



Report from the Local Services Initiative team

Executive Summary

To develop new and better ways to serve unincorporated King County (UKC), Executive Dow Constantine is proposing a new Department of Local Services to improve services in rural areas, as well as major remaining urban unincorporated communities.

The Department of Permitting and Environmental Review (DPER) would be combined with other county functions to create a new department focused on the needs of the unincorporated areas, including Vashon Island, Redmond Ridge, East Federal Way, Fairwood and East Renton, North Highline, and West Hill.

Along with DPER, the proposed Department of Local Services would include:

- Road Services and Airport Divisions of the Department of Transportation
- Community Service Area program of the Department of Natural Resources and Parks
- On-site Septic System and Plumbing & Gas Piping programs from the Environmental Health Division of Public Health-Seattle & King County

Fleet Administration, as an internal service provider, would become a part of the Department of Executive Services.

The new department will provide an additional point of executive branch accountability for residents of UKC, ensuring that residents of our unincorporated communities get the County services they need and their voices are heard.

The proposal calls for establishing the new department effective January 1, 2019, on the same date that Metro Transit is proposed to become a standalone department. Existing revenues initially would fund the Department of Local Services.

King County is the local service provider for roughly 250,000 people in the unincorporated areas of the county; taken together, UKC would be the second-largest city in the state. Senior Deputy Executive Fred Jarrett led an internal initiative that studied ways to improve how the County delivers direct and contracted services, including roads, public safety, clean water, and increased access to opportunity.

More details will be addressed in legislation the Executive plans to send in February to the King County Council, and in the development of the Executive Proposed Budget for the 2019–2020 biennium.

The Council has the statutory authority for establishing Executive departments, and for adoption of the County budget.

Acknowledgments

Special thanks to the Local Services Initiative team for their efforts to better serve the residents of unincorporated King County (UKC):

- Senior Deputy County Executive Fred Jarrett, Executive Office
- Aaron Rubardt, Emmy McConnell, Chris McGowan, and Nat Bennett of the Office of Performance, Strategy and Budget
- Alan Painter, Marissa Alegria, and Bong Sto Domingo of the Community Services Area Team
- Diane Carlson, Executive Office
- Frank Abe and Jerry Pionk, Department of Transportation
- Jim Chrisinger and Mollie Timm, Local Services Initiative

King County Councilmembers Claudia Balducci, Reagan Dunn, and Kathy Lambert, as well as John Resha of the Council's central staff, provided valuable policy and political insight.

Additional Information

The Local Services Initiative team developed materials about demographics and service delivery in UKC. This information is available upon request.



King County is the local service provider for roughly 250,000 people in the unincorporated areas of the county. Taken together, UKC would be the second-largest city in the state.

Beginning in August 2017, Senior Deputy Executive Fred Jarrett led an internal initiative that studied ways to improve how the County delivers services, including roads, public safety, clean water, and increased access to opportunity, in UKC.

To improve the County's performance, the team recommends the County make changes that will:

- Reduce the cost and improve the quality of services delivered to the residents of UKC
- Improve the responsiveness of local service providers to local residents
- Identify the barriers, internally and externally, to these improvements

Local Services Overview

King County provides critical services for residents of UKC, including:

- Animal Services
- District Court
- Emergency Management
- Parks and Recreation
- Planning and Permitting (including inspections, business licenses, onsite sewage systems, and plumbing and gas piping)
- Law Enforcement
- Roads
- Stormwater

In 2016, the County spent more than \$200 million on services in the unincorporated county. The largest County service providers are Roads, King County Sheriff's Office, and District Court.

Proposed Department of Local Services

After extensive review, the Local Services Initiative team recommended unifying the accountability for service delivery in UKC in a new King County Department of Local Services with a focus on improving services to UKC residents.

The DPER would be combined with other county functions to create a new department focused on the needs of the unincorporated areas.

