

Franklin County: Spending and Revenues

In this report, we review the spending and revenues of Franklin County, and compare them with King, Pierce, Snohomish and Benton counties.

The County At A Glance:

| | |
|--|-------------|
| Population (2014)..... | 86,600 |
| Population Growth Since 2005..... | 38.4% |
| Unincorporated Population (2014)..... | 14.8% |
| Households (2009-2013)..... | 23,445 |
| Median Household Income (2009-2013)..... | \$55,177 |
| Persons below poverty level (2009-2013)..... | 20.2% |
| Bachelor's degree or higher (% of persons over 25, 2009-2013)..... | 15.0% |
| Employment (Number of Jobs, 2013)..... | 38,325 |
| Personal Income (\$1000, 2013)..... | \$2,645,389 |
| Private Nonfarm Establishments (2013)..... | 1,406 |
| Farm Acreage (2012)..... | 625,047 |
| Market value of agricultural products sold (\$1000, 2012)..... | \$740,014 |
| Building Permits (2014)..... | 322 |
| Land Area (Square Miles)..... | 1,242 |
| Paved Arterial Lane Miles (2014)..... | 689 |

Counties in Washington have widely varying spending levels. When all funds are considered, King County spends the most, \$3.137 billion in 2014, and Garfield County spends the least, \$6.8 million (SAO 2015). But a review of a selected group of counties reveals broadly similar spending priorities. This is a function of the role of counties as local governments, regional service providers, and agents of the state.

In this report, we review the spending and revenues of Franklin County, and compare them with King, Pierce, Snohomish and Benton counties. King, Pierce and Snohomish counties together comprise the largest metropolitan statistical area in the state. Benton and Franklin counties comprise the metropolitan statistical area with the greatest employment growth since the onset of the

Great Recession.

Franklin County had 86,600 residents in 2014, the smallest population of our group of counties. But its population growth since 2005 is the highest of our counties (38.4 percent). Residents living in unincorporated areas of the county make up 14.8 percent of the population. (This is important because the county provides local government services for these residents.) Of the county's population, 20.2 percent is below the poverty level (this is the highest percentage of our group of counties).

Franklin County is home to 1.2 percent of Washington's population, 1.0 percent of its jobs, and 0.8 percent of its personal income. Franklin collects 0.6 percent of all county revenues in Washington and spends 0.7 percent of all county spending.

The County Role

Table 1: Examples of County Roles

| <u>State Agent</u> | <u>Regional Service Provider</u> | <u>Local Government</u> |
|-----------------------------|----------------------------------|-------------------------|
| Prosecutor | District Court | Law Enforcement |
| Public Defender | Central Dispatch | Roads and Bridges |
| Superior Court | Public Health Services | Land Use Planning |
| Juvenile Court | Growth Management Policies | Zoning |
| Jail | River Basin Flood Plans | Building Permits |
| Mental Health | Solid Waste Management | Parks and Recreation |
| Developmental Disabilities | County Airports | Garbage |
| Property Tax Administration | Housing Programs | Sewer Service |
| Document Recording | Economic Development | Water Service |

Source: MRSC

Counties are:

1. Agents of the state
2. Regional service providers
3. Unincorporated areas' primary local government

Table 2: 2014 General Fund Spending

| | <u>State</u> | <u>Counties</u> |
|----------------------------------|--------------|-----------------|
| General Government | 2.4% | 45.1% |
| Public Safety | 5.3% | 46.0% |
| Education | 54.7% | 0.0% |
| Social Services | 30.7% | 3.3% |
| Natural and Economic Environment | 1.2% | 4.7% |
| Debt Service, Financing | 5.2% | 0.8% |
| Other | 0.6% | 0.1% |

In 2014, Washington's 39 counties spent a combined \$2.203 billion from their general funds. Comparative state spending was \$16.490 billion. Table 2 shows the relative importance of various budget areas to the state and county budgets. Clearly the state focus is on education and social services, while counties concentrate on public safety and general government (things like judicial activities and financial, recording and election services).

