

*WASHINGTON STATE
LOCAL GOVERNMENT FISCAL STRESS
ANALYSIS:*

A Comparison to State Assistance Under Senate Bill
6050

Office of Financial Management
December 2006

***WASHINGTON STATE
LOCAL GOVERNMENT FISCAL STRESS
ANALYSIS:***

**A Comparison to State Assistance Under Senate Bill
6050**

Washington State Office of Financial Management
Victor Moore, Director
Scott Merriman, Director of Legislative Affairs

Contributions by the Washington State Department of Community, Trade and
Economic Development
Local Government Division
Nancy K. Ousley, Assistant Director
Anne Pflug, Project Manager

Washington State Office of Financial Management
P.O. Box 43113
Olympia, WA 98504-3113
(360) 902-0555
TDD (360) 902-0679
www.ofm.wa.gov

December 2006

Table of Contents

ACKNOWLEDGEMENTS	1
EXECUTIVE SUMMARY	2
Purpose	2
Approach.....	2
Conclusions.....	2
Summary of Indicator Results	3
Recommendation	7
Additional Options for Consideration	7
PURPOSE OF THE STUDY	8
BACKGROUND	9
BACKGROUND OF SENATE BILL 6050	9
METHODOLOGY	9
THE STATE'S ROLE IN LOCAL GOVERNMENT FISCAL CRISIS.....	11
TEN INDICATORS OF WASHINGTON LOCAL GOVERNMENT FINANCIAL CONDITION	14
Summary of the Ten Indicators	14
Summary of Indicator Results	17
Recommendation	21
Additional Options for Consideration	21
INDICATOR ONE: GENERAL FUND REVENUE PER CAPITA	23
INDICATOR TWO: REVENUE ELASTICITY	25
INDICATOR THREE: CASH BALANCE	27
INDICATOR FOUR: PROPORTION OF EXPENDITURES USED FOR DEBT AND CAPITAL IMPROVEMENT	31
INDICATOR FIVE: PROPORTION OF REVENUE THAT IS RESTRICTED FOR SPECIFIC USES	33
INDICATOR SIX: PROPERTY TAX BURDEN.....	35
INDICATOR SEVEN: GENERAL FUND OPERATING GAPS.....	37
INDICATOR EIGHT: ECONOMIC CONDITION	39
INDICATOR TEN: SERVICE DEMAND.....	50
DEFINITIONS AND NOTES	57
Definitions	57
City Data Notes.....	57
County Data Notes	57
REFERENCES	59
APPENDIX	60

List of Figures

Local Government Stress Indicator Summary -- Local Governments with Four or Greater Stress Points Figure 1	15
Local Governments Receiving Senate Bill 6050 Assistance in 2006 Figure 2.....	16
Financial Stress Indicator 1 – Low General Fund Revenue Per Capita Figure 3.....	24
Financial Stress Indicator 2 – Low Revenue Elasticity Figure 4.....	26
Financial Stress Indicator 3 – Cash Balance Below 5% Figure 5.....	29
Financial Stress Indicator 3 – Counties Using Diverted Road Tax for 2% or More of General Fund Revenue Figure 6.....	30
Financial Stress Indicator 4 – Over 27% of Expenditures are Used for Debt or Capital Figure 7.....	32
Financial Stress Indicator 5 – 50% or More of Revenue is Restricted for Specific Uses Figure 8.....	34
Financial Stress Indicator 6 – Moderate Property Tax Burden Figure 9.....	36
Financial Stress Indicator 7 – Recent or Four or More General Fund Operating Gaps 1994-2004 Figure 10.....	38
Financial Stress Indicator 8 – Population Decline 1994-2004 Figure 11.....	41
Financial Stress Indicator 8 – County Unincorporated Population Decline 1994-2004 Figure 12.....	42
Financial Stress Indicator 13 – 1.5% or Less Employment Growth 2003-06 Figure 13.....	43
Financial Stress Indicator 8 – Low Employment Growth 2003-2006, Actual Job Loss or Gain Figure 14.....	44
Financial Stress Indicator 8 – Personal Income Per Capita	

Figure 15.....	45
Financial Stress Indicator 9 – Low Assessed Property Value Per Capita Figure 16.....	48
Financial Stress Indicator 9 – Low Sales Tax Per Capita Figure 17.....	49
Financial Stress Indicator 10 – Low Population Density Figure 18.....	53
Financial Stress Indicator 10 – Low Assessed Property Value Per Square Mile Figure 19.....	54
Financial Stress Indicator 10 – 48% or More of Population Served by DSHS Figure 20.....	55
Financial Stress Indicator 10 – High School Dropout Rate Over 33% Figure 21.....	56

ACKNOWLEDGEMENTS

The production of this report would not have been possible without the cooperation of the Department of Community, Trade and Economic Development, Local Government Division, in particular Nancy Ousley, Assistant Director and Anne Pflug, Project Manager. We are also grateful for the contributions of the state agencies responsible for the key data. Major contributors included the Office of the State Auditor, in particular, Duane Walz and Lori Bender; the Office of Financial Management, especially Irv Lefberg; the Departments of Employment Security, Social and Health Services, and Revenue; and the Federal Department of Commerce, Bureau of Economic Analysis.

Assistance with presenting the data in a visual format was provided by Sam Wentz, Community, Trade and Economic Development, Local Government Division and Teri Savage, Office of Financial Management.

Monica Hautzenrader and Jan Unwin, Community, Trade and Economic Development, Local Government Division, provided invaluable editorial assistance.

The Washington State Association of Counties and the Association of Washington Cities provided important feedback.

EXECUTIVE SUMMARY

Purpose

In April 2006 the Office of Financial Management (OFM) requested that the Department of Community, Trade and Economic Development's Local Government Division assist them with an analysis, using contemporary methods, of local government financial condition in Washington's 320 cities and counties. Specifically OFM wanted to know the answer to the question: *"Are the 'right' local governments receiving state assistance under Senate Bill 6050 (RCW 43.08.290) passed by the State Legislature in 2005?"*

Approach

A nationally recognized method of assessing local government financial condition was used to evaluate the financial distress of Washington's counties and cities. The financial indicator method has been in use for over 30 years in individual local governments and in some states and has been refined with time. Ten key indicators of financial condition were selected for Washington cities and counties. These indicators are used to determine which jurisdictions in the state were experiencing the most financial stress based on data collected between 1994 and 2004. Data was collected from generally available state sources for all 39 counties and 281 cities. The group of selected indicators was balanced to reflect the health of each local government's revenue base (resource supply), demand factors driving local government service delivery (service demand), and the financial results of operations.

Conclusions

1. If the intention of the state is to provide SB 6050 financial assistance to counties and cities that are in the greatest financial need, then based on the results of the financial stress analysis, a smaller group of cities and counties would be receiving assistance under Senate Bill 6050. Compared to the group of 191 counties and cities receiving assistance in 2006, 144 local governments (121 cities and 23 counties) were found to be distressed. A local government was defined as distressed if it was classed as "stressed" in four or more of the ten financial condition indicators.
2. An additional 24 cities did not have complete data available and may also fall into the distressed category. Therefore the total number of distressed cities may range from 121 to 145.
3. The financial condition of Washington's local governments generally declined during the 1994-2004 decade based on the selected stress indicators. Of the ten indicators of financial health: two improved over the decade, five showed decline, and three had mixed results or could not be comparatively measured. Continued monitoring of local government financial condition over time would increase the number of measures that could be comparatively measured. The following table summarizes the statewide results for each indicator.

Summary of Indicator Results

Indicator	Benchmark of Financial Condition	Change Over the Period 1994 to 2004
<i>General Fund Revenue Per Capita</i>	Low general fund per capita revenue is one indicator of an inadequate level of resources to meet service delivery requirements.	The number of jurisdictions with very low general fund per capita revenue decreased over the decade (from 88 to 62) showing a slight improvement in this indicator overall.
<i>Revenue Elasticity</i>	Elasticity measures whether a local government's revenue growth keeps pace with its economy by comparing revenue changes to changes in per capita personal income. State government's revenue elasticity generally is 90% of the state's economic growth as measured by changes in personal income.	23% of counties and 30% of cities had revenue base growth of less than 90% of their economic growth. Of the cities with low elasticity 29 (or 11% of all cities) experienced overall revenue declines for the decade. There are a relatively large number of local governments whose revenue base grows at rates below those of its economy and therefore may have fewer resources to address service delivery requirements.
<i>Cash Balance</i>	A cash balance of 5% or less is generally regarded by debt rating agencies as a red flag.	The number of counties with cash balances of 5% or less increased over the decade from 2 to 4. The number of cities with low cash balances declined from 37 to 25 however, eight cities reported zero or a negative cash balance (technically insolvent) in 2004 a small increase over 1994. The decade change for this indicator was mixed.
<i>Proportion of Expenditures Used for Capital or Debt</i>	A high (15% to 20% or greater) proportion of operating expenditures used for debt service is considered a warning signal by rating agencies. Capital expenditures were included for Washington local governments due to the high level of pay-as-you-go financing.	Capital and debt expenditures on average increased from 25% to 27% over the decade. The number of cities having greater than 27% expenditures increased over the decade from 128 to 138 (or 49% of all cities). The number of counties expending 27% or more for capital decreased slightly from 9 to 8 over the decade (or 20% of all counties). This indicator showed a moderate increase in the proportion of capital

Indicator	Benchmark of Financial Condition	Change Over the Period 1994 to 2004
		spending overall resulting in a general increase in fiscal stress.
<i>Proportion of Revenue Restricted for Specific Uses</i>	An increasing proportion of restricted revenue over time is seen as reducing a government's ability to respond to changing citizen needs.	The average proportion of restricted local government revenue increased for both cities and counties over the decade indicating a higher level of fiscal stress overall. Restricted revenue on average topped 50% for counties (53% in 2004). Overall fewer (49 vs. 35) local governments had a very high proportion of restricted revenue.
<i>Property Tax Burden</i>	Compared to other states Washington's local governments have a relatively low to moderate property tax burden. Nationally, distress is defined as annual overlapping property taxes that exceed 2% of property market value.	Property tax limitation Initiatives passed during the study decade have affected the small number of jurisdictions with even a moderate level of tax burden compared to national benchmarks. The number of local governments with moderate tax burden related stress indicators decreased from 27 to 11 (or 3% of all local governments) between 1994 and 2004 showing improvement overall.
<i>General Fund Operating Gaps</i>	Local governments who had four or more general fund operating gaps during the decade (where annual expenditures exceeded annual revenue) combined with three or more aggregated special fund operating gaps were classified as stressed. In addition, local governments with two operating gaps in the last three years were classed as stressed. Two operating gaps out of five years are viewed negatively by rating firms.	Over the decade the number of local governments with general fund operating gap years has varied with a measurable increase in the last three years. All local governments statewide combined spent more than the revenue received in their general funds statewide during two years in the decade the most recent being 2002-2003. One hundred and seventy one cities (or 61%) and twenty two counties (or 56%) met the operating gap stress benchmarks in 2004.
<i>Economic Condition</i>	Lack of growth in population, and employment or low per capita personal income is an indicator of economic stress effecting revenue collections and service demand.	Forty three local governments (or 13% of all local governments) lost service population over the decade. Per capita personal income was in the bottom quartile for the state in 9% of local governments.

Indicator	Benchmark of Financial Condition	Change Over the Period 1994 to 2004
		Employment growth was less than 1.5% (one half the state's average) for one third of the state over the last three years. Lack of employment growth was increased stress for one third of the state.
<i>Tax Base Condition</i>	Local governments are considered stressed whose major tax revenues per capita (property and sales taxes) were measured as 50% below the state average or median.	The number of local governments with low per capita sales tax revenue declined slightly over the decade but remained relatively high at 38% of all local governments in 2004. The number of local governments with low per capita assessed value increased over the decade to 23% of all local governments. Overall the number of jurisdictions with tax base related stress is higher.
<i>Service Demand</i>	Low density generally increases the cost per unit of service delivery. High proportions of DSHS clients or high school dropouts are indicators of high service demand which may place a higher than typical stress on local government resources.	Based on the measures for which data is available for the decade this indicator shows a slight decline overall with slightly more local governments showing stress. Since 2000 one fewer county and six fewer cities have population densities below the benchmark showing a slight improvement in the number of local governments with low service delivery density. The number of local governments with low assessed property value per square mile has increased over the decade from 88 in 1994 to 98 in 2004 (or 31% of all local governments). The change over the decade in dropout rates and DSHS clients could not be measured since the data being used was not collected in 1994.

4. Local Governments that had four or more stress indicators are generally smaller in population and are grouped in three areas of the state (northeast, southeast and south central/west). In addition, San Juan and Kitsap Counties and more than half of the cities in Skagit and Spokane Counties were classed as stressed.

5. There is a high degree of overlap between the groupings of local governments with high levels of financial stress and local governments with low employment and personal income growth. Any programs that affect the economic health of these regions of the state over the long term may also improve the financial health of the associated local governments.
6. There are 17 individual jurisdictions whose unique circumstances caused them to be ranked as “high stress” that fall outside the three statewide groupings.
7. There may be additional cities that fall within the “high stress” category that could not be completely measured in the financial stress analysis due to lack of data. These jurisdictions fall into roughly two categories, those 11 cities that were incorporated during the 1994 to 2004 time frame or those 19 cities that did not consistently report their financial data to the State Auditors Office. Several of those cities that did not report data show other indicators of financial stress and non-reporting may be an outcome of the circumstances they face.
8. The state of Washington has provided individual (Ferry County in 2005) and programmatic aid to financially stressed local governments over time. Washington does not monitor or report on the financial condition of local governments based on consistently reported measures unlike some other states. State statutes provide for local governments to declare insolvency (RCW 39.64 Taxing District Relief and RCW 35.21.750 Public Corporations – Insolvency), but to date no local government has used these statutes.
9. During the last forty years nationally there has been operating insolvency or debt default by local governments in other states. These local governments have been temporarily re-organized, come under state or judicially ordered independent control, or found themselves subject to budget supervision by the state. Washington does have well defined protections in place for some high financial risk areas in local government operations that have caused significant financial issues for other local governments nationally. Two examples are investment restrictions and funded retirement programs. There are other areas of high financial risk however for Washington local governments.
10. The state has an interest in the financial viability and effective management of local governments because they are a key partner in the delivery of state programs. Counties and cities are important strategic partners in the delivery of \$20.7 billion in non-education related governmental services in Washington (Legislative Evaluation and Accountability Program, 2004). The largest joint expenditures were for Criminal Justice - \$3 billion (33% state; 37% county; 30% city); Transportation - \$3.6 billion (46% state; 34% county; 20% city), and Health and Human Services - \$9.1 billion (94% state; 6% county; 1% city). States across the nation have a stake in local governments’ fiscal health and condition since local fiscal crises can affect the state’s bond ratings, the economic development potential of the state, and the quality and quantity of public services.

Recommendation

Re-aligning SB 6050 assistance to focus on the most distressed local governments in the short term may assist them to reduce their immediate level of distress. It may be appropriate to evaluate distributing all or a portion of SB 6050 assistance in a manner that provides a larger proportion of assistance to the most stressed jurisdictions. Short term assistance may also provide a window of opportunity for these local governments to focus on strategies to eliminate their financial distress over the longer term.

It is likely that SB 6050 assistance alone will not be sufficient to address the most distressed local governments' basic service delivery requirements because the amount of assistance in most cases is smaller than the local government's need.