Along with DPER, the Proposed Department of Local Services would include:

- Road Services and Airport Divisions of the Department of Transportation
- Community Service Area program of the Department of Natural Resources and Parks
- On-site Septic System and Plumbing & Gas Piping programs from the Environmental Health Division of Public Health-Seattle & King County

Fleet Administration, as an internal service provider, would become a part of the Department of Executive Services. Marine Division would move to the new Metro Transit Department.

The new department will provide a single point of executive branch accountability for residents of UKC, ensuring that residents of our unincorporated communities get the County services they need and their voices are heard.



The Proposed Department of Local Services would include:

- ▶ Permitting and Environmental Review
- ▶ On-site Septic System and Plumbing and Gas Piping programs
- ▶ Road Services and the King County Airport
- ▶ Community Service Area program

Service partnerships:

- ▶ Service partnerships would be formed for other County rural/UKC services not within these divisions

Other proposed reorganization actions:

- ▶ Fleet Management Division would move to the Department of Executive Services
- ▶ Marine Division would move to the new Metro Transit Department

The proposal calls for establishing the new department effective Jan. 1, 2019, on the same date that Metro Transit is proposed to become a standalone department. Existing revenues would fund the Department of Local Services, and most staff is expected to remain in their current locations. Funding levels for the department will be established as part of the 2019–2020 Biennial Budget Process.

Focus on Performance Management

In order to best serve the residents of UKC, the new Department of Local Services will place a strong focus on performance management.

Geographic tie to agency budgets

Agencies delivering services to UKC residents and businesses will be asked to develop and monitor their budgets with a geographical tie to the UKC communities (initially rural Community Service Areas and urban Planned Annexation Areas). Tying budget and cost information to specific communities will enhance policy debate and future budget decisions.

Focus on intended outcomes

As part of the effort to improve accountability, agencies will measure how well their products and services are achieving their intended outcomes in UKC. These outcome measures will be tied to future budgets to ensure that resources are being invested where they have the most impact.

Service partnerships with affected agencies

The Department of Local Services will develop written service partnerships with agencies delivering services in UKC to ensure accountability.

The Department of Local Services subsequently will work with agencies to track expenditures and results.



Challenges

The Local Services Department will need to address a number of barriers in its efforts to improve services to UKC.

Funding

Resources are a constraint across King County—especially in the unincorporated areas.

- Road Services faces a quarter-billion dollar shortfall.
- The state-mandated 1% cap on property tax revenue growth hits UKC harder than most jurisdictions. The County will continue to advocate for the cap to change to inflation plus population growth to address the structural gap it creates.
- While 12.3% of the population of King County lives in unincorporated areas, only 3.3% of the sales tax base remains as a result of annexations. That means that the sales taxes paid by residents in UKC largely do not benefit the communities in which they live, but rather subsidize the residents of the cities in which the sales tax dollars are spent.

Service Levels

Given the lower levels of tax collections in UKC, the level of service residents receive is considerably lower. A change in the 1% property tax cap could begin to address the gap in funding and services in unincorporated areas.

In addition, developing the urban unincorporated economy may be another way to increase the share of local funding. Currently, King County does not provide economic development support in UKC. Investing in local planning and economic development through DPER could, over time, improve the economic activity in urban unincorporated areas with positive results for employment and service delivery. It is important to note that this will require additional staffing for community planning and economic development, likely only fundable by grants or the King County General Fund.

There also may be an opportunity to better leverage grant opportunities to improve services. We recommend a consolidated analysis of needs and funding to ensure a coordinated approach to grant funding across services.

Next Steps

The King County Council has the statutory authority to establish Executive departments and adopt the County budget. Executive Constantine plans to send legislation to the Council in three phases: a motion in quarter one, a restructure ordinance in quarter two, and the budget in quarter three. Further details will be worked out during the 2019–2020 Biennial Budget process.

In addition, extensive employee and community engagement will be required for a successful launch of the Department of Local Services. Significant engagement with Labor and impacted employees was recently launched and will help form direction and implementation. Community outreach will further the County's understanding of resident's interests, the changes needed in the County's local service delivery approach, and barriers to achieving lasting local service improvements.