Counties have three main roles: They act as agents of the state, they are regional service providers, and they are the primary provider of local government ser-

vices for people living in unincorporated areas (MRSC 2015). (See Table 1 above for some examples.) Further, some cities contract with their counties for particular services. For example, several cities in King County do not have their own police forces; instead, they contract with the King County Sheriff to provide law enforcement services (King 2004).

County governments make expenditures from a general fund and several dedicated funds (whose revenue sources are restricted to expenditures for specific purposes). The general (or current expense) fund is the most flexible.

Auditor's Data

The Local Government Financial Reporting System data is comparable across counties.

This review of the spending and revenues of Franklin County is based on data from the Local Government Financial Reporting System, which is maintained by the State Auditor's Office. Additionally, we include information from the county's most recently adopted budget for more context. (County budget documents are not directly comparable across counties; they may cover different time frames and appropriations may be categorized differently. Also, a county budget may not directly correspond to the spending the county reported to the auditor. The county may have spent less than budgeted or some data may not have been reported to the auditor, for example.)

The auditor's data groups spending into the following budget areas:

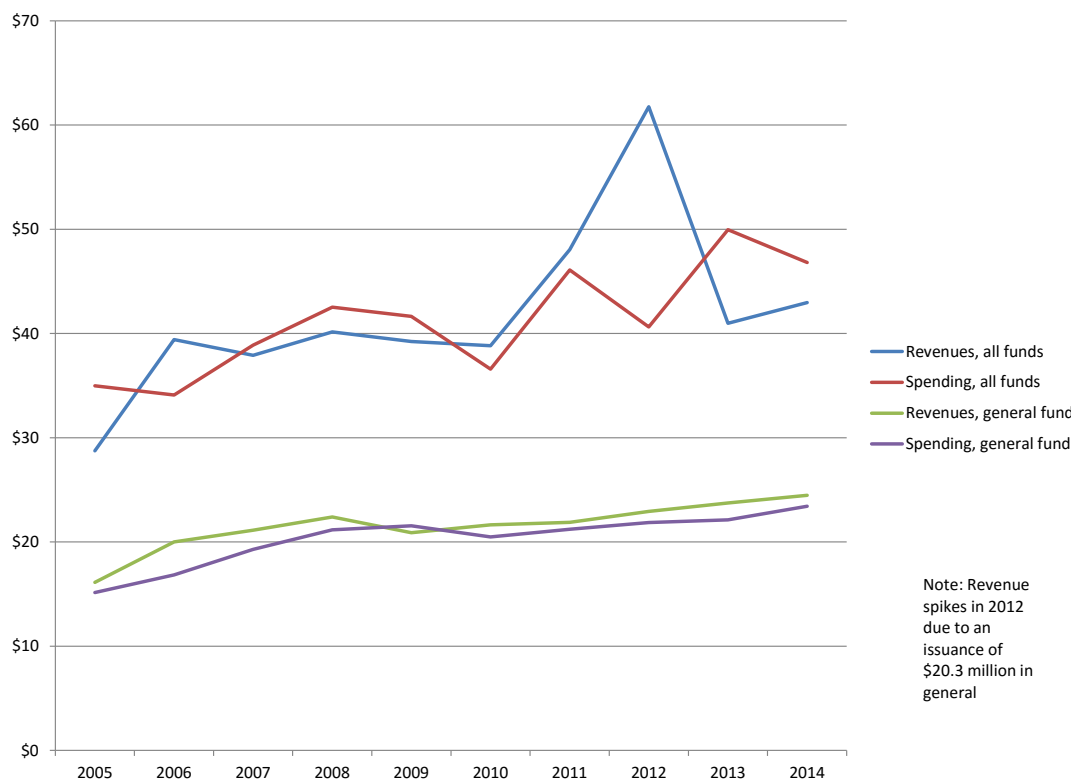
- General Government (e.g., legislative, executive and judicial activities)