Additional Options for Consideration

Since it is likely that SB 6050 assistance alone will not be sufficient to address the most distressed jurisdictions' short and long term basic needs, there are other options to consider that may address the needs of Washington's financially distressed local governments:

- Create a customized menu of state assistance/intervention for each of the three stressed "regions" and "island" jurisdictions as a whole. State policy makers could use these customized menus to provide the most effective intervention resources for the state as a whole while taking into account unique regional circumstances.
- Identify existing revenue sources that can be modified or expanded to address the needs of financially stressed jurisdictions, such as:
 - Increasing the state's share of financing for locally administered courts and health services.
 - Replacing "non-supplanting" language in statutes related to select local government revenue.
 - Implementing recommendations from the *Ferry County Management and Organization Review* conducted in October 2005.
- The state has a significant number of programs that provide operating support to local governments. Providing information to program managers about which local governments face severe financial stress may better inform resource allocation decision making and help financially stressed local governments.
- As part of the Government Management, Accountability and Performance (GMAP) program or other existing performance evaluation programs, periodically evaluate and consistently report on the financial condition of local governments statewide to gauge change and identify needed intervention. Assess where significant improvements have occurred and identify when appropriate best practices can be shared from state and local actions.

PURPOSE OF THE STUDY

In April 2006 the Office of Financial Management (OFM) requested that the Department of Community, Trade and Economic Development's Local Government Division assist them with an analysis, using contemporary methods, of local government financial condition in Washington's 320 cities and counties. Specifically OFM wanted to know the answer to the question: *"Are the 'right' local governments receiving state assistance under Senate Bill 6050 (RCW 43.08.290) passed by the State Legislature in 2005?"*

This question arose because some local governments were reporting severe financial distress and have asked the state to intervene. Ferry County requested that the state supplement its operating fund in 2005 and Columbia County has indicated that it is experiencing similar difficulties. Recently some smaller cities have also reported severe financial difficulties. OFM wanted to determine which cities and counties were under the most financial stress and how those cities and counties compared to the list of cities and counties that were receiving assistance under SB 6050.

BACKGROUND

SENATE BILL 6050

Senate Bill 6050 was adopted by the State Legislature to provide financial assistance to local governments effected by the passage of Initiative 695 in November 1999 which repealed the Motor Vehicle Excise Tax. The MVET had been forecasted to generate approximately \$1.6 billion in revenues during the fiscal 1999-01 biennium. The MVET statute apportioned 23.6% of collections to counties, cities, and public health districts for the purposes of criminal justice assistance, fire and police protection, sales tax equalization, and public health totaling approximately \$189 million per year. For some jurisdictions, MVET assistance represented a relatively significant part of their operating budget. The final MVET distributions to jurisdictions occurred in January 2001.

From 2001 to 2005 annual state appropriations provided some replacement financial assistance to counties and cities. The appropriation for 2003-05 provided \$14 million to the cities and counties with the lowest taxing capacity. SB 6050 replaces these annual appropriations by reducing the portion of the Real Estate Excise Tax (REET) deposited in the Public Works Assistance Account (PWAA) from 7.7% to 6.1%, and deposits 1.6% of the REET into the new city-county assistance account.

The Real Estate Excise Tax is imposed on the sale of real property at 0.28% of the sale price. The Public Works Assistance Account assists local governments with low interest loans for roads and bridges, water and waste water systems, and solid waste and recycling facilities. The level of funding for SB 6050 assistance (estimated at \$12 million per year) is split equally between cities and counties. A separate distribution formula for cities and counties is specified. The bill also requires the Joint Legislative Audit and Review Committee to determine the extent to which the distributions to cities and counties target the funding shortfalls created by the repeal of the Motor Vehicle Excise Tax. The report is due December 31, 2008.

In 2005 Ferry County requested that the state intervene and provide supplemental operating funds sufficient for the County to meet expenses. The state (through an appropriation from the Governor's emergency fund) provided \$150,000 and required that a management review be completed. The *Ferry County Management and Organization Review* was completed in October 2005. The Review found that Ferry County had insufficient revenue and an insufficient revenue base to meet on-going basic operating expenses and would likely need continued state assistance. From the data gathered for the Review, some of the state's other small population counties appeared to be similarly situated. In 2006 Columbia County reported that it was experiencing significant financial distress and reports appeared of some smaller cities also experiencing difficulties.

METHODOLOGY

In order to determine the level and extent of local government financial distress, nationally recognized methods of measuring local government financial condition were selected (Greisel and Kloha, 2005). The local government financial condition indicator analysis method selected for this study has been in use for approximately 30 years. Much of the early work with this method picked a relatively large number of indicators (frequently around 30) that would be tracked over time for an individual city or county. As the methodology matured, the numbers of indicators became smaller

and more self explanatory to a wider audience. States began measuring local government financial condition using indicators in the 1980's.

Ten indicators of financial condition that represented a balance between measures of operating position, revenue (or resources), and service delivery (or demand) were selected for the purpose of this analysis. Indicators were selected based on their use nationally and the availability of comprehensive data for all cities and counties in Washington. Emphasis was placed on measures as predictors of financial distress rather than indirect measures (such as legal compliance with accounting or internal control requirements) or measures of financial failure (such as default on debt) (Kloha, 2005). Predictive measures provide more information about the underpinning or drivers of distress than measures that show financial failure.

Data was collected for 1994 through 2004 in order to be able to measure changes over time. This time period brackets the repeal of the Motor Vehicle Excise Tax and provides at least a decade of comparative data. Local government financial results were influenced during this period by a number of factors other than the repeal of MVET. Other factors include widely varying economic conditions; the impact of property tax limitation initiatives; and the implementation of the state's Growth Management Act (GMA). The Act accelerated annexation and incorporation activity by cities of unincorporated county areas, creating changes in service delivery and land use patterns statewide.

The ten financial indicators selected for this analysis are presented individually in the following pages. A page of narrative and a map of the "financially distressed" counties and cities are included for each indicator. The narrative contains a detailed discussion of each indicator and its measure(s) describing how it is calculated; how the indicator is interpreted; the benchmarks used; the source of data; and the selected "point of distress."

A city or county is considered "distressed" if four or more indicators of stress are registered for that individual city or county. After looking at what other state's have done it was clear that picking too many indicators (for example 8 or more stress points out of 10) lead to a system that did not really identify local governments with significant stress early enough to provide intervention. Picking too few (for example one stress point) resulted in "false alarms" and/or a number too large for policy makers to find believable. In Washington, there are several jurisdictions that have had significant financial issues for a number of years, which many would judge to be in fiscal crisis at the present time. Added to these jurisdictions are those that show symptoms of financial distress. This last group, if addressed early enough, would potentially prevent more difficult problems. The number 4 was selected in an effort to capture both those jurisdictions in the most distress and those that were headed in the same direction. The number could be increased (e.g. 5), but likely not decreased and still be credible.

A summary of the most distressed Washington cities and counties with four or more stress points compared to those cities and counties receiving SB6050 assistance appears at the beginning of the section on indicator results. Specific data for each indicator is included in the appendix.

Six of the measures in this analysis rely on data that is available from the Local Government Financial Reporting System maintained by the State Auditor's Office. For the decade reviewed in this study, all counties reported their financial data every year with 93% or 262 of 281 cities

reporting. The appendix summary tables show an asterisk (*) by those cities with missing data. In addition to the cities that did not report, 11 new cities were incorporated over the decade. These cities do not have data available for some measures for the years prior to incorporation.

The Local Government Financial Reporting System (LGFRS) is the only comprehensive source of financial reporting data available for all cities and counties statewide. LGFRS has limitations including that the local governments themselves report the data and in many cases it is pre-audit data. Indicator systems across the country vary in the number and type of indicators that have been selected to measure financial stress or condition but almost all systems rely to some extent on data from local government annual financial reports. When there was another source of data that has been audited, tested or generally accepted that data was used instead of LGFRS data. 2004 data was consistently used, even when later data (e.g. 2005 data) was available to provide a consistent decade measure for each indicator (1994 to 2004) and to provide consistency between indicators, avoiding the use of different time periods for each measure.

Alternative methods of conducting the financial condition analysis were reviewed and, in some cases, tested. For example, a weighing system was tested by selecting “more important” and “less important” measures. The results of the test weighing system did not vary significantly from the results of an un-weighted analysis and added an additional layer of subjective judgment. In effect, by selecting equal numbers of indicators that measured resources, service demand and results of operations those three factors were equally weighted. Finally, statistical weighing systems work better when there is a clear or statistically tested method of determining which indicators should receive the most weight. Since there are so many variables involved in evaluating local governments with such a wide range of characteristics that change over time it would be hard to construct a valid weighting system.

The selected analysis method was compared to the results of national research on the effectiveness of indicator systems in predicting financial distress to determine whether the design met the predictive criteria developed in that study (Kloha, 2005). In addition, the draft analysis was reviewed for comments by the Association of Washington Cities and Washington State Association of Counties staff.

Setting the point for each indicator that divided stressed jurisdictions from jurisdictions not experiencing stress from a given factor was the most difficult part of the analysis. In general, when a national benchmark was available for a given indicator (e.g. 5% cash balance as established by bond rating agencies) then the national benchmark was used. When a national benchmark was not available or could not be applied to Washington then a general rule of 50% below the state average or median (lowest quartile) was used. A 50% level was selected in order to distinguish between those that are significantly different from the norm and those that vary somewhat.

THE STATE’S ROLE IN LOCAL GOVERNMENT FISCAL CRISIS

American history contains many instances of localities in financial difficulty. In the 1870s, approximately one-quarter of the indebtedness of major local governments was in default, primarily as a result of carpetbagger governments and railroad-aid bonds (Advisory Commission on Intergovernmental Relations, 1985). In the 1970s and 1980s, some of the nation’s larger local governments, including New York, Philadelphia and Orange County, California, faced tremendous

financial difficulties and were helped out by their states. In 2002 a survey of all states found that 36 states reported one or more local governments in fiscal crisis in recent history (Honadle, 2003). In most of these instances, the state's role was reactive—stepping in when the emergency was evident. As a result of these experiences, states have also developed more proactive approaches in which they try to recognize problems and have mechanisms for dealing with them before they balloon into fiscal crises. Key to these proactive approaches is the choice of fiscal indicators to predict pending distress early enough that state or local actions can alleviate the fiscal difficulties (Cahill & James, 1992). These indicators are key to state intervention—an intervention that can be controversial because it may be uninvited and may conflict with the local autonomy.

Nationally, states vary in the role that they play in monitoring and/or intervening in a local government “fiscal crisis.” Fifteen states use some form of an indicator system to monitor the financial condition of local governments (Honadle, 2005 and Greisel, 2005). These states are Alaska, Connecticut, Florida, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and West Virginia.

An additional six states monitor or regulate local governments in poor financial condition in some other way. The states vary in their approach to intervention. While some states provide information on indicator results to local elected officials, the state legislature and/or the general public or create “watch lists;” other state's intervene by providing additional funds for operations or debt payments, management assistance or economic development, approving budgets and certifying financial officers, or in the extreme, taking control of the local jurisdiction (Honadle, 2005 and Greisel, 2005).

As an example, the state of Pennsylvania passed Act 47 in 1987 that required local governments to annually report on 27 indicators related to their fiscal condition. Local governments who are classified as fiscally stressed qualify for state assistance in the form of technical assistance (up to \$100,000) and grants and loans aimed at returning the community to a sound fiscal footing. Twenty-two cities and boroughs have been designated as fiscally stressed since 1987 including the City of Pittsburgh.

Washington State adopted a statute in 1935 (RCW 39.64 Taxing District Relief) that provided authority for a local government to declare bankruptcy under federal statutes, appoint receivers, and reorganize. In 1974 the state adopted RCW 35.21.750 Public Corporations – Insolvency, which provides for the Superior Court in the appropriate County to appoint receivers or trustees. There appears to be no known use of either of these statutes by cities, towns or counties in the state.

The State Auditor's Office has the responsibility for financial and performance audits of local governments. The performance audit requirement is relatively new and the audit standards have not yet been developed. Financial audits do require that an entity be a “going concern” and the State Auditor does report to the local legislative authority if this test was not met in the last financial reporting period. The State Auditor's Office does not at this time routinely report or track specific or general indicators of financial condition. While programmatic and individual financial assistance has been provided to specific local governments over time currently there is no state agency oversight or general program of assistance to local governments in poor financial health with the exception of SB 6050 assistance.

The state has an interest in the financial viability and effective management of Washington local governments as a key partner in the delivery of state programs. Counties and cities are important

strategic partners in the delivery of \$20.7 billion in non-education related governmental services in Washington (Legislative Evaluation and Accountability Program, 2004). The largest joint expenditures were for Criminal Justice - \$3 billion (33% state; 37% county; 30% city); Transportation - \$3.6 billion (46% state; 34% county; 20% city), and Health and Human Services - \$9.1 billion (94% state; 6% county; 1% city). States across the nation have a stake in local governments' fiscal health and condition since local fiscal crises can affect the state's bond ratings, the economic development potential of the state, and the quality and quantity of public services.

TEN INDICATORS OF WASHINGTON LOCAL GOVERNMENT FINANCIAL CONDITION

Following are a summary comparing the most distressed local governments to the list of local governments receiving SB 6050 assistance and the results for each individual indicator. Each of the ten indicators of financial condition selected for Washington local governments are measured using one or more sets of data generally available for all jurisdictions between 1994 and 2004. One page of narrative for each indicator is followed by a map(s) that provides a visual summary of the counties and cities that fall below the selected stress benchmark for that indicator. The narrative includes:

- name and number of the indicator;
- how the indicator is measured;
- what the benchmarks are, and how the “line” was drawn defining stress;
- how the indicator/measure is interpreted;
- data sources for the indicator;
- findings; and
- noted changes from 1994 to 2004

Summary of the Ten Indicators

The following map shows the counties (shown in blue) and cities (indicated under each county name by words e.g. “3 out of 8 cities”) that were determined to be the most distressed based on the data and benchmarks selected for the ten indicators of local government financial condition. In order to fall into the distressed category a city or county had to have a score of four or more stress points. A county or city received a point for each measure where they fell below the selected stress benchmark. A summary of all the scores for each jurisdiction is listed in the appendix. A second map is included for comparison showing the counties and cities that received SB 6050 assistance in 2006.

