

PROGRAM SUMMARIES

Budget Planning Assumptions

The 2008 King County Budget is built using the following assumptions:

Salaries. In 2008, 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 2008 COLA is projected to be 2.38%. 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.

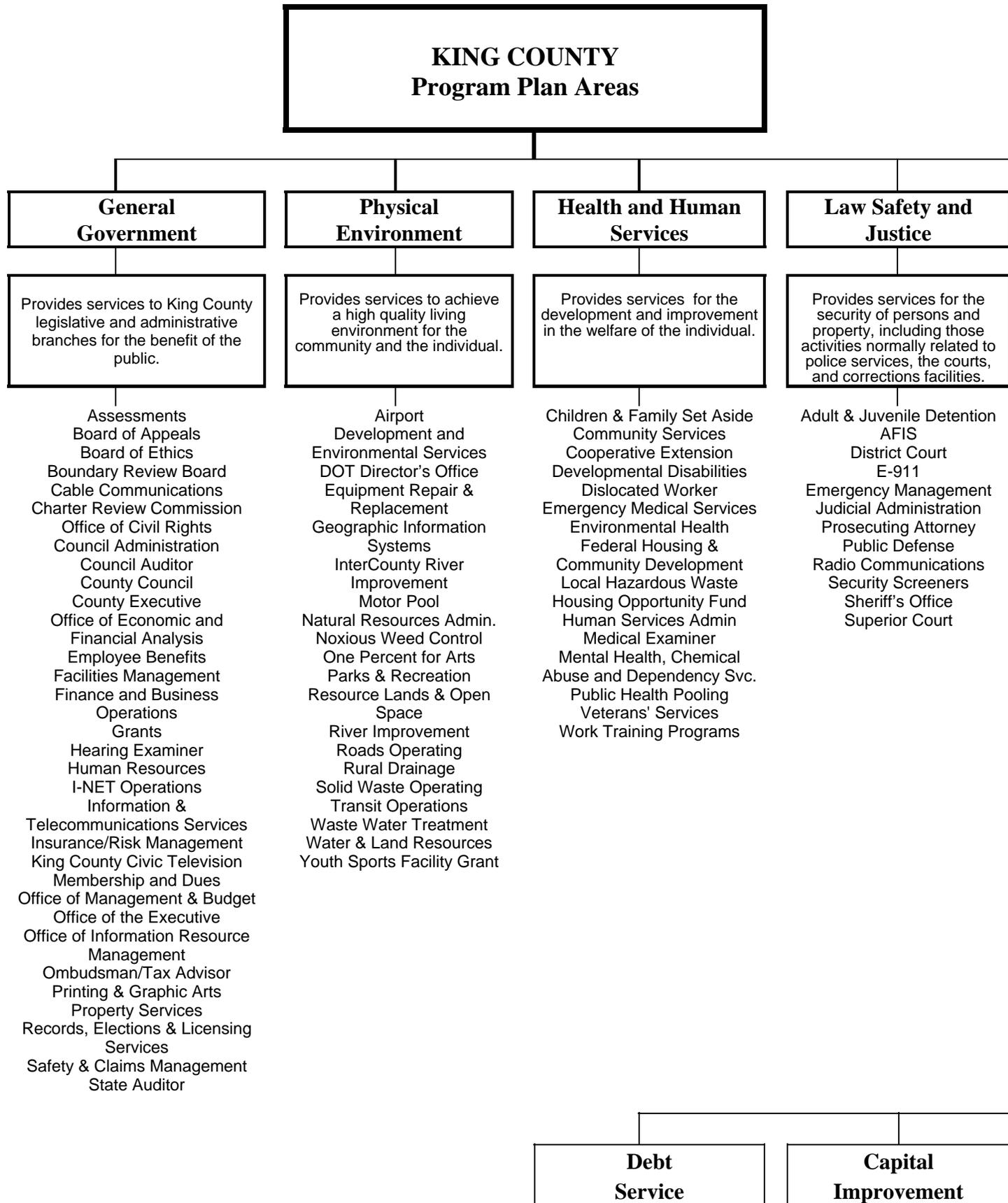
Medical Benefits. The county has a flexible benefit package which offers employees several options for coverage and providers. All of the benefit costs are accounted for in the Employee Benefits Fund, which then recovers its costs through a single standard monthly rate charged to agencies for each eligible employee. The standard rate charged in 2007 was \$1,093 per employee per month. The standard rate for the 2008 Proposed Budget is \$1,142 per employee per month, a 4.5 percent increase over 2007.

Internal Service Rates. The 2008 Proposed Budget includes significant increases in several internal service rates, including ITS Technology Services, Facilities Management Operations and Maintenance, and Motor Pool Rates.