- Public Safety (e.g., law enforcement activities and detention)
- Utilities (e.g., storm drainage and sewer)
- Transportation (e.g., roads, airports and transit)
- Natural and Economic Environment (e.g., employment opportunity and conservation)
- Social Services (e.g., hospitals, public and mental health, and welfare)
- Culture and Recreation (e.g., libraries and parks)
- Other Financing Uses/Debt Service/Capital Expenditures (e.g., issuance discount on long-term debt, redemption of long-term debt)

The revenue categories are:

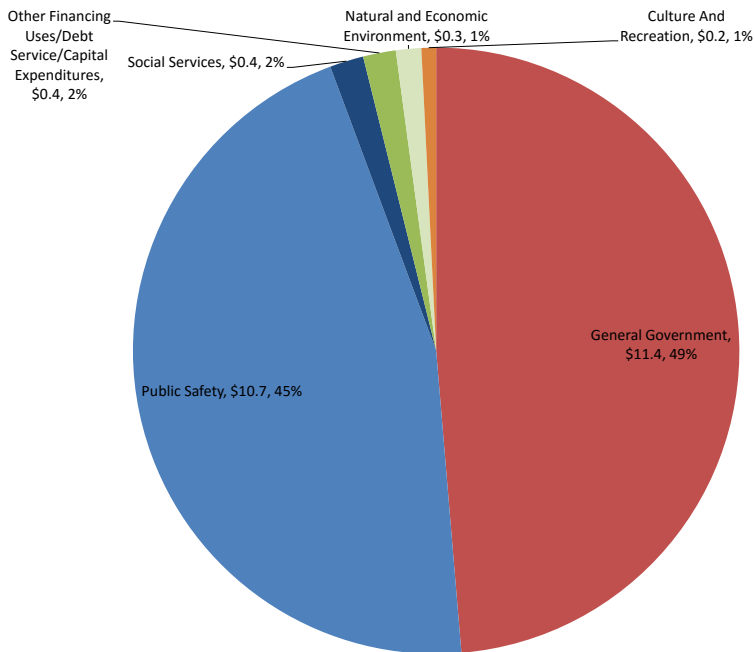
- Taxes (e.g., property and retail sales)
- Licenses and Permits
- Intergovernmental Revenues (e.g., federal, state, and local grants and other payments)
- Charges for Goods and Services (e.g., utility sales and services, transportation fees)
- Fines and Penalties
- Miscellaneous Revenues (e.g., interest and rents)
- Proprietary Funds Revenues (e.g., insurance recoveries)
- Other Financing Sources (e.g., long-term debt proceeds, disposition of capital assets)

Chart 1: Franklin County Spending and Revenues (Dollars in Millions)



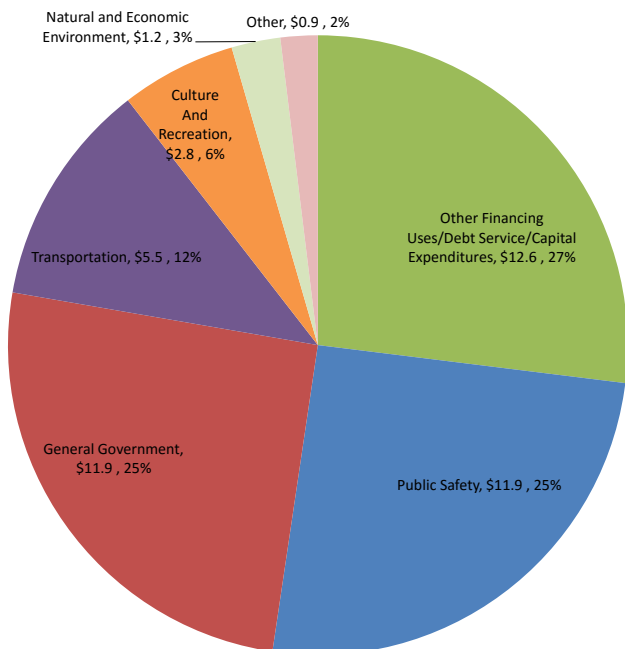
Franklin County Spending

Chart 2: Franklin County 2014 General Fund Spending (Dollars in Millions)



In 2014, Franklin’s general fund spending was \$23.4 million. (See Chart 2.) General government spending accounted for 48.7 percent (\$11.4 million). Of that, \$3.1 million went to judicial activities and \$2.2 million went to financial services. Public safety accounted for 45.6 percent (\$10.7 million). Of that, \$3.9 million was for detention and \$3.3 million was for law enforcement.