**FINANCIAL STRESS INDICATOR SUMMARY –
LOCAL GOVERNMENTS WITH FOUR OR GREATER STRESS POINTS**

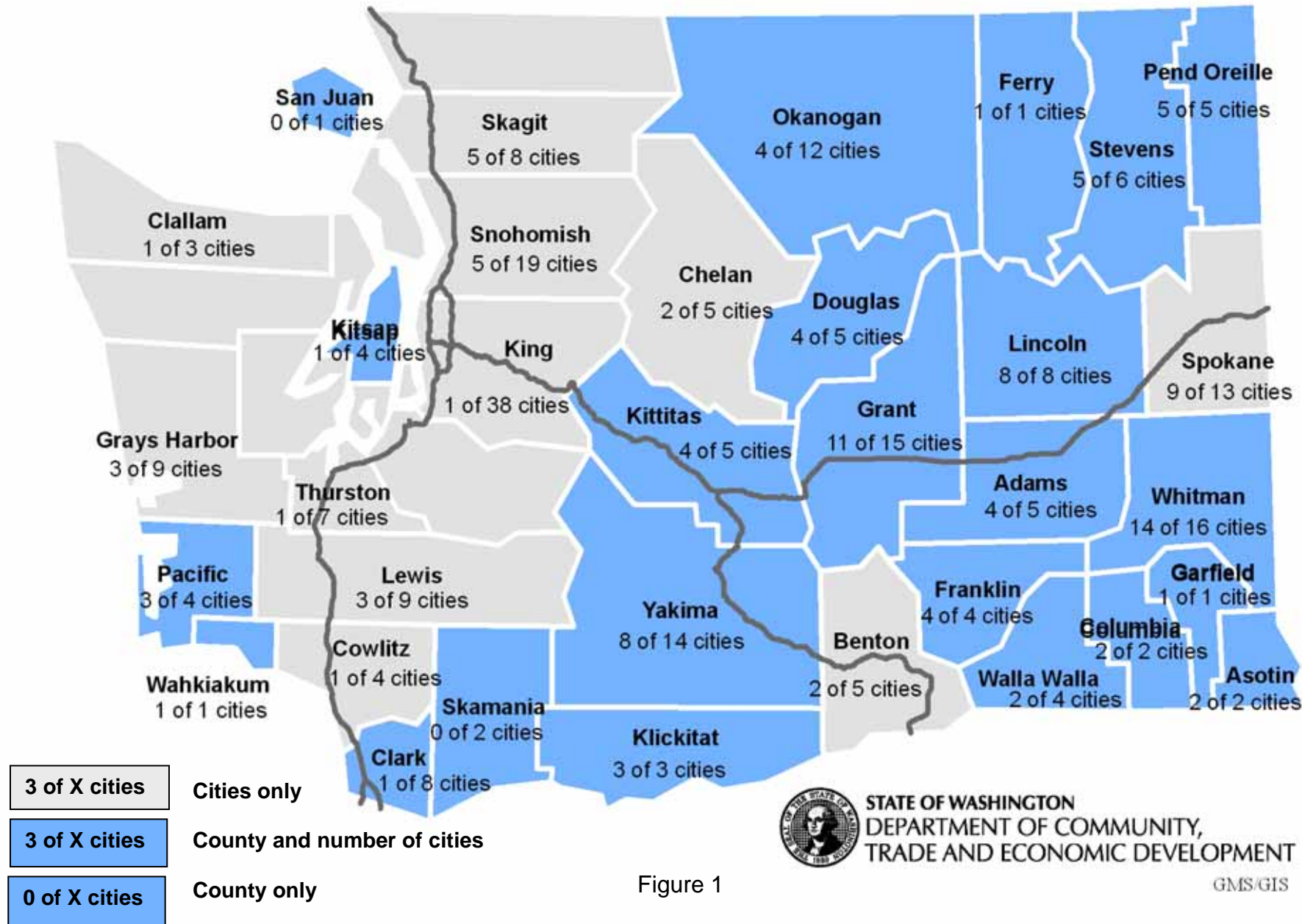
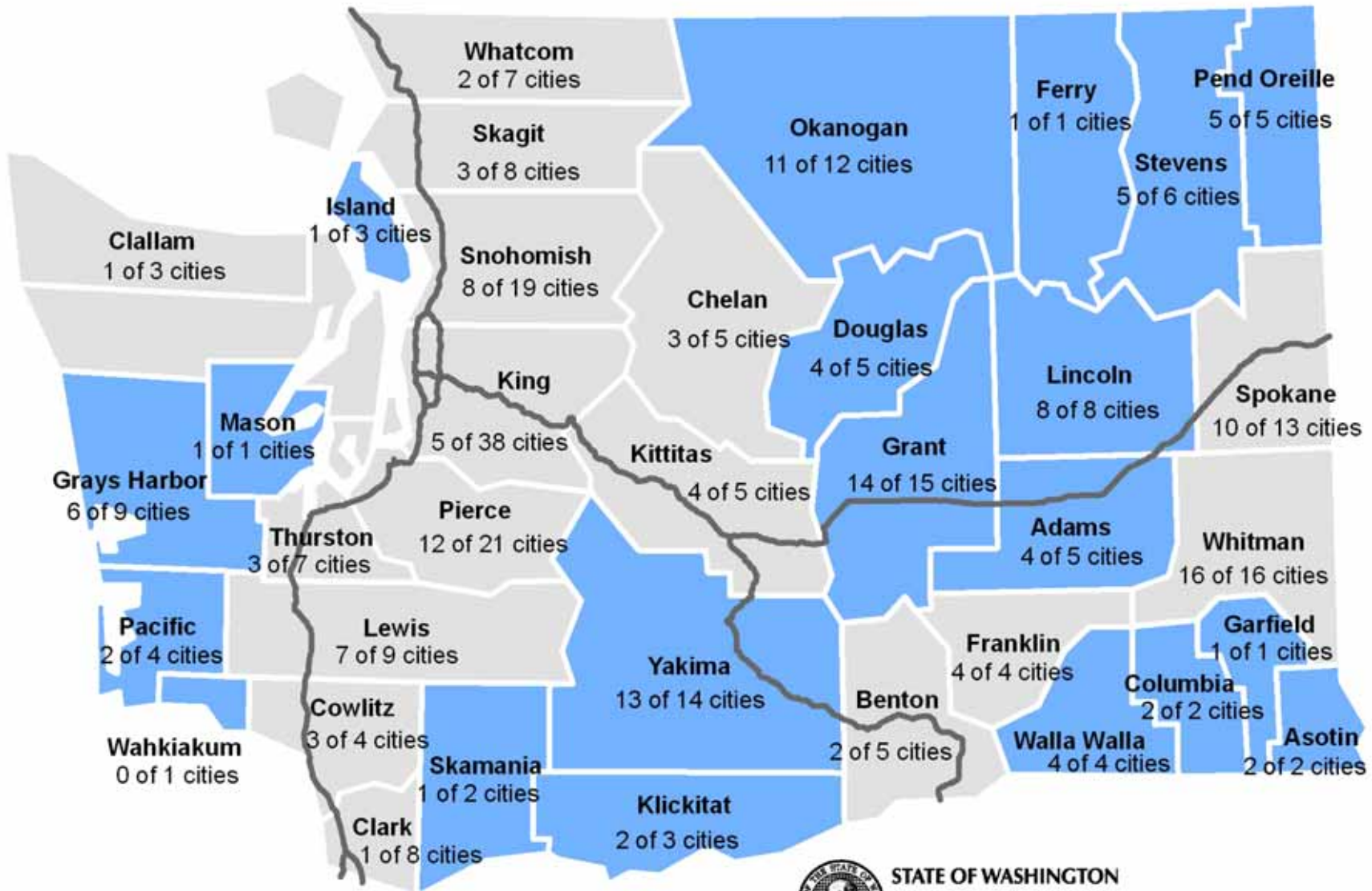


Figure 1

LOCAL GOVERNMENTS RECEIVING SENATE BILL 6050 ASSISTANCE IN 2006



3 of X cities	Cities only
3 of X cities	County and number of cities
0 of X cities	County only



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

Figure 2

GMS/GIS

Conclusions

1. If the intention of the state is to provide financial assistance to counties and cities that are in the greatest financial need, then based on the results of the financial stress analysis, a smaller group of cities and counties would be receiving assistance under Senate Bill 6050 (SB6050). Compared to the group of 191 counties and cities receiving assistance in 2006, 144 local governments (121 cities and 23 counties) were found to be distressed. A local government was defined as distressed if it was classed as “stressed” in four or more of the ten financial stress indicators.
2. An additional 24 cities did not have complete data available and may also fall into the distressed category. Therefore the total number of distressed cities may range from 121 to 145.
3. The financial condition of Washington’s local governments generally declined during the 1994-2004 decade based on the selected stress indicators. Of the ten indicators of financial health: two improved over the decade, five showed decline, and three had mixed results or could not be comparatively measured. Continued monitoring of local government financial condition over time would increase the number of measures that could be comparatively measured. The following table summarizes the statewide results for each indicator.

Summary of Indicator Results

Indicator	Benchmark of Financial Condition	Change Over the Period 1994 to 2004
<i>General Fund Revenue Per Capita</i>	Low general fund per capita revenue is one indicator of an inadequate level of resources to meet service delivery requirements.	The number of jurisdictions with very low general fund per capita revenue decreased over the decade (from 88 to 62) showing a slight improvement in this indicator overall.
<i>Revenue Elasticity</i>	Elasticity measures whether a local government’s revenue growth keeps pace with its economy by comparing revenue changes to changes in per capita personal income. State government’s revenue elasticity generally is 90% of the state’s economic growth as measured by changes in personal income.	23% of counties and 30% of cities had revenue base growth of less than 90% of their economic growth. Of the cities with low elasticity 29 (or 11% of all cities) experienced overall revenue declines for the decade. There are a relatively large number of local governments whose revenue base grows at rates below those of its economy and therefore may have fewer resources to address service delivery requirements.
<i>Cash Balance</i>	A cash balance of 5% or less is generally regarded by debt rating agencies as a red flag.	The number of counties with cash balances of 5% or less increased over the decade from 2 to 4. The number of cities with low cash balances declined from 37 to 25 however, eight cities reported zero

Indicator	Benchmark of Financial Condition	Change Over the Period 1994 to 2004
		or a negative cash balance (technically insolvent) in 2004 a small increase over 1994. The decade change for this indicator was mixed.
<i>Proportion of Expenditures Used for Capital or Debt</i>	A high (15% to 20% or greater) proportion of operating expenditures used for debt service is considered a warning signal by rating agencies. Capital expenditures were included for Washington local governments due to the high level of pay-as-you-go financing.	Capital and debt expenditures on average increased from 25% to 27% over the decade. The number of cities having greater than 27% expenditures increased over the decade from 128 to 138 (or 49% of all cities). The number of counties expending 27% or more for capital decreased slightly from 9 to 8 over the decade (or 20% of all counties). This indicator showed a moderate increase in the proportion of capital spending overall resulting in a general increase in fiscal stress.
<i>Proportion of Revenue Restricted for Specific Uses</i>	An increasing proportion of restricted revenue over time is seen as reducing a government's ability to respond to changing citizen needs.	The average proportion of restricted local government revenue increased for both cities and counties over the decade indicating a higher level of fiscal stress overall. Restricted revenue on average topped 50% for counties (53% in 2004). Overall fewer (49 vs. 35) local governments had a very high proportion of restricted revenue.
<i>Property Tax Burden</i>	Compared to other states Washington's local governments have a relatively low to moderate property tax burden. Nationally, distress is defined as annual overlapping property taxes that exceed 2% of property market value.	Property tax limitation Initiatives passed during the study decade have affected the small number of jurisdictions with even a moderate level of tax burden compared to national benchmarks. The number of local governments with moderate tax burden related stress indicators decreased from 27 to 11 (or 3% of all local governments) between 1994 and 2004 showing improvement overall.
<i>General Fund Operating Gaps</i>	Local governments who had four or more general fund operating gaps during the decade (where annual	Over the decade the number of local governments with general fund operating gap years has varied with a measurable increase in the

Indicator	Benchmark of Financial Condition	Change Over the Period 1994 to 2004
	<p>expenditures exceeded annual revenue) combined with three or more aggregated special fund operating gaps were classified as stressed. In addition, local governments with two operating gaps in the last three years were classed as stressed. Two operating gaps out of five years are viewed negatively by rating firms.</p>	<p>last three years. All local governments statewide combined spent more than the revenue received in their general funds statewide during two years in the decade the most recent being 2002-2003. One hundred and seventy one cities (or 61%) and twenty two counties (or 56%) met the operating gap stress benchmarks in 2004.</p>
<i>Economic Condition</i>	<p>Lack of growth in population, and employment or low per capita personal income is an indicator of economic stress effecting revenue collections and service demand.</p>	<p>Forty three local governments (or 13% of all local governments) lost service population over the decade. Per capita personal income was in the bottom quartile for the state in 9% of local governments. Employment growth was less than 1.5% (one half the state's average) for one third of the state over the last three years. Lack of employment growth was increased stress for one third of the state.</p>
<i>Tax Base Condition</i>	<p>Local governments are considered stressed whose major tax revenues per capita (property and sales taxes) were measured as 50% below the state average or median.</p>	<p>The number of local governments with low per capita sales tax revenue declined slightly over the decade but remained relatively high at 38% of all local governments in 2004. The number of local governments with low per capita assessed value increased over the decade to 23% of all local governments. Overall the number of jurisdictions with tax base related stress is higher.</p>
<i>Service Demand</i>	<p>Low density generally increases the cost per unit of service delivery. High proportions of DSHS clients or high school dropouts are indicators of high service demand which may place a higher than typical stress on local government resources.</p>	<p>Based on the measures for which data is available for the decade this indicator shows a slight decline overall with slightly more local governments showing stress. Since 2000 one fewer county and six fewer cities have population densities below the benchmark showing a slight improvement in the number of local governments</p>

Indicator	Benchmark of Financial Condition	Change Over the Period 1994 to 2004
		with low service delivery density. The number of local governments with low assessed property value per square mile has increased over the decade from 88 in 1994 to 98 in 2004 (or 31% of all local governments). The change over the decade in dropout rates and DSHS clients could not be measured since the data being used was not collected in 1994.

4. Local Governments that had four or more stress indicators are generally smaller in population and are grouped in three areas of the state (northeast, southeast and south central/west). In addition, San Juan and Kitsap Counties and more than half of the cities in Skagit and Spokane Counties were classed as stressed.
5. There is a high degree of overlap between the groupings of local governments with high levels of financial stress and local governments with low employment and personal income growth. Any programs that affect the economic health of these regions of the state over the long term may also improve the financial health of the associated local governments.
6. There are 17 individual jurisdictions whose unique circumstances caused them to be ranked as “high stress” that fall outside the three statewide groupings.
7. There may be additional cities that fall within the “high stress” category that could not be completely measured in the financial stress analysis due to lack of data. These jurisdictions fall into roughly two categories, those 11 cities that were incorporated during the 1994 to 2004 time frame or those 19 cities that did not consistently report their financial data to the State Auditors Office. Several of those cities that did not report data show other indicators of financial stress and non-reporting may be an outcome of the circumstances they face.
8. The state of Washington has provided individual (Ferry County in 2005) and programmatic aid to financially stressed local governments over time. Washington does not monitor or report on the financial condition of local governments based on consistently reported measures, unlike some other states. State statutes provide for local governments to declare insolvency (RCW 39.64 Taxing District Relief and RCW 35.21.750 Public Corporations – Insolvency), but to date no local government has used these statutes.
9. During the last forty years there has been operating insolvency or debt default by local governments in other states. These local governments have been temporarily re-organized, come under state or judicially ordered independent control, or found themselves subject to budget supervision by the state. Washington does have well defined protections in place for some high financial risk areas in local government operations that have caused significant financial issues

for other local governments nationally. Two examples are investment restrictions and funded retirement programs. There are other areas of high financial risk however for Washington local governments.

10. The state has an interest in the financial viability and effective management of local governments because they are a key partner in the delivery of state programs. Counties and cities are important strategic partners in the delivery of \$20.7 billion in non-education related governmental services in Washington (Legislative Evaluation and Accountability Program, 2004). The largest joint expenditures were for Criminal Justice - \$3 billion (33% state; 37% county; 30% city); Transportation - \$3.6 billion (46% state; 34% county; 20% city), and Health and Human Services - \$9.1 billion (94% state; 6% county; 1% city). States across the nation have a stake in local governments' fiscal health and condition since local fiscal crises can affect the state's bond ratings, the economic development potential of the state, and the quality and quantity of public services.

Recommendation

Re-aligning SB 6050 assistance to focus on the most distressed local governments in the short term may help them to reduce their immediate level of distress. It may be appropriate to evaluate distributing all or a portion of SB 6050 assistance in a manner that provides a larger proportion of assistance to the most stressed jurisdictions. Short term assistance may also provide a window of opportunity for these local governments to focus on strategies to eliminate their financial distress over the long term.

It is likely that SB 6050 assistance alone will not be sufficient to address the most distressed local governments' basic service delivery requirements because the amount of assistance in most cases is smaller than the local government's need.

Additional Options for Consideration

Since it is likely that SB 6050 assistance alone will not be sufficient to address the most distressed jurisdictions' short and long term basic needs, there are other options to consider that may address the needs of Washington's financially distressed local governments:

- Create a customized menu of state assistance/intervention for each of the three stressed "regions" and "island" jurisdictions as a whole. State policy makers could use these customized menus to provide the most effective intervention resources for the state as a whole while taking into account unique regional circumstances.
- Identify existing revenue sources that can be modified or expanded to address the needs of financially stressed jurisdictions, such as:
 - Increasing the state's share of financing for locally administered courts and health services.
 - Replacing "non-supplanting" language in statutes related to select local government revenue.
 - Implementing recommendations from the *Ferry County Management and Organization Review* conducted in October 2005.