Current Expense Underexpenditure. Prior to 1997, the Current Expense (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 2008 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 2008 Proposed Budget includes the transfer of \$5.6 million of revenues designated for the Sales Tax Reserve subfund to the Major Maintenance Reserve Fund and in support of the facility Major Maintenance Capital Improvement Program. The county's financial policies provide for this expenditure from the Sales Tax Reserve Fund when the fund balance exceeds \$15 million. This balance was achieved in 1994.

BUDGET PLANNING ASSUMPTIONS



BUDGET PLANNING ASSUMPTIONS

Summary Comparison of 2008 Appropriations by Program Category All Resources

Program Category	2006 Adopted	2007 Adopted	2008 Proposed	2008 - 2007	
				\$ Change	% Change
General Government	474,059,816	503,855,916	547,757,704	43,901,788	8.7%
Physical Environment*	886,823,149	953,079,285	1,663,407,832	710,328,547	74.5%
Health and Human Services	438,060,052	497,249,972	557,616,966	60,366,994	12.1%
Law, Safety and Justice	448,322,762	483,067,595	509,243,395	26,175,800	5.4%
Total Operating	2,247,265,778	2,437,252,768	3,278,025,897	840,773,129	34.5%
Debt Service	333,712,535	353,087,586	368,259,121	15,171,535	4.3%
Capital Improvement*	723,865,453	1,066,805,896	1,171,360,511	104,554,615	9.8%
TOTAL	3,304,843,767	3,857,146,250	4,817,645,529	960,499,279	24.9%
Non-Categorized					
CX Fund Transfers	62,416,817	72,236,438	69,586,996		
Sales Tax Contingency	4,504,569	4,873,387	5,599,243		
Children and Family Services Double Count	7,697,620	7,764,298	8,012,239		
Other Fund Transfers	33,504,722	40,799,968	38,124,769		
Risk Abatement	2,200,000	1,151,352	1,302,417		
Transit CIP Transfer to Operating*	72,205,806	66,535,850	61,076,000		
Total Non-Categorized	182,529,534	193,361,293	183,701,664		
Grand Total	\$ 3,487,373,301	\$ 4,050,507,543	\$ 5,001,347,193		

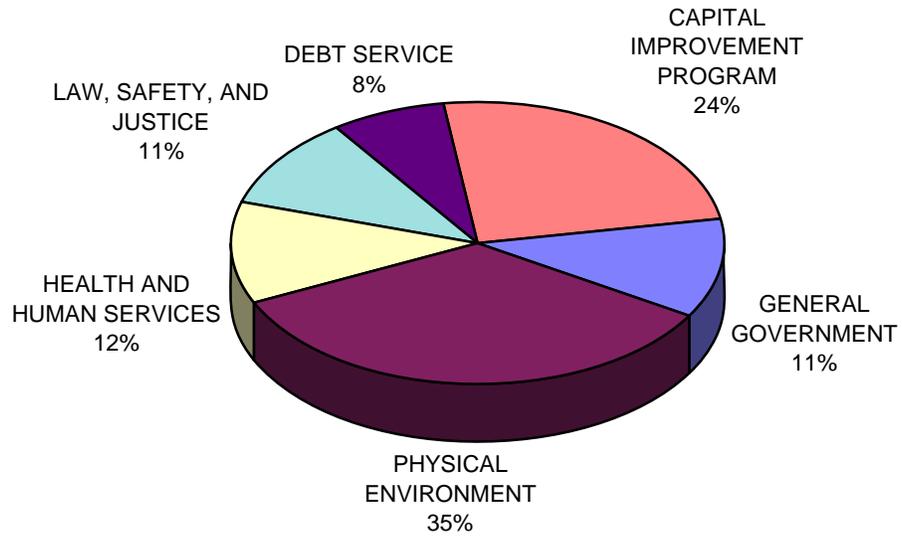
*Includes 2008/2009 Biennial Budget for Transit and Transit CIP.

Summary Comparison of 2008 Appropriations by Program Category Current Expense and General Fund