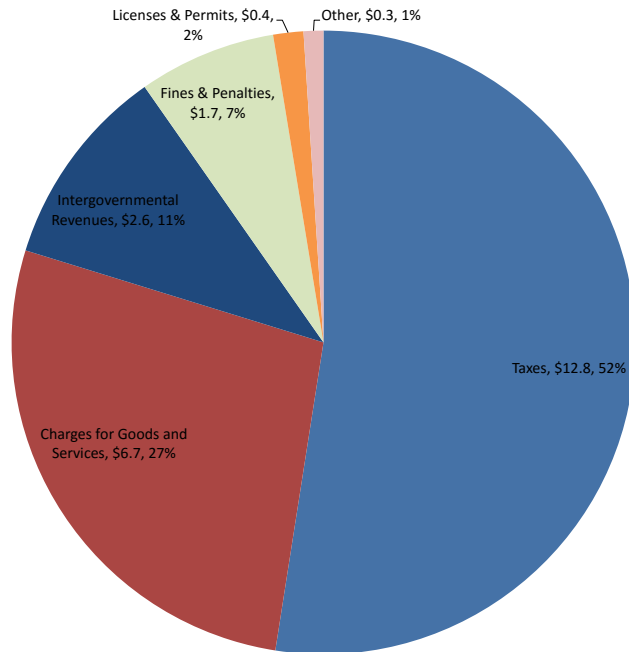
Chart 3: Franklin County 2014 All Funds Spending (Dollars in Millions)



Franklin’s spending from all funds in 2014 totaled \$46.8 million. (See Chart 3.) Other financing (capital spending and debt service and redemption) was the biggest budget area in terms of all funds, with 27.0 percent (\$12.6 million). Of that, \$6.3 million was capital spending for detention. Public safety accounted for 25.4 percent (\$11.9 million). General government also accounted for 25.4 percent (\$11.9 million). Transportation (roads) accounted for 11.8 percent (\$5.5 million). In the natural and economic environment area, planning spending was \$455,020.

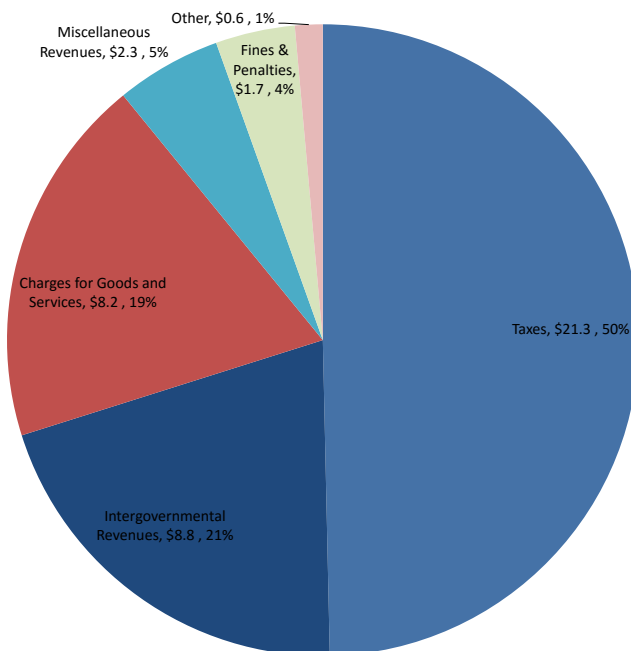
Franklin County Revenues

Chart 4: Franklin County 2014 General Fund Revenues (Dollars in Millions)



In 2014, Franklin’s general fund revenues were \$24.5 million. (See Chart 4.) Taxes accounted for 52.5 percent of that (\$12.8 million). General fund property taxes brought in \$7.6 million and retail sales and use taxes brought in \$5.0 million. Charges for goods and services accounted for 27.3 percent (\$6.7 million). These included \$1.6 million in charges for detention services and \$1.1 million for dispatch services. Financial services fees brought in \$1.4 million.