- The state has a significant number of programs that provide operating support to local governments. Providing information to program managers about which local governments face severe financial stress may better inform resource allocation decision making and help financially stressed local governments.
- As part of the Government Management, Accountability and Performance (GMAP) program or other existing performance evaluation programs, periodically evaluate and consistently report on the financial condition of local governments statewide to gauge change and identify needed intervention. Assess where significant improvements have occurred and identify (when appropriate) best practices can be shared from state and local actions.

INDICATOR ONE: GENERAL FUND REVENUE PER CAPITA

Measure: 2004 (or 1994) General or Current Fund Revenue without beginning fund balance divided by total population for cities and unincorporated population for counties.

Benchmark: Local governments are defined as fiscally stressed if their per capita (or unincorporated per capita for counties) general fund revenue was 50% less than the state average for cities (average equaled \$523.60 per capita in 2004) or counties (average equaled \$529 per unincorporated capita in 2004). As an example, the county benchmark was calculated as follows: $((\$706 - \$352)/2) + \$352 = \529 per unincorporated capita. The county with the lowest per unincorporated capita general fund revenue number equaled \$352.

Interpretation: Per capita general fund revenue levels provide an indication of the amount of resources available to provide local government services. The lower the per capita revenue level the less able the local government may be to finance basic governmental services; retain qualified employees; and maintain public assets.

Data Source(s):

- Revenue data is from the Local Government Financial Reporting System, Washington State Auditor's Office
- Population data is from the Forecasting Division, Office of Financial Management

City Findings: 49 cities (18% with 14 not reporting) had general fund revenue per capita of 50% below the state average (\$523.60 or less) in 2004. Seventy five cities (28% with 16 not reporting) had per capita revenue at 50% below the state average in 1994.

County Findings: 13 counties (one third) had general fund revenue per unincorporated capita of 50% below the state average (\$529 or less) in 2004. There was no change from 1994.

Decade Change: The number of jurisdictions with low general fund per capita revenue decreased slightly over the decade (from 88 to 62) showing a slight improvement in this indicator overall.

INDICATOR TWO: REVENUE ELASTICITY

Measures: Growth in all fund revenue (without beginning fund balance) divided by growth in the jurisdiction's per capita personal income from 1994 to 2004

Benchmark: Revenue elasticity for state government was measured at 0.90, local governments with an elasticity ratio of less than 0.90 shown as stressed.

Interpretation: As the economic base expands or inflation increases, elastic revenues rise in roughly proportional amounts while inelastic revenues are relatively unresponsive. It is generally desirable for revenue to expand with personal income in order to have adequate resources to finance public services. This is not true, of course, during times of deflation. An elasticity ratio of 0.90 means that revenues grow at a rate that is 10% less than the growth rate for personal income.

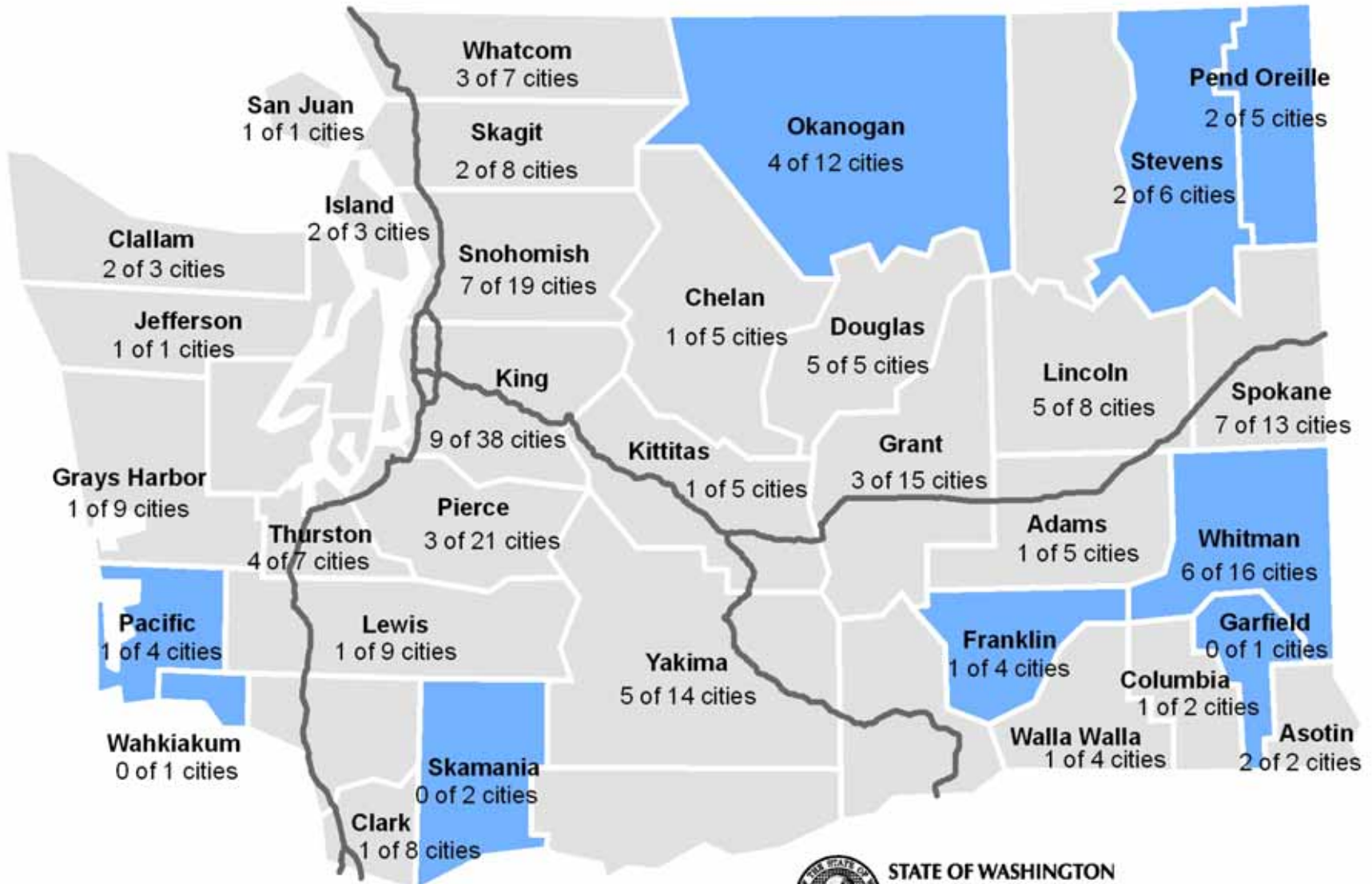
Data Source(s):

- Revenue data is from the Local Government Financial Reporting System, Washington State Auditor's Office
- Per capita personal income data is from the federal Bureau of Economic Analysis, Department of Commerce, table [CA1-3 Per capita personal income 2/](#)

Findings: Nine counties (23%) and 85 cities (30%) show revenue elasticity that is lower than state government's revenue elasticity of 0.90. These local governments' revenue bases grow at a slower rate than their economy. Of the 85 cities with low elasticity 29 (or 11%) experienced overall revenue declines for the decade.

Decade Change: Overall this indicator shows increased stress for 30% of the state's local governments with relatively inelastic revenue bases.

FINANCIAL STRESS INDICATOR 2 – LOW REVENUE ELASTICITY



3 of X cities	Cities only
3 of X cities	County and number of cities
0 of X cities	County only



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

GMS/GIS

Figure 4

INDICATOR THREE: CASH BALANCE

Measures:

- Unreserved general fund (or current fund) balance divided by total general fund (or current fund) expenditures for 2004 and 1994.
- Diverted Road Property Tax divided by current fund revenue without beginning cash balance for 2004 and 1994.

Benchmark:

Local governments with a cash balance of 5% or less in at least one year in the years 2001 to 2004. A ratio below 5% is generally regarded by the debt rating agencies as a red flag indicating probable fiscal stress. Fitch IBCA indicates that, as a cushion against potential revenue and expenditure volatility, an unreserved fund balance equal to 5% of expenditures and transfers or current revenues and transfers is regarded as a sound level. Issuers that can consistently maintain unreserved fund balances of 10% or more, however, are viewed more favorably. They do note that this level may vary depending on the locality's tax collection calendar.

Related Notes:

- Standard & Poor's uses unreserved general fund balances as a percent of operating revenues. Fifteen percent or more with no cash borrowing over the fiscal year is considered strong, 5-15% adequate, and 0-5% low. They caution that this is only a general guideline – what is considered high or low depends on peak cash-flow needs during the year as well as whether the fiscal year ends in a historically cash poor or cash rich month.
- Many local government finance professionals advise local governments to maintain at least a 8% cash balance (an amount equal to one month's expenditures) when revenue cash flow does not require a higher balance to cover the low point in a local government's revenue cycle.
- Some counties use Diverted Road Property Tax as a general fund operating revenue under state law. Reliance on this revenue is considered an indicator of a weak or stressed tax base. Counties were considered stressed if they relied on Diverted Road Property Tax for more than 2% of current fund revenue.

Interpretation:

- Indicates the availability of "financial reserves" to meet unforeseen contingencies and for appropriation for future operations. A decline in unreserved fund balances as a percentage of operating revenues over time suggests the government is less able to withstand financial emergencies and more likely to need to borrow funds for capital purchases. Note that this may not be the case if the government planned to draw down fund balances or made a large capital purchase out of balances.
- Over reliance on Diverted Road Property Tax is an indicator of a weak or stressed tax base.

Data Source(s):

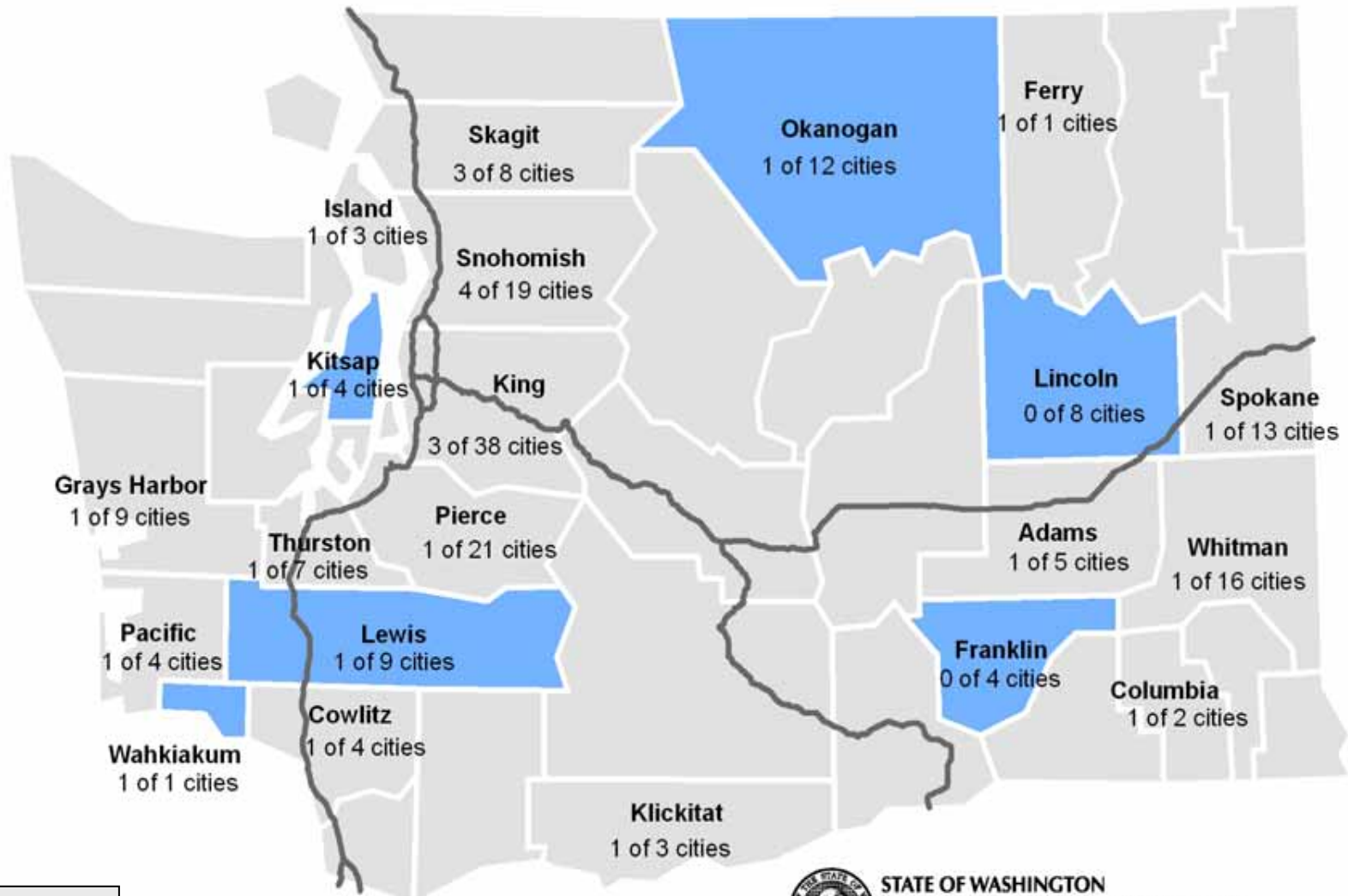
- Financial data is from the Local Government Financial Reporting System, Washington State Auditor's Office
- Diverted Road Tax data, Department of Revenue, Property Tax Statistics

City Findings: The number of cities with cash balances of less than 5% has declined from 37 to 25 over the decade (or from 14% to 9% of all cities with 55 cities not reporting). Eight cities reported no cash balance or a negative cash balance (technically insolvent) in 2004 a small increase over 1994.

County Findings: The number of counties with cash balances of 5% or less increased from 2 to 4 over the decade (or from 5% to 10% of all counties). In addition, the number of counties that rely on Diverted Road Property Tax for 2% or more of their current fund revenue increased from 7 to 9 (or 23% of all counties).

Decade Change: Overall the number of local governments with cash balances of 5% or less declined slightly from 39 to 29 between 1994 and 2004 however the number of jurisdictions relying on diverted revenue or with no cash balance increased slightly.

