

Program Summaries

BUDGET PLANNING ASSUMPTIONS

Budget Planning Assumptions

The 2006 King County Budget is built using the following assumptions:

Salaries. In 2006, 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 fund. Non-Current Expense funds continue to hold salary and wage reserve accounts within each fund. These reserves provide funding for COLA, merit and step 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 2006 COLA based on 90% of CPI-W is 4.66%. The contingencies also include reserves for merit, longevity increases, 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.

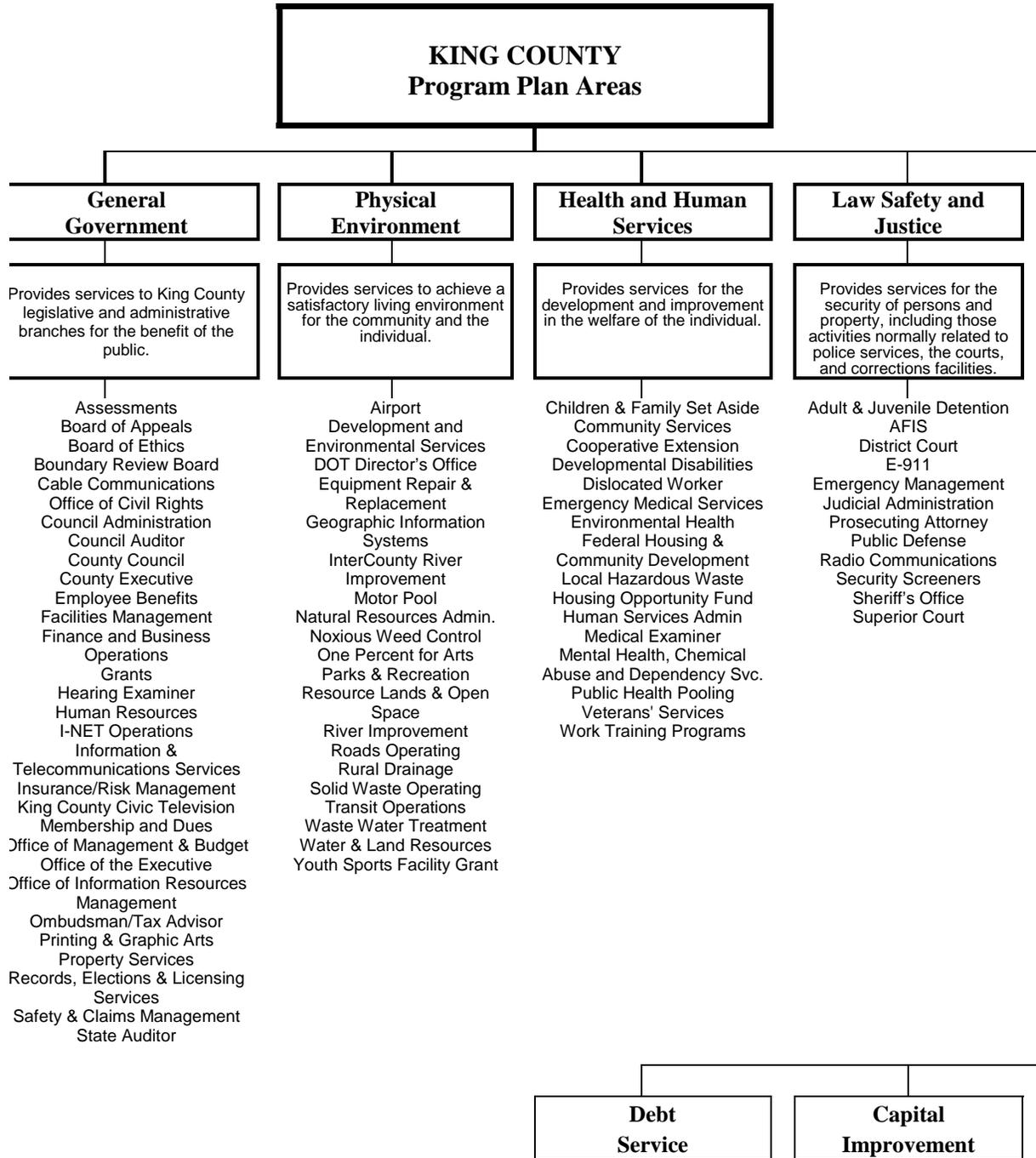
Medical Benefits. Expenditures for providing medical/dental benefits to employees are budgeted to increase about 5.00% in 2006 over 2005 budgeted levels.