Chart 5: Franklin County 2014 All Funds Revenues (Dollars in Millions)



Franklin’s revenues from all funds in 2014 totaled \$43.0 million. (See Chart 5.) Taxes accounted for 49.6 percent (\$21.3 million). Intergovernmental revenues accounted for 20.5 percent (\$8.8 million). Federal grants and revenues totaled \$2.4 million and state grants, revenues and other payments totaled \$6.0 million. Charges for goods and services accounted for 19.0 percent (\$8.2 million).

The County Budget

**Table 3: Franklin County Adopted Appropriations
(Dollars in Millions)**

| | 2014 | 2015 | Change |
|-------------------------------|-------------|-------------|---------------|
| General Fund | | | |
| Sheriff | \$5 | \$5 | 3.6% |
| Corrections | \$4 | \$4 | 7.5% |
| Prosecutor | \$2 | \$2 | 4.0% |
| Information Services | \$1 | \$1 | 7.1% |
| Other* | \$16 | \$16 | 2.8% |
| <i>Subtotal</i> | <i>\$27</i> | <i>\$28</i> | <i>3.9%</i> |
| Miscellaneous Fund | | | |
| County Roads | \$9 | \$9 | 0.0% |
| Criminal Justice Construction | \$8 | \$1 | -93.3% |
| Other* | \$22 | \$23 | 3.0% |
| <i>Subtotal</i> | <i>\$39</i> | <i>\$33</i> | <i>-17.2%</i> |
| All Funds | \$66 | \$61 | -8.7% |

Franklin adopts annual budgets. For 2015, appropriations total \$60.6 million, a decrease of 8.7 percent over 2014. General fund spending increases by 3.9 percent. That includes \$4.9 million for the sheriff, \$4.0 million for corrections, \$1.1 million for the county clerk and \$609,867 for planning and building.

*Other includes county clerk, facilities

Comparing the Counties

Taxes are the largest source of revenue for Franklin County and each of the four other counties (King, Pierce, Snohomish and Benton). For each county, the public safety and general government budget areas make up the bulk of general fund spending. For

each county except King, the top three spending areas when considering all funds are public safety, general government and other finance (not necessarily in that order).

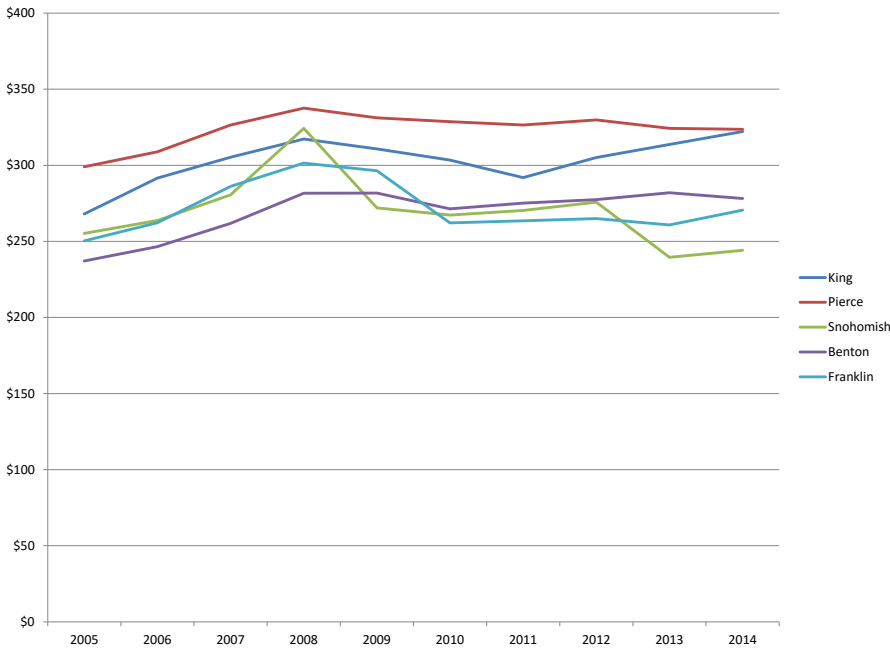
Table 4: Comparing the Counties' 2014 Taxes and Spending

