hills rent (funded from Solid Waste Efficiencies without rate increase)
\$7.0 million
- Lower salary, benefit, retirement costs
\$19.1 million

General Fund Reserves

Audited end-of-year actuals (CAFR)



Reserves to meet future costs

- \$10.7 million Criminal Justice Outyear Mitigation Reserve used in 2005, 2006, and 2007.
- \$8.3 million PERS II Pension Reserve
- \$2.0 million Active Duty Reservist/National Guard Reserve

Reserves to reduce future costs

- **\$10.0 million CX Annexation Incentive Fund**
- **\$2.0 million REET Annexation Incentive Fund**
- **\$7.0 million Roads Annexation Incentive Fund**
Eliminated by VLF repeal (Initiative 776)
- **\$15.1 million Transition Fund**
Initially \$10 million fund created in 2004, replenished in 2005.

Status Quo Deficit

Shortfall between costs and revenues balanced by each budget