FINANCIAL STRESS INDICATOR 3 – CASH BALANCE BELOW 5%



3 of X cities	Cities only
3 of X cities	County and number of cities
0 of X cities	County only



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

GMS/GIS

Figure 5

**FINANCIAL STRESS INDICATOR 3
COUNTIES USING DIVERTED ROAD TAX FOR 2% OR MORE OF GENERAL FUND REVENUE**

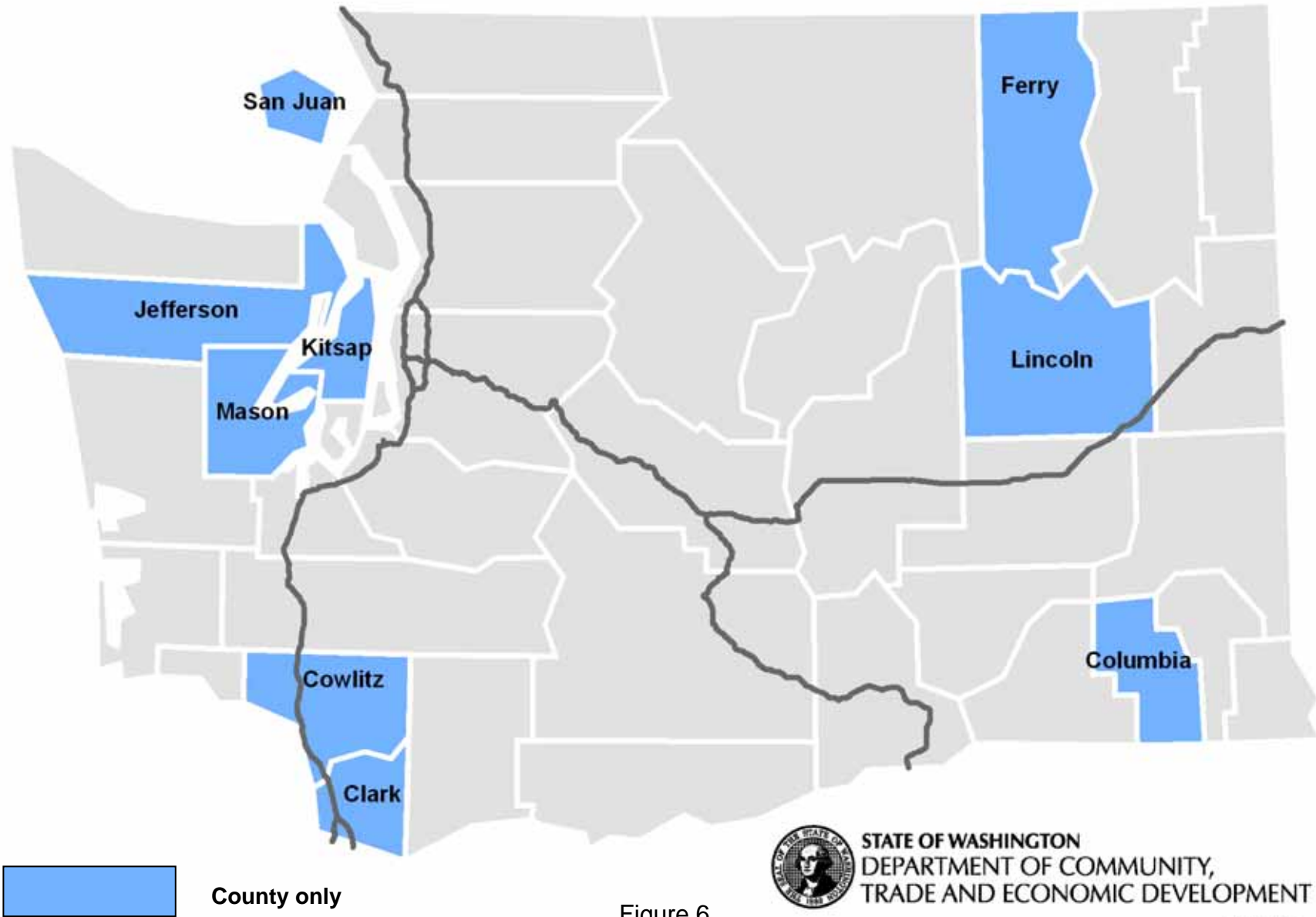


Figure 6



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

GMS/GIS

INDICATOR FOUR: PROPORTION OF EXPENDITURES USED FOR DEBT AND CAPITAL IMPROVEMENT

Measure: All fund debt and capital expenditures divided by all fund expenditures in 1994 and 2004.

Benchmark: Local governments with debt and capital expenditures of 27.4% or more of total expenditures were considered stressed. This number is above the national benchmarks described below because capital expenditures were included.

Local governments are stewards of a number of public infrastructure systems including streets and roads; utilities; criminal justice facilities; parks and recreation facilities and a variety of other public buildings and land. These systems need to be maintained, renewed and expanded with growth. Some local governments have greater capital burdens than others due to a variety of circumstances including the requirements of the state Growth Management Act and various federal statutes. This indicator helps to identify local governments whose capital burdens are a fiscal stressor. The typical measure in this arena is proportion of expenditures used for debt service however so many Washington local governments rely on pay-as-you-go financing for capital needs that debt service obligations only tell part of the story.

Debt service on net direct debt exceeding 20% of operating revenues is considered a warning signal by bond rating agencies. A ratio of 10% or less is considered acceptable. Fitch IBCA suggests that debt service above 10% of expenditures or revenues for cities and counties constitutes a level at which budgetary competition is a significant consideration. Standard & Poor's indicates that debt service as a percent of expenditures of $\leq 5\%$, represents a low carrying charge; 10% a moderate carrying charge; and $\geq 15\%$ a high carrying charge.

Interpretation: Indicates the extent of the government's fixed cost for paying principal and interest on its direct tax-supported debt and capital requirements. Increasing net direct debt service as a percentage of operating revenues reduces a government's expenditure flexibility and may suggest excessive debt and/or fiscal strain.

Data Source: Data is from the Local Government Financial Reporting System, Washington State Auditor's Office

Findings: The average Washington local government's expenditures for capital, including debt, increased from 25% to 27% of total all fund expenditures over the decade. The number of cities having greater than 27% expenditures for capital increased over the decade from 128 to 138 with 17 cities not reporting. One hundred thirty eight cities represent 49% of the total of all cities. The number of cities expending 50% or more on capital increased from 28 to 30 over the decade. The number of counties expending 27% or more for capital decreased slightly from 9 to 8 over the decade. Eight counties represent 20% of the total. No counties spent over 50% on capital.

Decade Change: This indicator showed a moderate increase in capital spending overall showing a general increase in fiscal stress.

**FINANCIAL STRESS INDICATOR 4
OVER 27% OF EXPENDITURES ARE USED FOR DEBT OR CAPITAL**

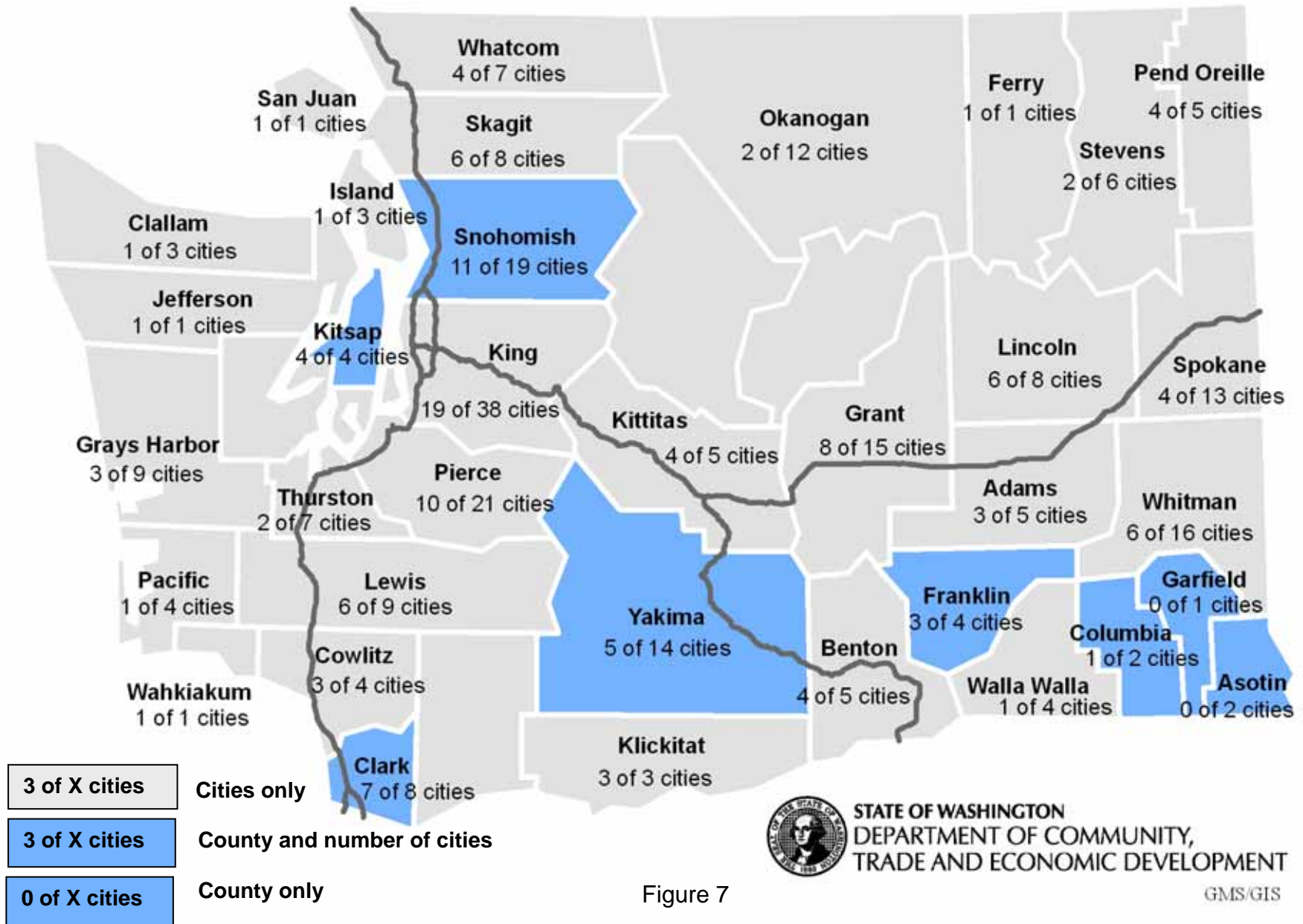


Figure 7

INDICATOR FIVE: PROPORTION OF REVENUE THAT IS RESTRICTED FOR SPECIFIC USES

Measure: Restricted revenue from all funds divided by revenue from all funds without beginning fund balance. Revenue was considered “restricted” as defined by the Local Government Financial Reporting System of the State Auditor’s Office, which generally includes funds that must be used for specific purposes under federal or state law.

Benchmarks: Large amounts of restricted revenues are generally interpreted as reducing a local government’s ability to respond to changing regulatory, economic or social conditions over time. There is no nationally defined benchmark for this indicator. It was assumed that local governments with half or more of their revenue base as restricted revenue were at greater risk than local governments with fewer restrictions. In 2004 the average county in Washington had 53% of their revenue base restricted for specific purposes so the average was used as the benchmark for counties. In 2004 Cities on average had 24.9% of their revenue restricted. 49.8% was selected as the City benchmark (twice the average). Local governments were considered stressed if they met or exceeded these benchmarks in 2004.

Interpretation: An increasing amount of restricted operating revenues as a percentage of net operating revenues over time reduces a government’s ability to respond to changing conditions and citizens’ needs and demands. It may also indicate an overdependence on external revenues.

Data Source: Local Government Financial Reporting System, Washington State Auditor’s Office

City Findings: Overall on average for all cities the amount of city revenue that is restricted for specific purposes rose from 21.9% to 24.9% between 1994 and 2004. The number of cities that exceeded double the state average in restricted revenue (49.8% in 2004) decreased slightly from 28 to 22 cities (or 8% of all cities reporting).

County Findings: Overall on average the amount of county revenue that is restricted for specific purposes increased from 48% to 54% of all revenue between 1994 and 2004. The number of counties with restricted revenue above the average decreased from 21 to 13 counties (1/3 of all counties) over the decade.

Decade Change: Statewide the average amount of restricted revenue for all local governments increased over the decade. The number of jurisdictions with restricted revenue at or over one half of their total revenue declined from 49 to 35 (or 11% of all local governments).

**FINANCIAL STRESS INDICATOR 5
50% OR MORE OF REVENUE IS RESTRICTED FOR SPECIFIC USES**

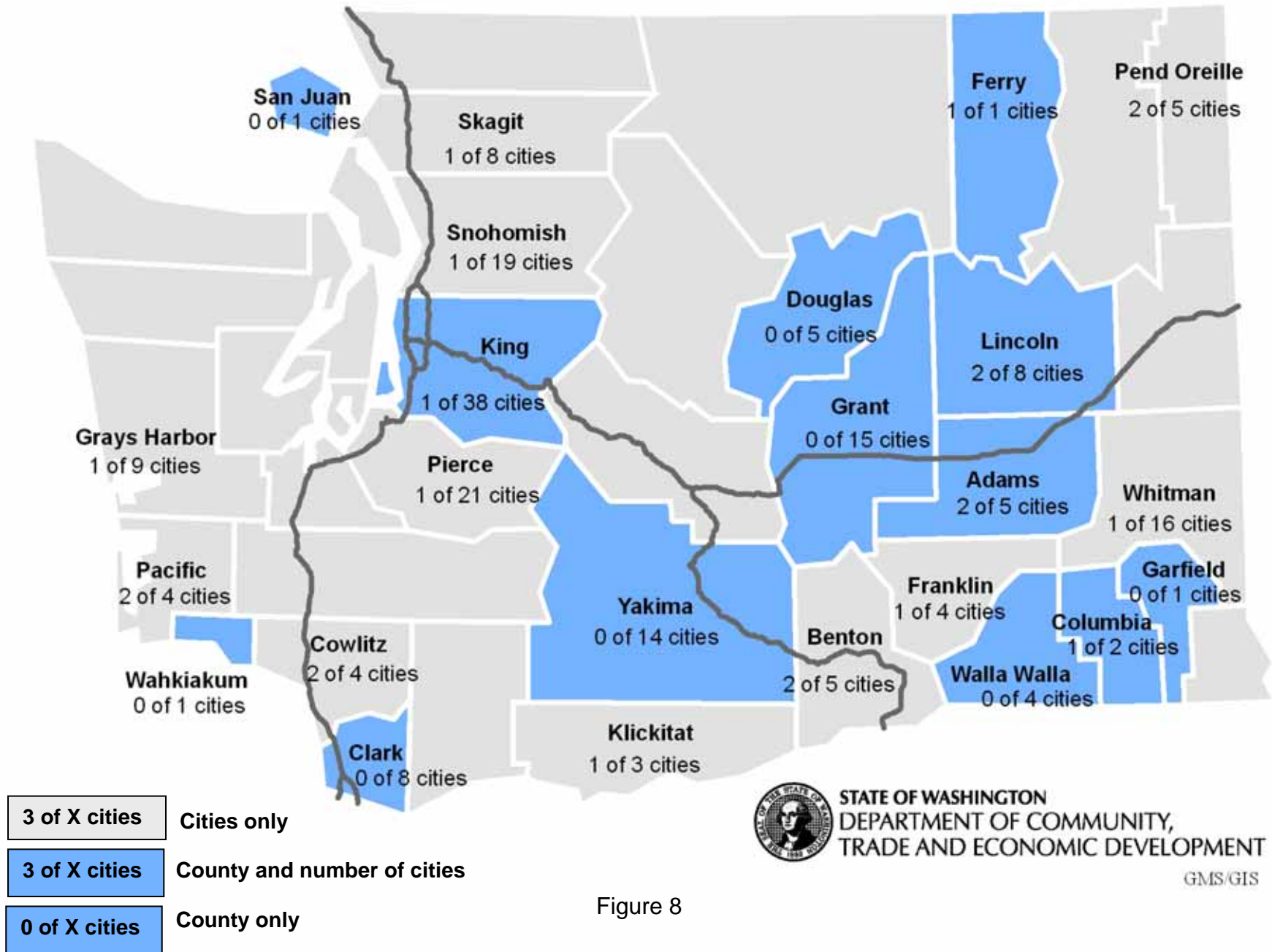


Figure 8

INDICATOR SIX: PROPERTY TAX BURDEN

Measures: The city measure is total property tax levy divided by total assessed value (overlapping property tax levy information was not available for cities). The county measure is the total overlapping property tax levy divided by total assessed value.

Benchmark: City property tax burden was measured looking at city property tax levels only; not overlapping taxing districts, because the data on overlapping tax levels was not available. Cities with property tax levels of 0.5 % or more of total assessed value were considered to be at a low level of fiscal stress. County property tax burden was measured looking at county and other overlapping taxing districts property tax levels combined; not just county tax level.

Interpretation: Standard & Poor's measures overlapping property tax as a percent of market value to evaluate fiscal stability/capacity. Counties with property tax levels of 1.5 % of total assessed value or more were considered to be at a moderate level of fiscal stress. Standard and Poor's Low = 1% of market value, Moderate = 1.5-2% of market value, Moderately High = 2-2.5% of market value, Very High = greater than 2.5% of market value.

Data Source: Department of Revenue, Property Tax Statistics

Findings: Local government property tax burden overall in Washington is relatively low compared to national benchmarks. The number of cities with property tax levels equal to 0.5% or more of assessed property value declined from 15 to 9 over the decade. The number of counties with overlapping property tax levels equal to 1.5% or more of assessed property value significantly declined from 12 to 2 over the decade.