Internal Service Rates. The 2006 Proposed Budget includes increases in several internal service rates, including ITS-Technology Services, ITS-Telecommunications, Facilities Management, Office of Information Resource Management, Risk Management and 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. Beginning in 2002, the underexpenditure rate increased to 2.00%. In the 2006 Proposed Budget, 1.25% of the required underexpenditure has been reduced from CX operating budgets to more directly budget for assumed underexpenditure levels. A remaining central contra of 0.75% is 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 2006 Proposed Budget includes the transfer of \$4.5 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.

BUDGET PLANNING ASSUMPTIONS



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**Summary Comparison of 2006 Appropriations by Program Category
All Resources**

Program Category	2004 Adopted	2005 Adopted	2006 Adopted	2006 - 2005 \$ Change % Change	
General Government	430,811,549	431,576,420	474,059,816	42,483,396	9.8%
Physical Environment	743,290,775	760,861,114	886,823,149	125,962,035	16.6%
Health and Human Services	412,091,294	431,290,173	436,459,626	5,169,453	1.2%
Law, Safety and Justice	404,577,665	422,635,051	448,322,762	25,687,711	6.1%
Total Operating	1,990,771,282	2,046,362,758	2,245,665,353	199,302,595	9.7%
Debt Service	280,565,479	298,057,109	333,712,535	35,655,426	12.0%
Capital Improvement	601,412,710	941,770,848	796,071,259	(145,699,589)	-15.5%
TOTAL	2,872,749,472	3,286,190,715	3,375,449,147	89,258,432	2.7%
Non-Categorized					
CX Fund Transfers	56,996,381	58,468,390	62,416,817		
Sales Tax Contingency	3,920,150	4,171,491	4,504,569		
Children and Family Services	7,294,913	7,440,673	7,686,457		
CJ Funds Other	481,243	-	-		
Roads and Airport Construction Transfer	29,788,813	33,966,583	33,504,722		
PERS Liability and Risk Abatement	34,725,500	23,472,683	2,200,000		
Total Non-Categorized	133,207,000	127,519,820	110,312,565		
Grand Total	\$ 3,005,956,472	\$ 3,413,710,535	\$ 3,485,761,712		

**Summary Comparison of 2006 Appropriations by Program Category
Current Expense and General Fund**

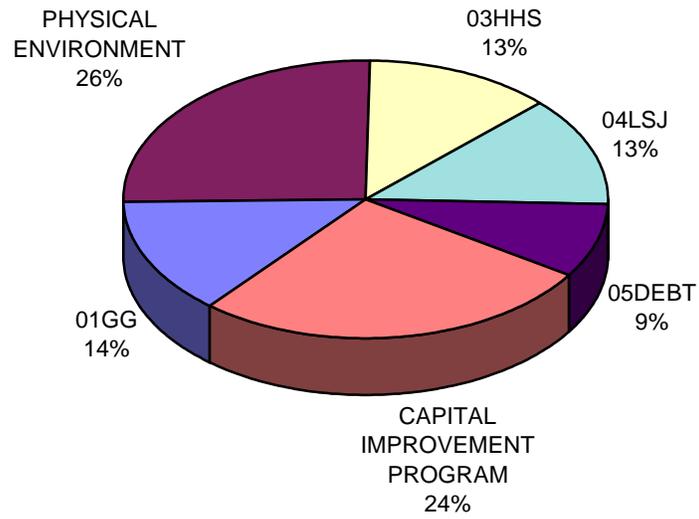
Program Category	2004 Adopted	2005 Adopted	2006 Adopted	2006 - 2005 \$ Change % Change	
General Government	81,385,057	84,839,849	90,245,287	5,405,438	6.4%
Parks/DDES	5,658,086	5,775,121	6,091,483	316,362	5.5%
Health and Human Services	30,003,136	34,013,755	41,399,591	7,385,836	21.7%
Law, Safety and Justice	372,839,659	384,695,154	414,088,386	29,393,232	7.6%
CX Transfers to CIP	21,127,962	17,253,088	14,035,012	(3,218,076)	(18.7%)
Other Agencies	14,254,282	10,173,934	11,807,437	1,633,503	16.1%
Total Current Expense*	525,268,182	536,750,901	577,667,196	40,916,295	7.6%
Subfunds to the General Fund					
Sales Tax Reserve Contingency	3,920,150	4,171,491	4,504,569	333,078	8.0%
Children and Families Set-Aside	15,695,025	19,984,454	21,248,246	1,263,792	6.3%
Inmate Welfare	1,198,223	1,201,285	1,338,011	136,726	11.4%
Total General Fund	\$ 546,081,580	\$ 562,108,131	\$ 604,758,022	\$ 42,649,891	7.6%