| | Taxes Per Capita | Salaries and Wages Per FTE Employee | Personnel Benefits Per FTE Employee | Detention Per Average Daily Jail Population | Judicial Activities Per Capita | Planning & Building Permits Per Permits Issued | Roads Per Lane Mile |
|-----------|---------------------|--|--|--|--------------------------------------|--|------------------------|
| King | \$727 | \$71,411 | \$29,270 | \$64,713 | \$58 | \$3,104 | \$79,631 |
| Pierce | \$348 | \$69,108 | \$26,431 | \$46,467 | \$59 | \$3,798 | \$40,297 |
| Snohomish | \$313 | \$63,772 | \$25,284 | \$42,410 | \$44 | \$3,107 | \$32,586 |
| Benton | \$235 | \$53,012 | \$20,835 | \$24,424 | \$63 | \$859 | \$12,215 |
| Franklin | \$246 | \$56,644 | \$22,095 | \$20,007 | \$36 | \$1,413 | \$7,998 |

Comparing the tax collections and certain spending areas of the counties on a per capita basis shows that, in general, the richer counties spend more. Franklin County spends the least on detention, judicial activities and roads.

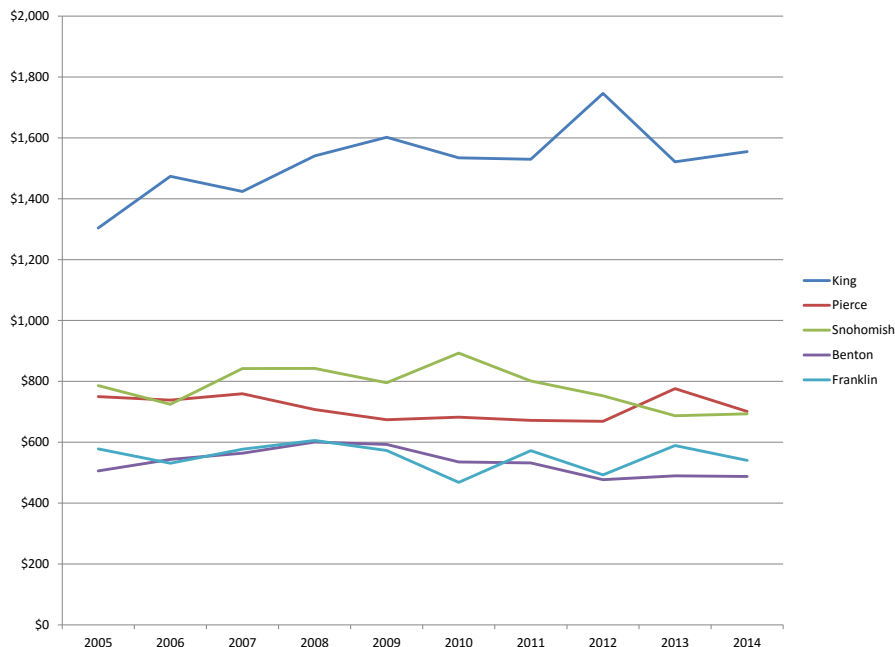
County Spending Compared Per Capita

Chart 6: General Fund Spending Per Capita



Charts 6 and 7 show spending over time on a per capita basis. The counties are fairly similar in general fund spending, with Franklin County spending the second least. Franklin also spent the second least in terms of spending from all funds in 2014.