Decade Change: Property tax limitation initiatives passed during the study decade have affected the small number of jurisdictions with even a moderate level of tax burden compared to national benchmarks. Overall the number of local governments with moderate tax burden related stress indicators decreased from 27 to 11 (or 3% of all local governments) between 1994 and 2004.

FINANCIAL STRESS INDICATOR 6 – MODERATE PROPERTY TAX BURDEN

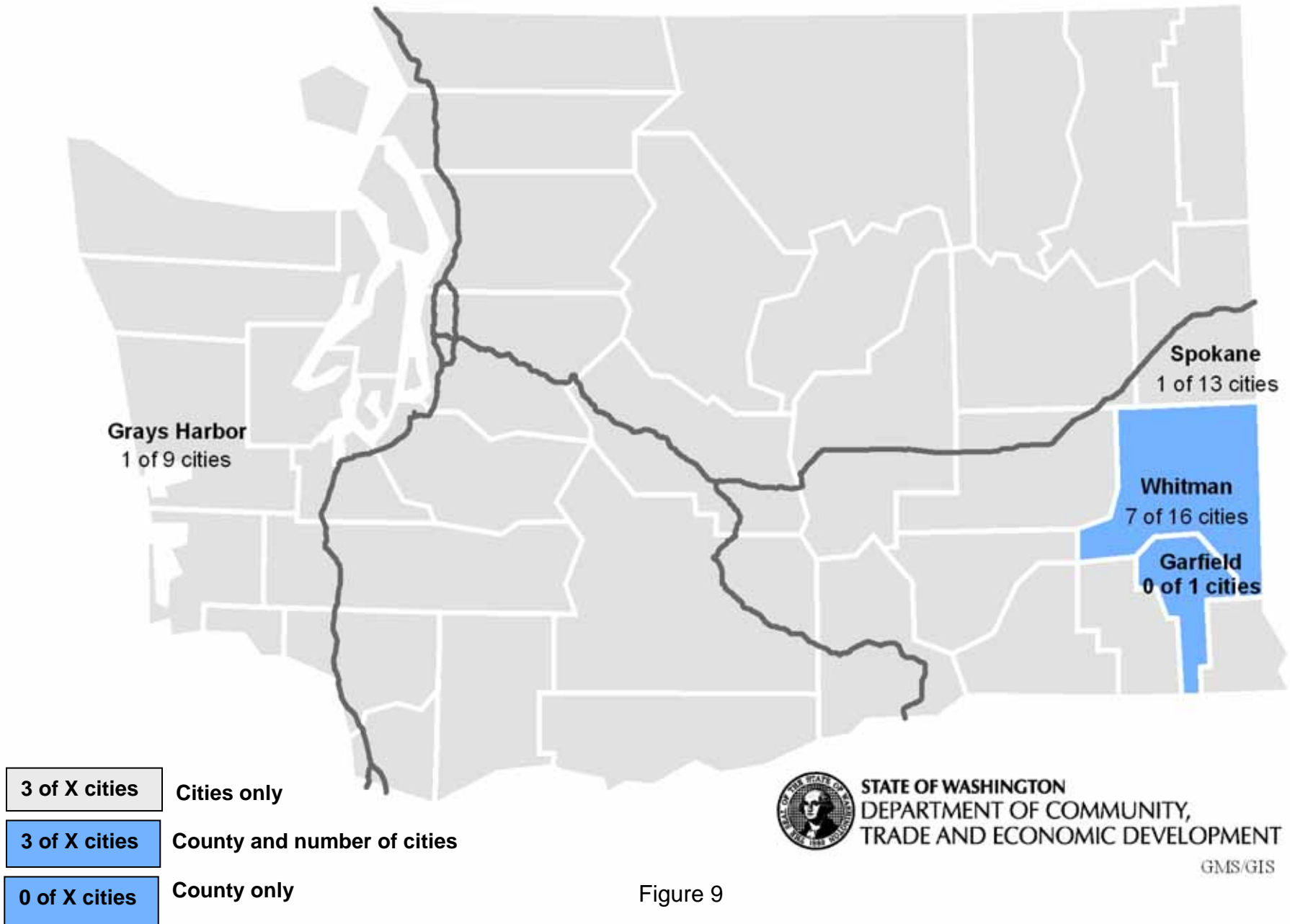


Figure 9

INDICATOR SEVEN: GENERAL FUND OPERATING GAPS

Measure: The number of years between 1994 and 2004 that a local government's general (or current) fund expenditures exceeded its general (or current fund) revenues with out beginning fund balance.

Benchmark: This indicator has two benchmarks that would cause a local government to be classified as stressed. Local governments with four or more general fund operating gaps between current revenue and current expenditures between 1994 and 2004 combined with three or more operating gaps in all special revenue funds combined were considered to be fiscally stressed. Operating gaps in both fund groups is a more reliable indicator of financial stress than operating gaps in one fund category alone. Local governments with operating gaps in two or more of the last three years were also considered to be fiscally stressed. Both of these measures are used nationally. Ratings firms consider a current year operating gap a minor warning signal. Two consecutive years' of gaps, a current gap greater than that in the previous year, a gap in two or more of the last five years, or an abnormally large gap (i.e. greater than 5-10%) in a single year are more serious and typically viewed negatively.

Interpretation: Increasing general fund operating gaps as a percentage of net operating revenues over time is viewed unfavorably. Though an operating gap in any one year may not be a cause for concern because reserves from prior years can be used to cover the difference, etc., frequent and increasing gaps can indicate that current revenues are not supporting current expenditures.

Data Source: Local Government Financial Reporting System, Washington State Auditor's Office

Findings: The number of annual operating gaps among local governments over the decade has varied from a low of 80 to a recent high of 163 (or 51% of all local governments). One hundred and seventy one cities (or 61%) and twenty two counties (or 56%) met the operating gap benchmarks for stress in 2004.

Decade Change: Over the decade the number of local governments with general fund operating gap years has varied with a measurable increase in the last three years of the decade. Local governments spent more than the revenue received in their general funds combined statewide during two years in the decade the most recent being 2002-2003. In 2004 a relatively large number of local governments were considered to meet this stress criteria.

**FINANCIAL STRESS INDICATOR 7
RECENT OR FOUR OR MORE GENERAL FUND OPERATING GAPS 1994 - 2004**

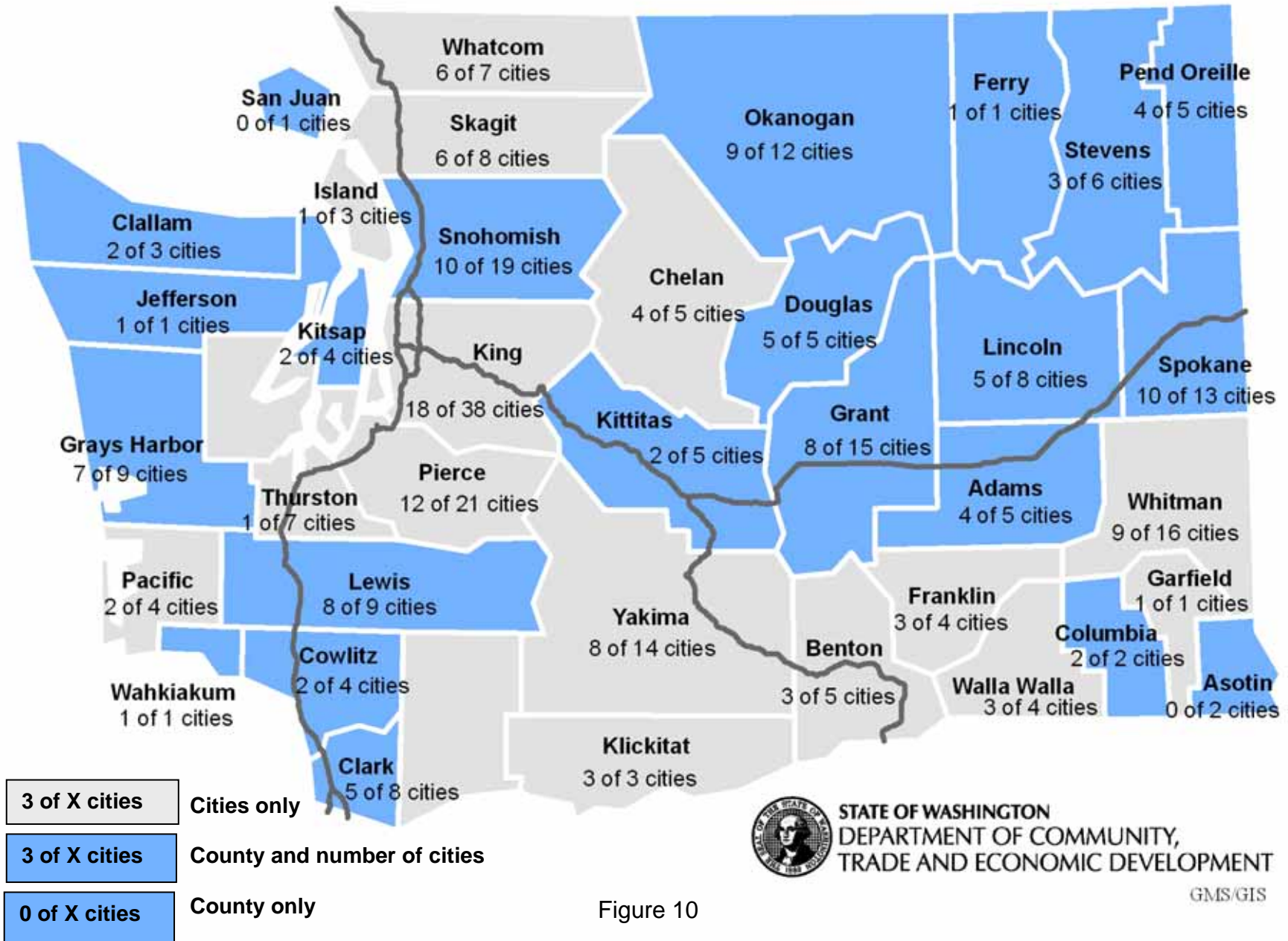


Figure 10

INDICATOR EIGHT: ECONOMIC CONDITION

Measures:

- Population Growth from 1994 to 2004 is calculated by taking 2004 population or employment subtracting 1994 population or employment and dividing the result by 1994 population or employment to find the percentage growth.
- Employment growth between July 2003 and July 2006 was negative (net job loss) or was equal to or less than 1.5% (one half the state average).
- Personal income per capita for 1994 and 2004 is data directly from the data source listed below. Personal income per capita for cities is based on individual listings from the data source or the personal income per capita listed for the county if an individual city is not listed.

Benchmarks: Population loss, personal income levels and employment growth are generally accepted national economic condition benchmarks. For the purposes of this analysis a local government was considered to be stressed if:

- The local government lost service population between 1994 and 2004. In the case of counties, net loss of unincorporated population over the decade was considered loss of service population. Loss of population is generally thought to be aligned with poor economic conditions.
- The local government showed a net loss of employment between July 2003 and July 2006 or employment grew by an amount equal to or less than 1.5% (one half the state average). The rate of employment growth is thought to be generally aligned with economic condition.
- The local government showed a 2004 per capita personal income in the lowest quartile statewide (under \$22,317). Median per capita personal income for the state was \$25,298. Median personal income rather than average personal income was used in order to provide a more representative picture of income levels statewide. The level of per capita personal income is thought to be generally aligned with economic condition.

Interpretation: Low, loss or slow population, personal income and/or employment indicate economic stress, effecting tax revenue and service demand.

Data Sources:

- Population, Washington State Office of Financial Management, Forecasting Division
- Per Capita Personal Income, US Department of Commerce, Bureau of Economic Analysis
- Employment Growth, Washington State Department of Employment Security

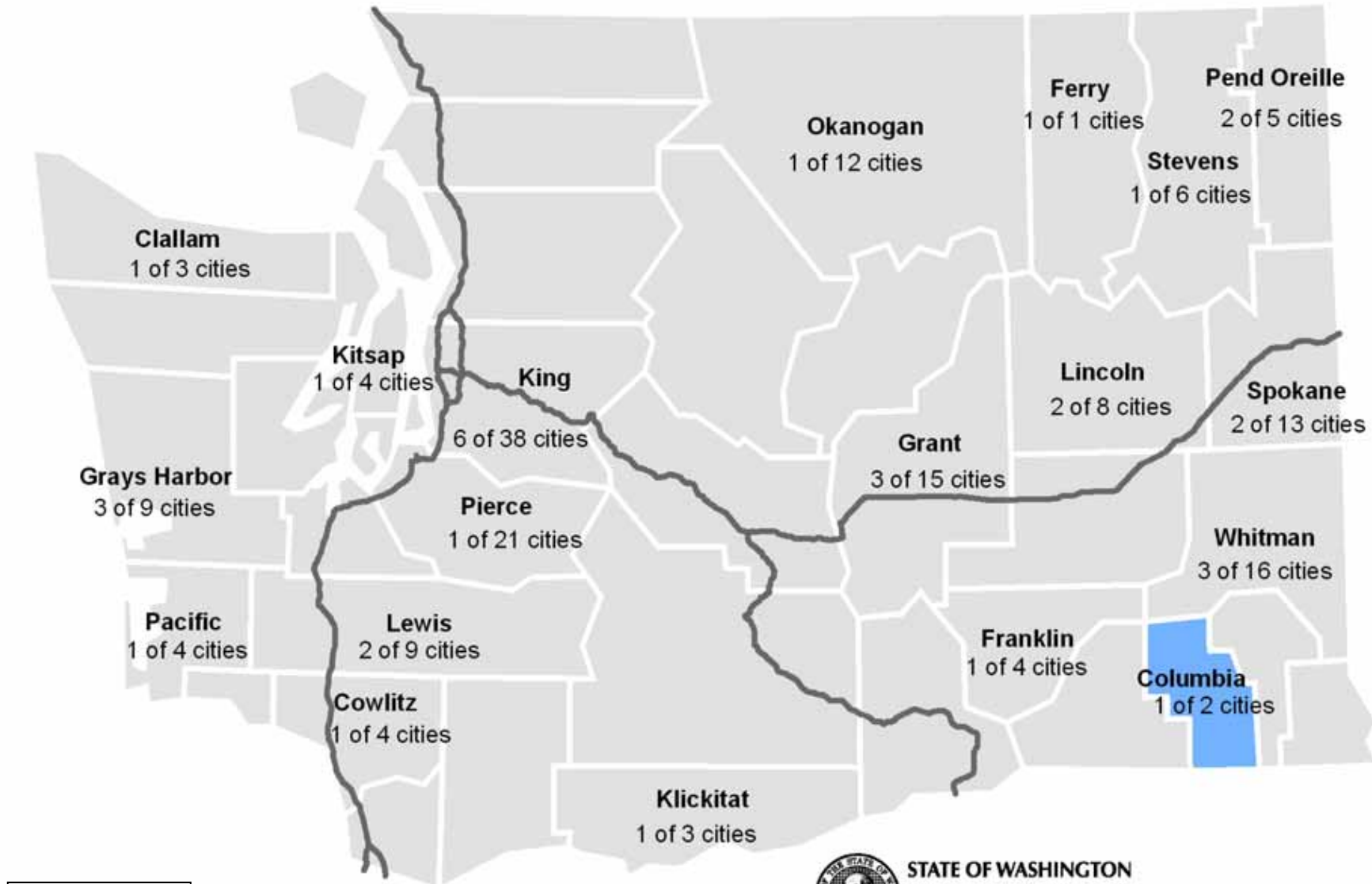
City Findings: Thirty four cities (or 12% of all cities) lost population over the decade. Twenty five cities (or 9% of all cities) had per capita personal income in the lower quartile at or below \$22,317 in 2004. Forty seven cities (or 17% of all cities) lost employment or had employment growth at 1.5% or less between 2003 and 2006.

