

Program Summaries

Budget Planning Assumptions

The 2003 King County Budget is built using the following assumptions:

Salaries. In 2003, reserves for salary and wage adjustments for COLA and Merit are budgeted in each appropriation unit in the Current Expense fund instead of holding central reserves in the Salary and Wage Contingency. Non-Current Expense funds continue to hold salary and wage reserve accounts within each fund. These reserves provide funding for COLA and merit increases. For most County employees the COLA increase is 90% of the change in the September to September national consumer price index (CPI-W), with a floor of 2.00%. The 2003 COLA is projected to be 2.00%. The contingencies also include reserves for merit and longevity increases, implementation of the Classification and Compensation Study and other salary adjustments. The methodology in the Current Expense Fund eliminates the need for a COLA Ordinance to distribute funding from the central Salary and Wage Contingency to each Current Expense appropriation unit.

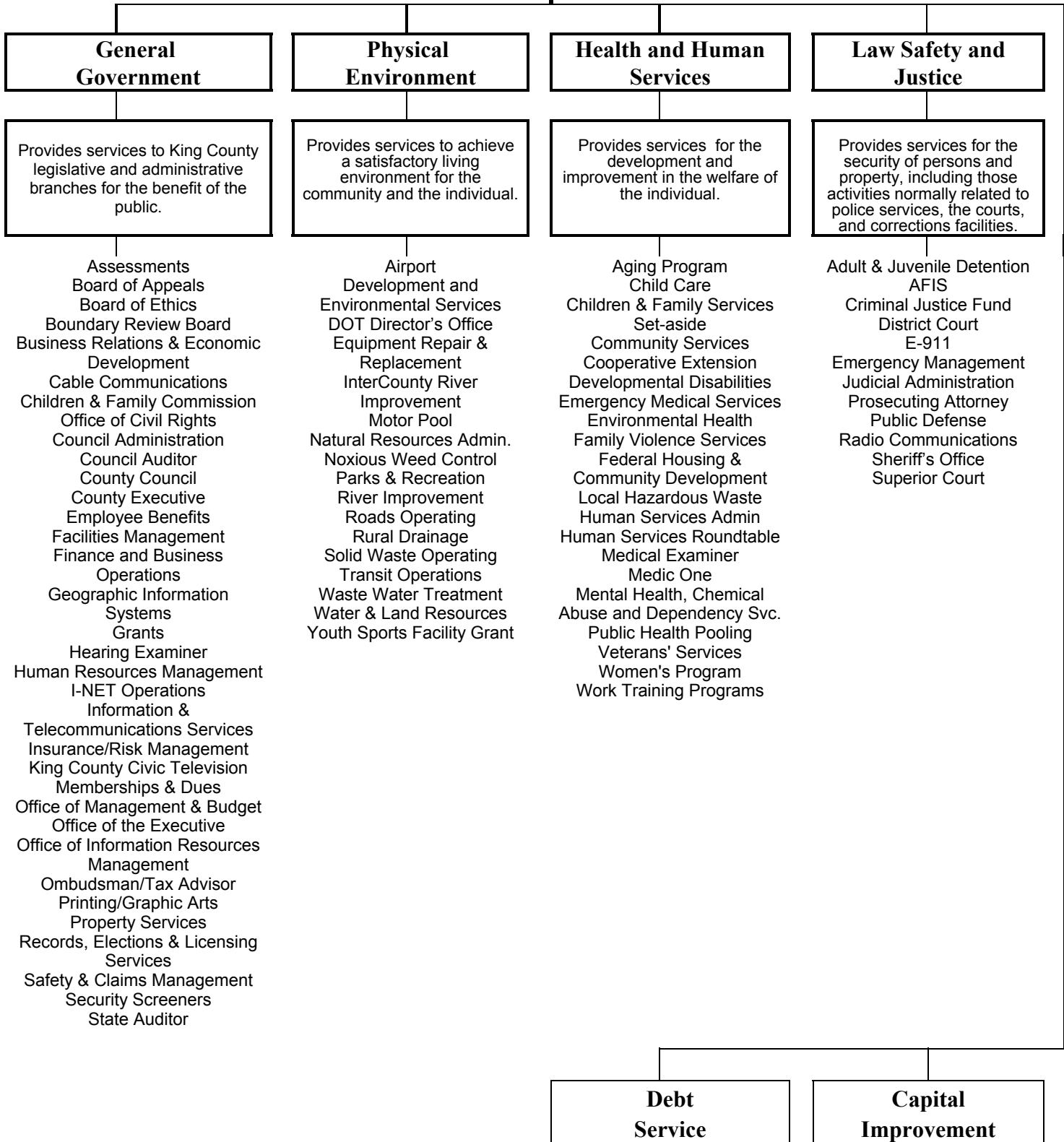
Medical Benefits. Expenditures for providing medical/dental benefits to employees are budgeted to increase about 1.84% in 2003 over 2002 levels.

Internal Service Rates. The 2003 Proposed Budget includes increases in several internal service rates, including ITS-Technology Services rates, ITS-Telecommunications rates, Facilities Management rates, and rates from the Department of Finance.

Current Expense Underexpenditure. Prior to 1997, the CX Financial Plan assumed a 1.00% underexpenditure rate. Beginning in 1997, the CX Financial Plan assumed a 1.50% underexpenditure rate which was increased to a 1.75% rate in 1998, 1999, 2000 and 2001. For 2002, the underexpenditure rate increased to 2.00%. In the 2003 Proposed Budget, 1.25% of the required underexpenditure has been reduced from each CX operating and CX transfer budget to more directly budget for assumed underexpenditure levels. A remaining central contra of 0.75% is being held in the CX Financial Plan, for a total assumption of 2.00%. Departments are expected to manage their appropriations to achieve the underexpenditure.