Chart 7: All Spending Per Capita



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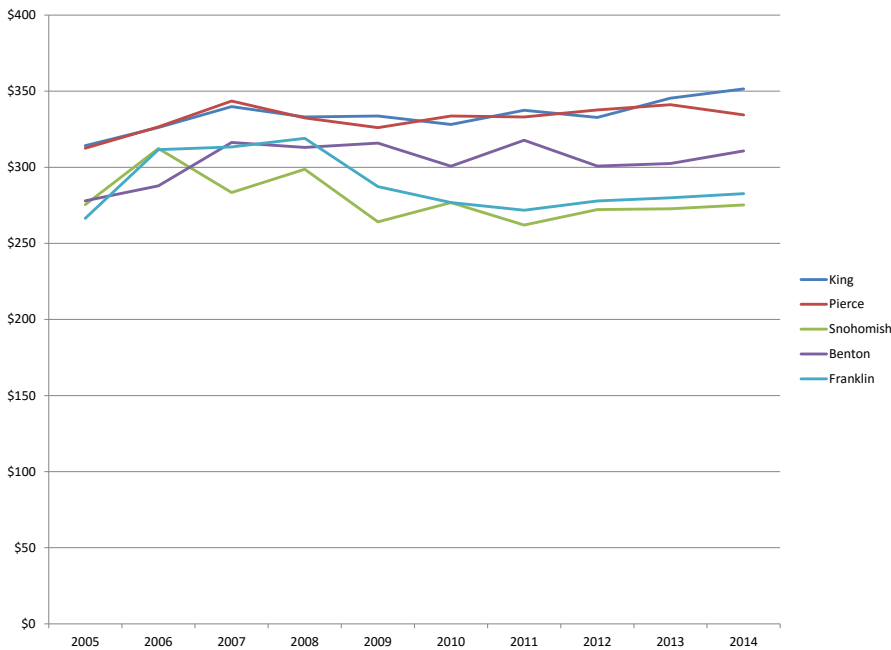


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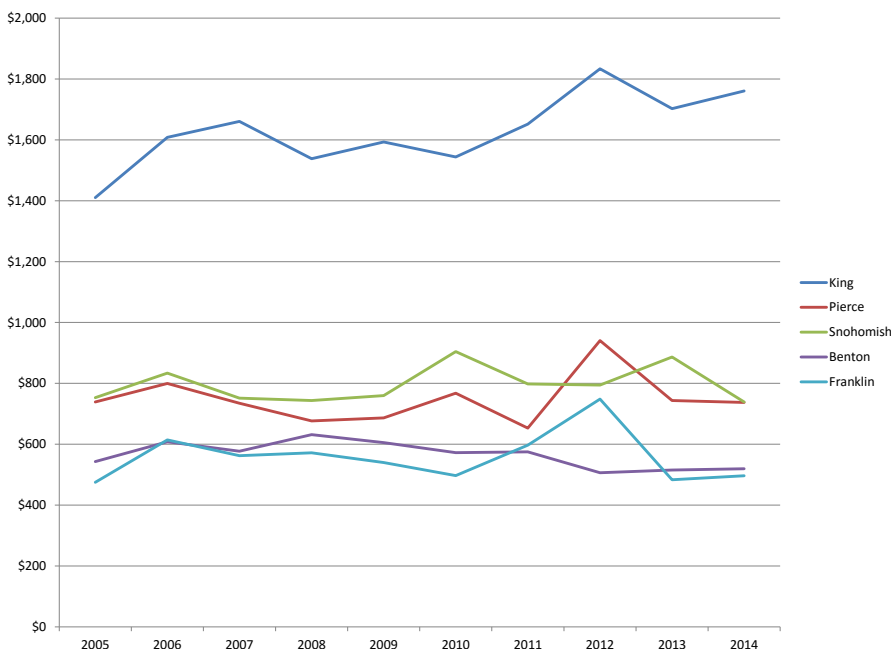
County Revenue Compared Per Capita

Chart 8: General Fund Revenues Per Capita



Charts 8 and 9 show revenue over time on a per capita basis. General fund revenues per capita are similar between the counties. Franklin County collected the least revenue from all funds.

Chart 9: All Revenues Per Capita



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