County Findings: One county had a net population loss for the decade however nine counties (or 23% of all counties) showed a net loss of unincorporated population as cities annexed or incorporated. Four counties (or 10% of all counties) had per capita personal income in the lower

quartile at or below \$22,317 in 2004. Thirteen counties (or one third) lost employment or had employment growth at 1.5% or less between 2003 and 2006.

Decade Change: Some regions of the state have not shown as strong an economy as the state overall with one third of the state showing slow or negative employment growth in the last three years. Comparisons were not done with the prior decade.

FINANCIAL STRESS INDICATOR 8 – POPULATION DECLINE 1994 -2004



- 3 of X cities Cities only
- 3 of X cities County and number of cities
- 0 of X cities County only

Figure 11

**FINANCIAL STRESS INDICATOR 8
COUNTY UNINCORPORATED POPULATION DECLINE 1994-2004**

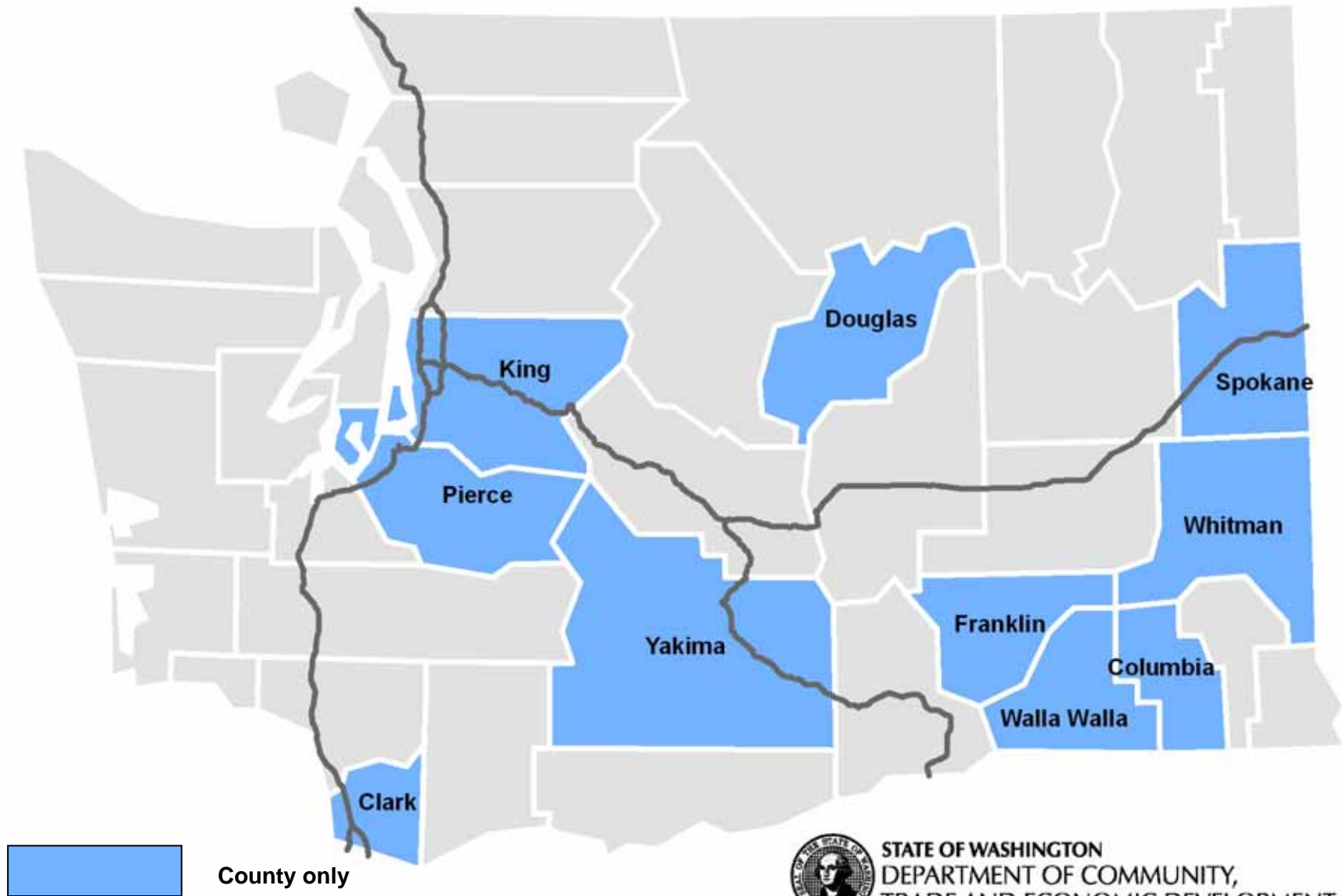


Figure 12



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

GMS/GIS

FINANCIAL STRESS INDICATOR 8 – 1.5% OR LESS EMPLOYMENT GROWTH 2003-06

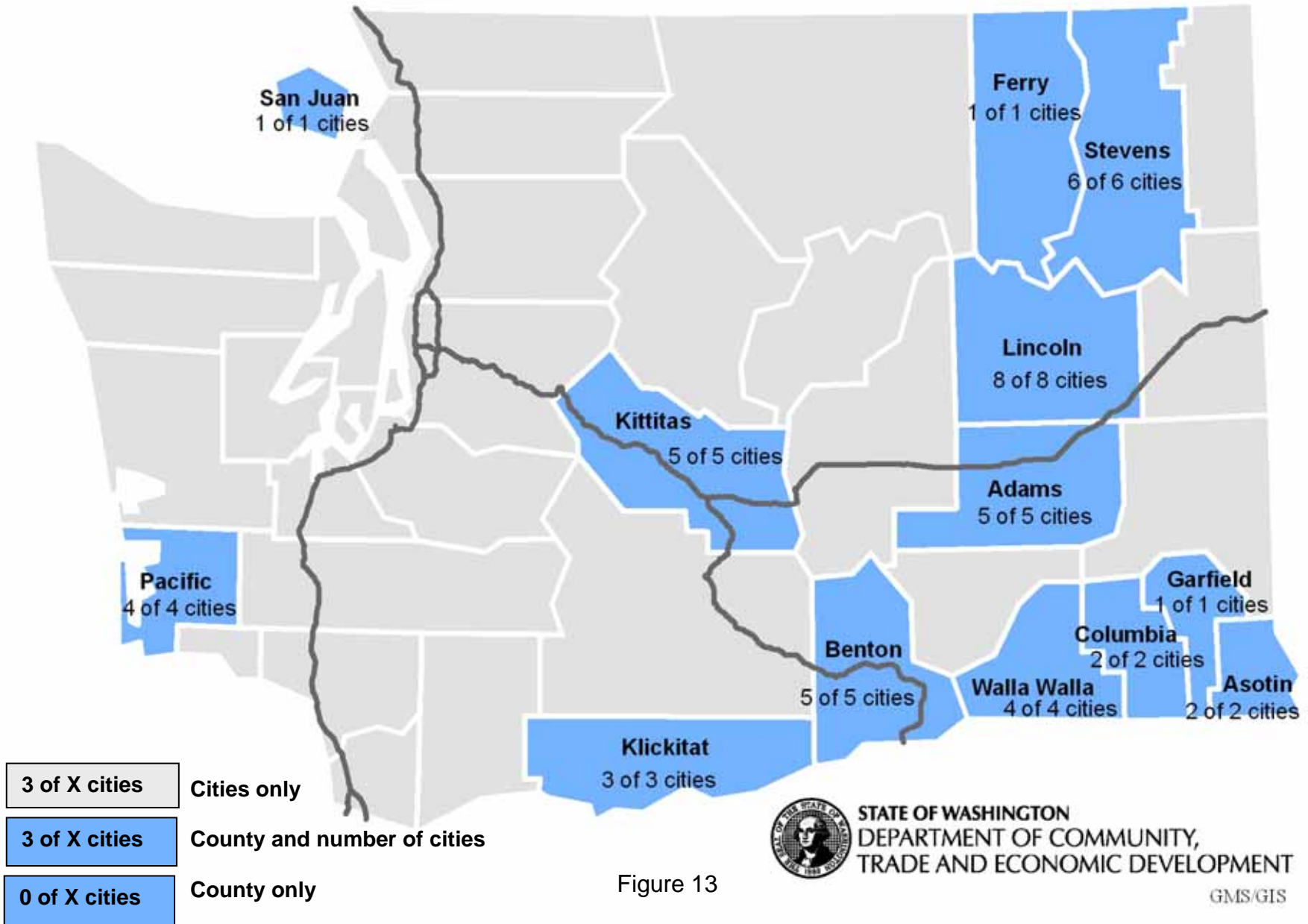


Figure 13

**FINANCIAL STRESS INDICATOR 8
LOW EMPLOYMENT GROWTH 2003-2006, ACTUAL JOB LOSS OR GAIN**

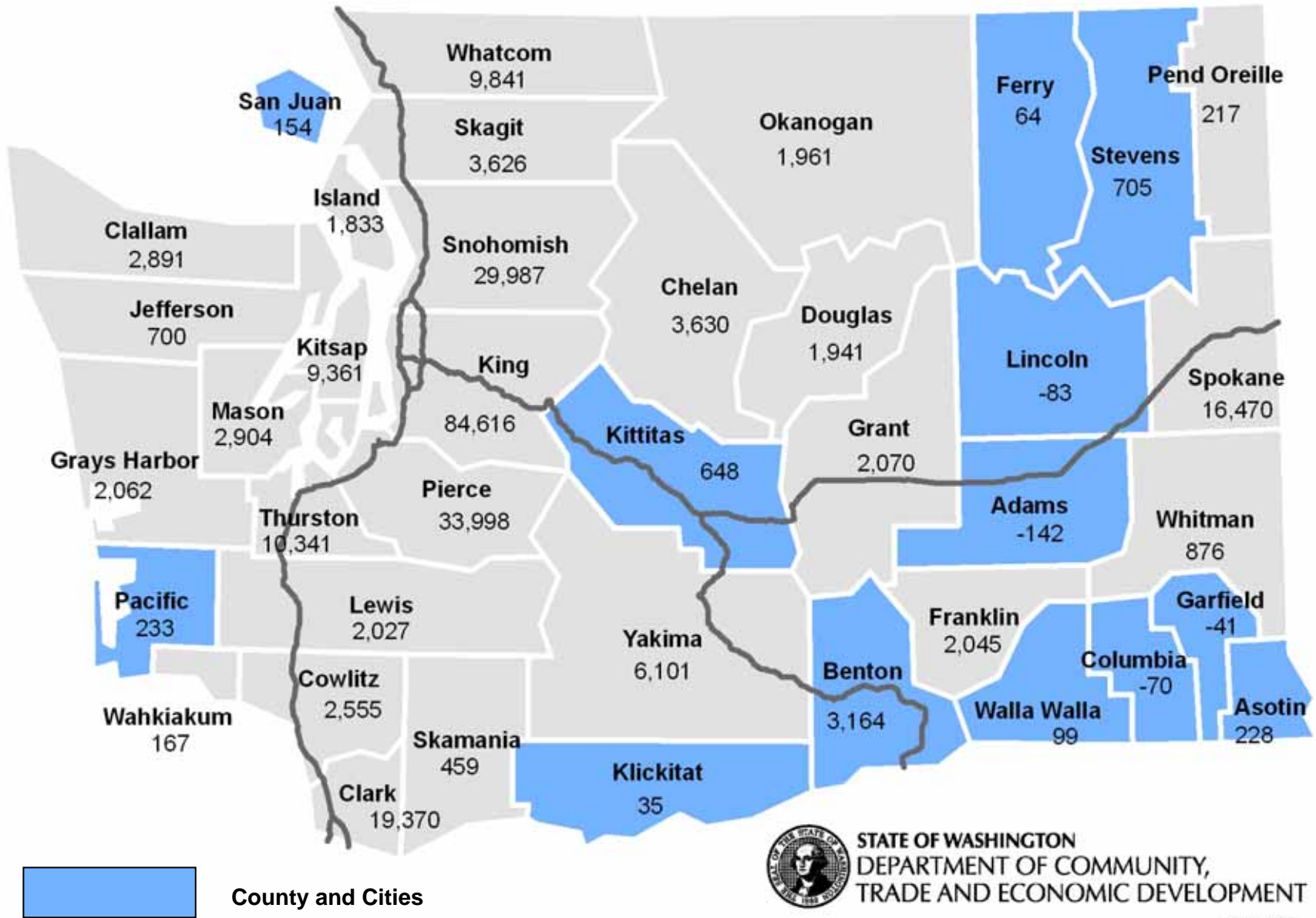


Figure 14

FINANCIAL STRESS INDICATOR 8 – PERSONAL INCOME PER CAPITA

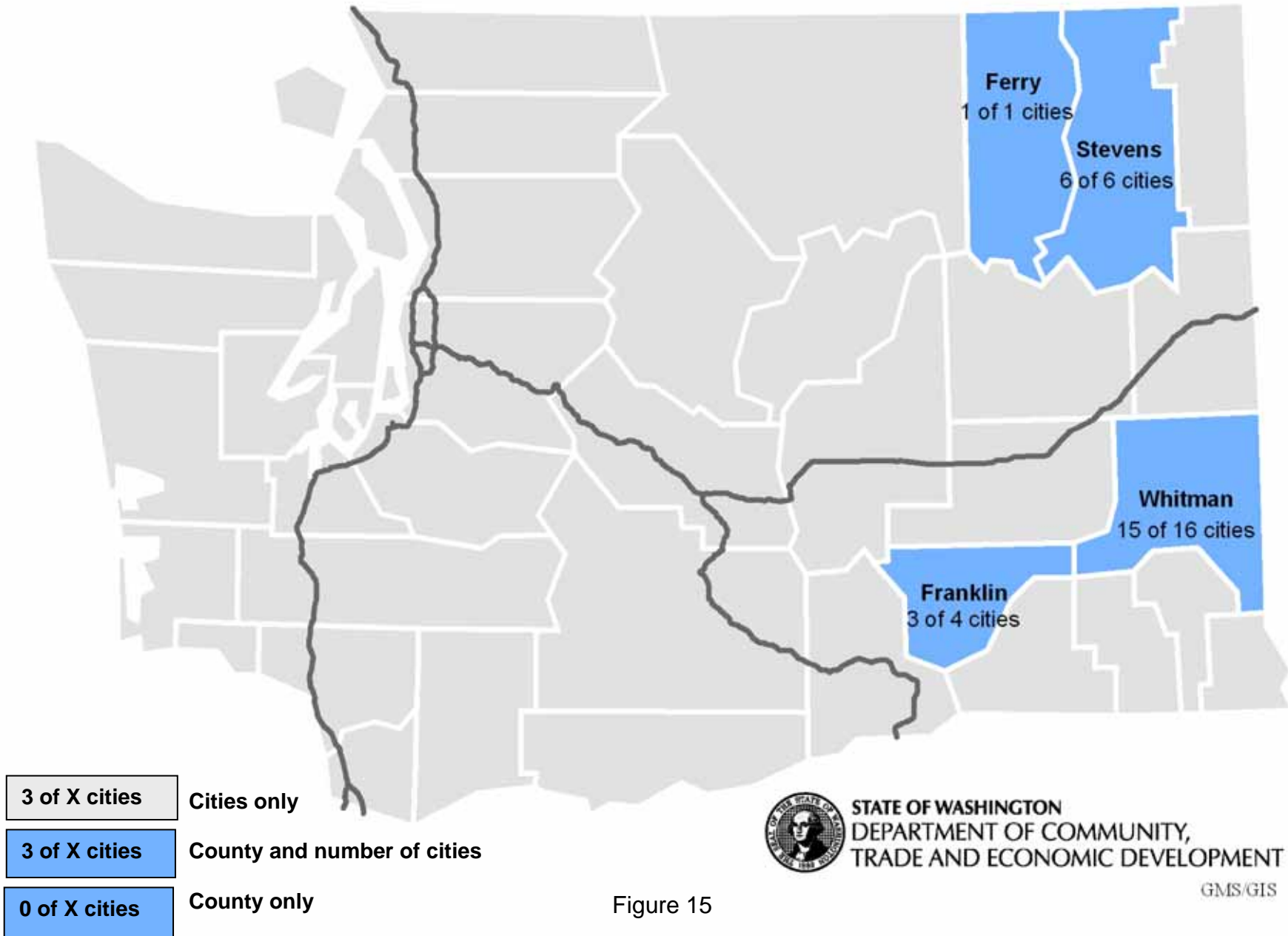


Figure 15

INDICATOR NINE: TAX BASE CONDITION

Measures: Measures for each of the two major sources of local government tax revenue were selected to reflect the strength of a local government's tax base.