Major Maintenance Reserve Fund. The 2003 Proposed Budget includes the transfer of \$4 million of revenues designated for the Sales Tax Reserve subfund to the Major Maintenance Reserve Fund and in support of the other CIP programs. The County's financial policies allow for expenditure from the Sales Tax Reserve Fund when the fund balance exceeds \$15 million. This balance was achieved in 1994.

KING COUNTY
Program Plan Areas



Summary Comparison of 2003 Appropriations by Program Category All Resources

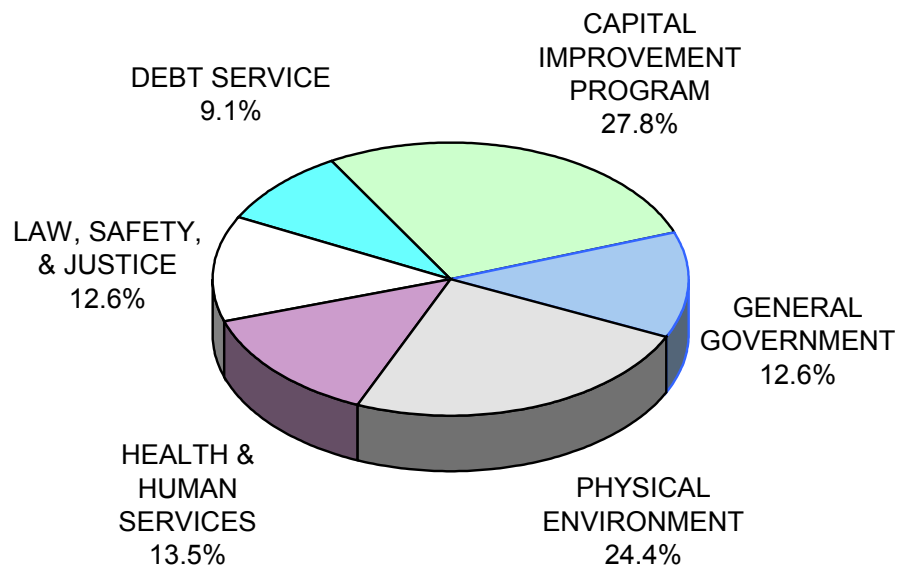
Program Category	2001 Adopted	2002 Adopted	2003 Adopted	2003 - 2002	
				\$ Change	% Change
General Government	352,018,442	357,377,888	387,726,429	30,348,541	7.8%
Physical Environment	756,774,999	797,224,857	749,726,108	(47,498,749)	-6.3%
Health & Human Services	395,667,548	424,050,250	414,207,878	(9,842,372)	-2.4%
Law, Safety & Justice	373,520,655	380,506,181	387,354,758	6,848,577	1.8%
Total Operating	1,877,981,643	1,959,159,176	1,939,015,173	142,545,668	7.4%
Debt Service	268,045,257	254,154,873	278,666,966	24,512,093	8.8%
Capital Improvement	531,429,714	639,484,433	855,498,682	216,014,249	25.3%
TOTAL	2,677,456,615	2,852,798,482	3,073,180,821	267,188,170	8.7%
Non-Categorized					
CX Fund Transfers	30,896,406	33,057,309	32,870,641		
Sales Tax Contingency	5,231,011	4,193,736	4,020,313		
Children and Family Services	4,274,341	3,908,975	3,668,862		
CJ Funds Other	2,620,520	806,722	694,282		
Roads and Airport Construction Transfer	24,958,493	25,288,232	27,738,424		
Clark Admin. & PERS Liability	16,071,784	17,694,516	2,506,446		
Total Non-Categorized	84,052,555	84,949,490	71,498,968		
Grand Total	\$ 2,761,509,170	\$ 2,937,747,972	\$ 3,144,679,789		

Summary Comparison of 2003 Appropriations by Program Category Current Expense and General Fund

Program Category	2001 Adopted	2002 Adopted	2003 Adopted	2003 - 2002	
				\$ Change	% Change
General Government	98,847,897	89,934,664	94,940,976	5,006,312	5.6%
Physical Environment	32,071,628	28,802,541	19,616,901	(9,185,640)	(31.9%)
Health & Human Services	34,951,380	32,705,037	27,921,205	(4,783,832)	(14.6%)
Law, Safety & Justice	322,351,963	335,035,231	339,255,712	4,220,481	1.3%
CX Transfers to CIP	3,420,237	6,814,006	6,905,534	91,528	1.3%
Total Current Expense*	491,643,105	493,291,479	488,640,328	(4,651,151)	(0.9%)
Subfunds to the General Fund					
Sales Tax Reserve Contingency	5,231,011	4,193,736	4,020,313	(173,423)	(4.1%)
Children and Families Set-Aside	4,274,341	3,908,975	3,668,862	(240,113)	(6.1%)
Inmate Welfare	2,017,416	1,811,658	1,865,308	53,650	3.0%
Total General Fund*	\$ 503,165,873	\$ 503,205,848	\$ 498,194,811	\$ (5,011,037)	(1.0%)

*The financial plan and this table reconcile by reducing the total general fund amount by \$4,020,313 for the Sales Tax Reserve Contingency (which is a transfer to the CX Transfers to CIP) and by a \$2,323,010 for the underexpenditure assumption found in the Financial Plan. The total \$491,851,488 matches the financial plan.

Distribution of 2003 Expenditures by Program Category
All Funds \$3.1 Billion



**Distribution of 2003 Expenditures by Program Area
Current Expense Fund
\$498 Million**