*The CX financial plan expenditures and this table reconcile by reducing the total CX fund amount by the double count of \$16,122,480 in the Children and Families Set-Aside Fund for a total of \$561,544,716 which matches the General Fund financial plan CX expenditures line.

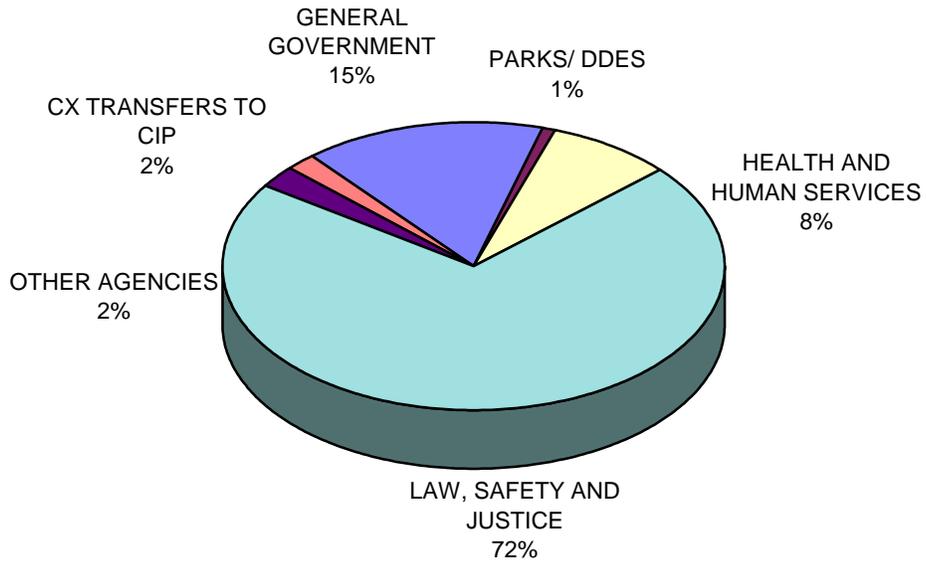
Add to the CX expenditure line Children and Families Set-Aside and Inmate Welfare for a total of \$584 M.
Add back by the CX underexpenditure amount and the total matches the bottom line for the pie chart of \$580 M.

**This table restates Current Expense and Criminal Justice for 2004.

**Distribution of 2006 Expenditures by Program Category
All Funds \$3.4 Billion**



**Distribution of 2006 Expenditures by Program Area
General Fund
\$584 Million**

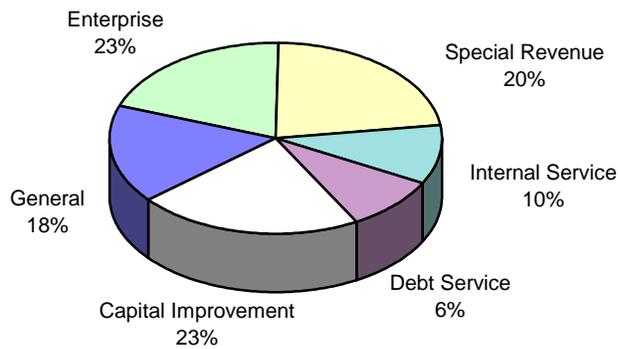


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**2006 Expenditures, Revenues and FTEs
by Fund Type**

Fund Type	Revenues		Expenditures		FTEs	
General	608,750,146	18%	604,758,022	17%	4,282	32%
Special Revenue	681,883,954	20%	709,687,044	20%	3,173	24%
Enterprise	779,314,767	23%	812,140,912	22%	4,919	38%
Internal Service	354,014,812	10%	360,956,540	10%	840	6%
Debt Service	190,600,981	6%	333,712,535	9%	0	0%
Capital Improvement	796,071,259	23%	796,071,259	22%	0	0%
Total All Funds	3,410,635,919		3,617,326,312		13,214	

Revenues



Expenditures