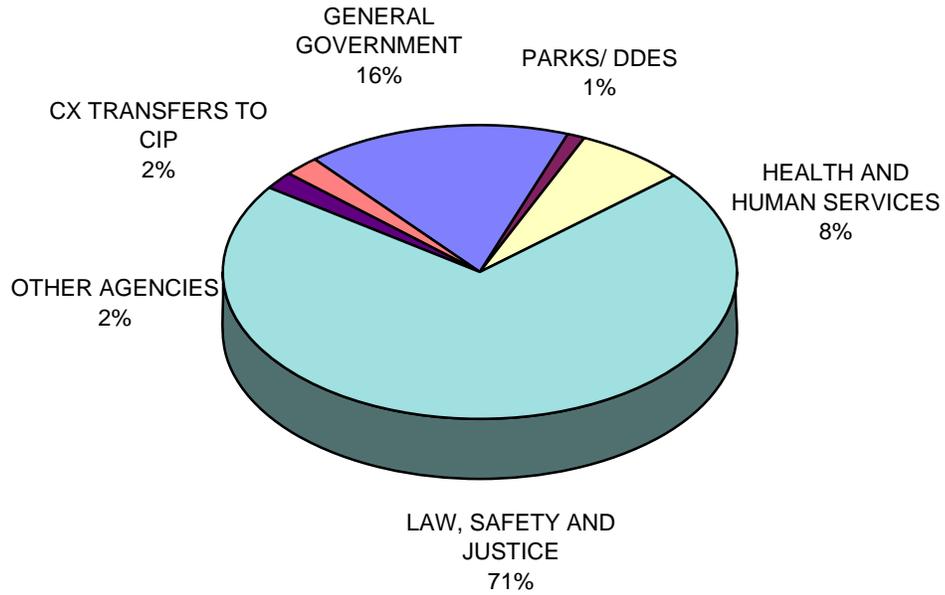
Program Category	2006 Adopted	2007 Adopted	2008 Proposed	2008 - 2007	
				\$ Change	% Change
General Government	89,847,282	101,727,928	109,341,344	7,613,416	7.5%
Parks/DDES	6,091,483	6,972,363	7,261,974	289,611	4.2%
Health and Human Services	41,299,591	45,510,313	46,142,966	632,653	1.4%
Law, Safety and Justice	414,088,386	441,059,858	469,437,604	28,377,746	6.4%
CX Transfers to CIP	14,035,012	15,895,540	14,122,997	(1,772,543)	(11.2%)
Other Agencies	12,305,442	10,885,413	14,197,382	3,311,969	30.4%
Total Current Expense*	577,667,196	622,051,415	660,504,267	38,452,852	6.2%
Subfunds to the General Fund					
Sales Tax Reserve Contingency	4,504,569	4,873,387	5,599,243	725,856	14.9%
Children and Families Set-Aside	21,248,246	21,825,288	19,363,725	(2,461,563)	(11.3%)
Inmate Welfare	1,338,011	931,134	932,450	1,316	0.1%
Total General Fund	\$ 604,758,022	\$ 649,681,224	\$ 686,399,685	\$ 36,718,461	5.7%

*The CX financial plan expenditures and this table reconcile by reducing the total CX fund amount by the double count of \$12,505,148 for the CX fund transfer to the Children and Families Set-Aside Fund, which equals \$647,999,119. To reconcile to General Fund financial plan expenditures add in Children and Families Set-Aside and Inmate Welfare. Sales Tax Contingency is ignore. Total General Fund Financial Plan expenditures and Pie Chart total is \$664 Million.

**Distribution of 2008 Expenditures by Program Category
All Funds \$4.8 Billion**



**Distribution of 2008 Expenditures by Program Area
General Fund
\$664 Million**

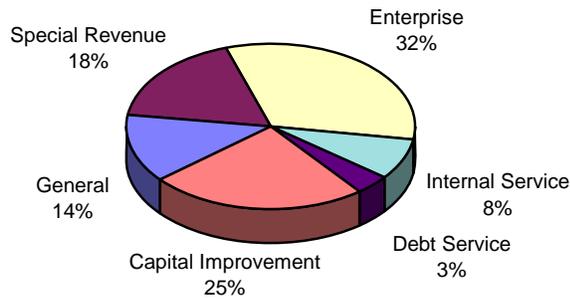


BUDGET PLANNING ASSUMPTIONS

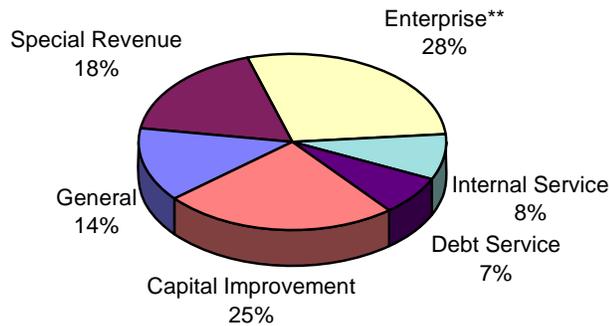
**2008 Expenditures, Revenues and FTEs
by Fund Type**

Fund Type	Revenues		Expenditures		FTEs	
General	675,629,506	14%	686,399,685	14%	4,457	32%
Special Revenue	882,366,011	18%	888,009,570	18%	3,302	24%
Enterprise**	1,628,672,810	32%	1,414,391,137	28%	5,335	38%
Internal Service	414,669,477	8%	411,851,169	8%	897	6%
Debt Service	181,851,368	3%	368,259,121	7%	-	0%
Capital Improvement* **	1,232,436,511	25%	1,232,436,511	25%	0	0%
Total All Funds	5,015,625,683		5,001,347,193		13,991	

Revenues



Expenditures



*Figures may not add to 100% due to rounding.

*Includes CIP Transfer to Operating

**Special Revenue and Capital Improvement Funds contain 2008/2009 Biennial Budgets.