- Sales tax per capita was used as a measure of the strength of a local government's sales tax base (only the base and optional portions of the general sales tax were included).
- Assessed value per capita was used to measure the strength of a local government's property tax base. Levy amounts were not used because they reflect cumulative local policy decisions about tax rates. Increases in levy amounts were significantly limited by a series of state initiatives and statutes that changed over the course of the study decade.

Benchmarks: Per capita tax revenue or assessed value are nationally accepted benchmark measure of tax base condition. This is likely due to the extensive variation in local tax systems nationally. Per capita measures however are frequently used.

- It is assumed that local governments with sales tax revenue per capita of 50% or less of the state average are fiscally stressed. The cities average in 2004 was \$199.95 per capita; the counties average was \$51.46 per capita or \$132.50 per unincorporated capita. Cities were considered stressed if their per capita sales tax revenue was at or below \$99.98 in 2004. Counties were considered stressed if their per capita sales tax revenue was at or below \$25.73 or their unincorporated sales tax per capita was at or below \$66.25.
- It is assumed that local governments with assessed value per capita in the bottom quartile of median assessed value per capita are fiscally stressed. The cities median assessed value per capita in 2004 was \$54,005; the counties median assessed value per capita was \$71,649. Cities were considered stressed if their per capita assessed value was at or below \$32,775 in 2004. Counties were considered stressed if their per capita assessed value was at or below \$57,313.

Interpretation: Low levels of per capita tax revenue are indicators of a tax base that may have difficulty supporting basic governmental services.

Data Source: Department of Revenue Property Tax and Sales Tax Statistics

City Findings: There are a relatively large number of cities (114 or 41% of all cities in 2004) whose per capita sales tax revenue is 50% or less of the state average. This number declined slightly from 122 in 1994. The number of cities in the bottom quartile of per capita assessed value increased from 31 to 64 (or 23% of all cities) over the decade.

County Findings: The number of counties with per capita sales tax at 50% or less of the state average per capita sales tax declined slightly from 4 to 3 (or 8% of all counties) between 1994 and 2004. The number of counties with per capita sales tax at 50% or less of the state average per unincorporated capita increased slightly from 7 to 8 over the decade (or 21% of all counties). The number of counties in the bottom quartile of per capita assessed value increased from 5 to 9 counties (or 23% of all counties).

Decade Change: The number of local governments with low per capita sales tax revenue declined slightly over the decade but remained relatively high at 38% of all local governments in 2004. The

number of local governments with low per capita assessed value increased over the decade to 23% of all local governments. Overall the number of jurisdictions with tax base related stress is higher.

FINANCIAL STRESS INDICATOR 9 – LOW ASSESSED PROPERTY VALUE PER CAPITA

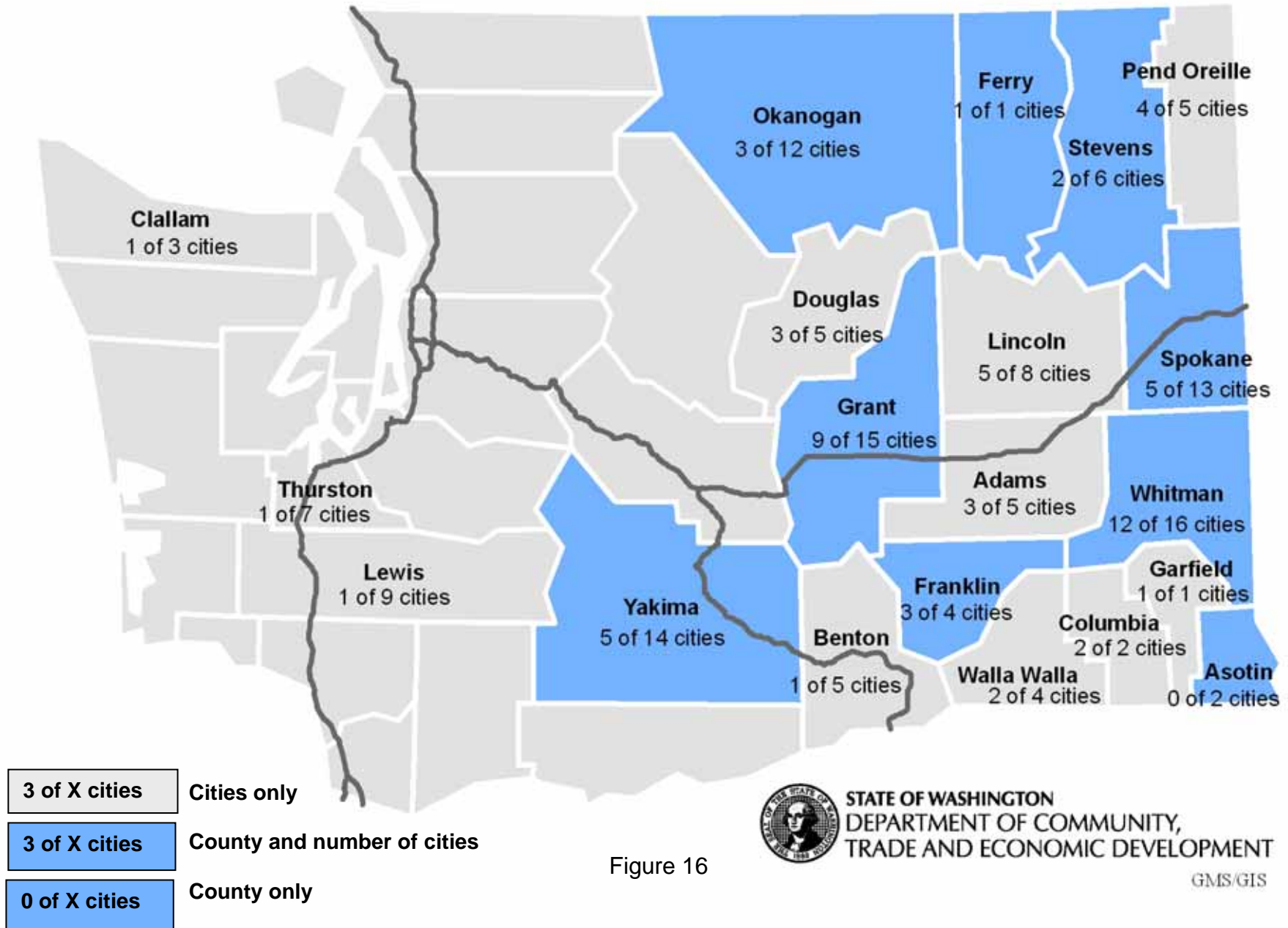


Figure 16

FINANCIAL STRESS INDICATOR 9 – LOW SALES TAX PER CAPITA

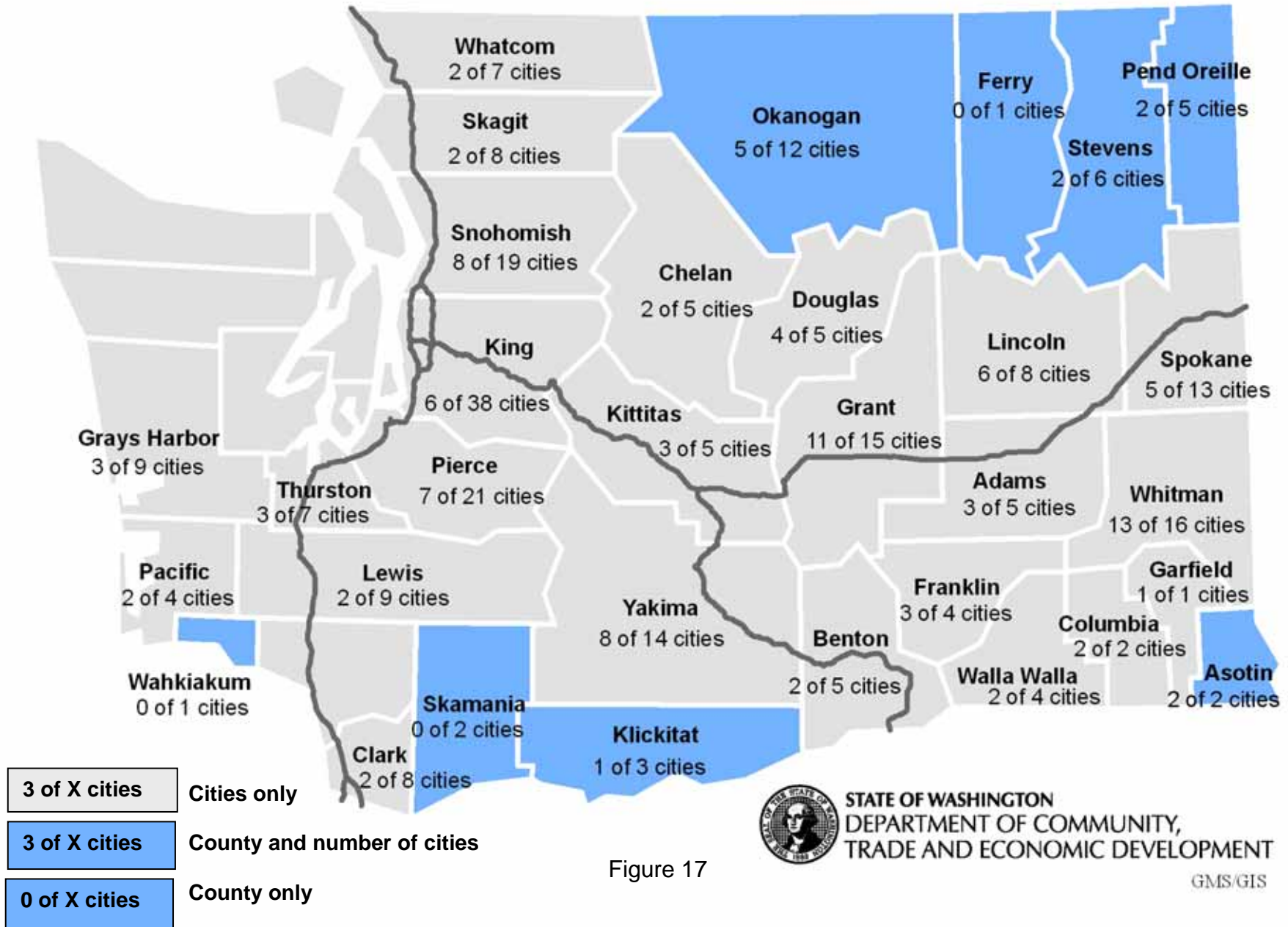


Figure 17



STATE OF WASHINGTON
 DEPARTMENT OF COMMUNITY,
 TRADE AND ECONOMIC DEVELOPMENT

GMS/GIS

INDICATOR TEN: SERVICE DEMAND

Measures: There are four measures for this indicator. Each has a correlation to service demand volumes or cost.

- Population density is an indicator of unit cost for services that are people based. Low density generally increases unit costs and higher density generally decreases unit costs for infrastructure system maintenance and operation and delivery of public safety, park and recreation, services to agriculture, transportation and human and health services. The actual measure used is population per square mile.
- Assessed value per square mile is also an indicator of unit cost for services that are land or structure based. Low density generally increases unit costs and higher density generally decreases unit costs for infrastructure system maintenance and operation and delivery of public safety, park and recreation, services to agriculture, transportation and human and health services.
- Department of Social and Health Services (DSHS) client data provides a measure of how many persons in a local jurisdiction are receiving some sort of state assistance because they for example are not working, have few financial resources, health issues or participate in the mental health system. These numbers provide some indicator of demand for local government services that complement or frequently coincide with state services. An example would be a person receiving drug or alcohol treatment services from the state and county treatment agency that may also interact with the local criminal justice system, public health, housing and transportation services. DSHS keeps comprehensive statewide data by local jurisdiction and the measure used is percentage of a jurisdiction's population receiving DSHS services. Note that in some cases, for example the City of Seattle, the number of persons receiving DSHS services may be relatively large but the percentage of the overall city population may not be large enough to meet the benchmark indicating stress.
- High School drop out rates are highly correlated with criminal justice service demand and demand for transportation, health and human services. Criminal justice services make up a significant portion of both city and county service delivery costs. Population characteristics are favored over arrest or criminal filing data as a predictor of demand because this data may be dependent in part on a local government's ability to fund criminal justice services.

Benchmarks: There are no nationally accepted service demand indicators that are generally applied. Measures that provide insight into the characteristics of a community that are correlated with higher or lower service demand are favored over indicators that measure existing service delivery volumes (e.g., crimes per 1,000 population or annual numbers of park and recreation patrons). Existing service volumes may be influenced by the level of resources applied versus actual demand (met or unmet) in the community.

- It is assumed that population density low enough to cause fiscal stress (by significantly driving up unit costs) is 50% below the state average density. For counties the average density was 96 persons per square mile (2006). All counties with density below 48 persons per square mile were shown as stressed. For cities a population density of 823 per square mile or less (50% below the state average for all cities in 2006) is shown as indicating stress.
- It was assumed that low assessed value (and therefore land development) per square mile would be equivalent to the bottom quartile of value. The median county assessed property value per square mile in 2004 was \$2,104,881. The bottom quartile includes all counties with

assessed property value at \$1,137,660 or less in 2004. The median city assessed property value per square mile in 2004 was \$70,743,699. The bottom quartile includes all cities with assessed property value at \$37,536,487 or less per square mile. The median was used to better represent the range of conditions across the state.

- On average statewide 32.3% of the Washington population was a client of one or more DSHS services (includes Medicaid, child support collection, financial assistance, mental health and substance abuse treatment, etc) during 2004. A city or county was rated as stressed if 48.45% or more of its population were clients of one or more DSHS services in 2004. This percentage represents a number of clients 50% greater than the state average.
- Counties and cities within them where 33% of all students starting high school left before their senior year in 2004 were shown as stressed. A dropout rate of 1/3 or more is considered a sign that conditions within a community do not effectively support high school completion. High school dropouts are considered to be at high risk of substance abuse and at high risk for interaction with the criminal justice system.

Interpretation: Low density for service delivery generally increases the cost per unit of service while higher density generally decreases unit costs. A high percentage of population using DSHS services and high percentage of high school dropouts are correlated with higher demand for local government services.

Data Source(s):

- Population data is from the Office of Financial Management Forecasting Division
- Land area data is from the Office of Financial Management Forecasting Division
- Assessed property value data is from the Department of Revenue Tax Statistics Reports
- Department of Social and Health Services (DSHS) client data and high school dropout data are from the DSHS Research and Data Analysis Division. All data is keyed to jurisdictional boundaries unless noted.

City Findings:

- Seventy one cities (or 25% of all cities) have very low population density (823 persons per square mile or less). Six additional cities had low density in 2000.
- One third of cities (85) have assessed property value per square mile in the bottom quartile. Eight fewer cities had low assessed value per square mile in 1994.
- Forty cities (or 14% of all cities) had a population in 2004 where 48.45% or more are served by DSHS.
- Thirty eight cities (or 13% of all cities) were located in counties where the high school drop out rate was one third or greater.

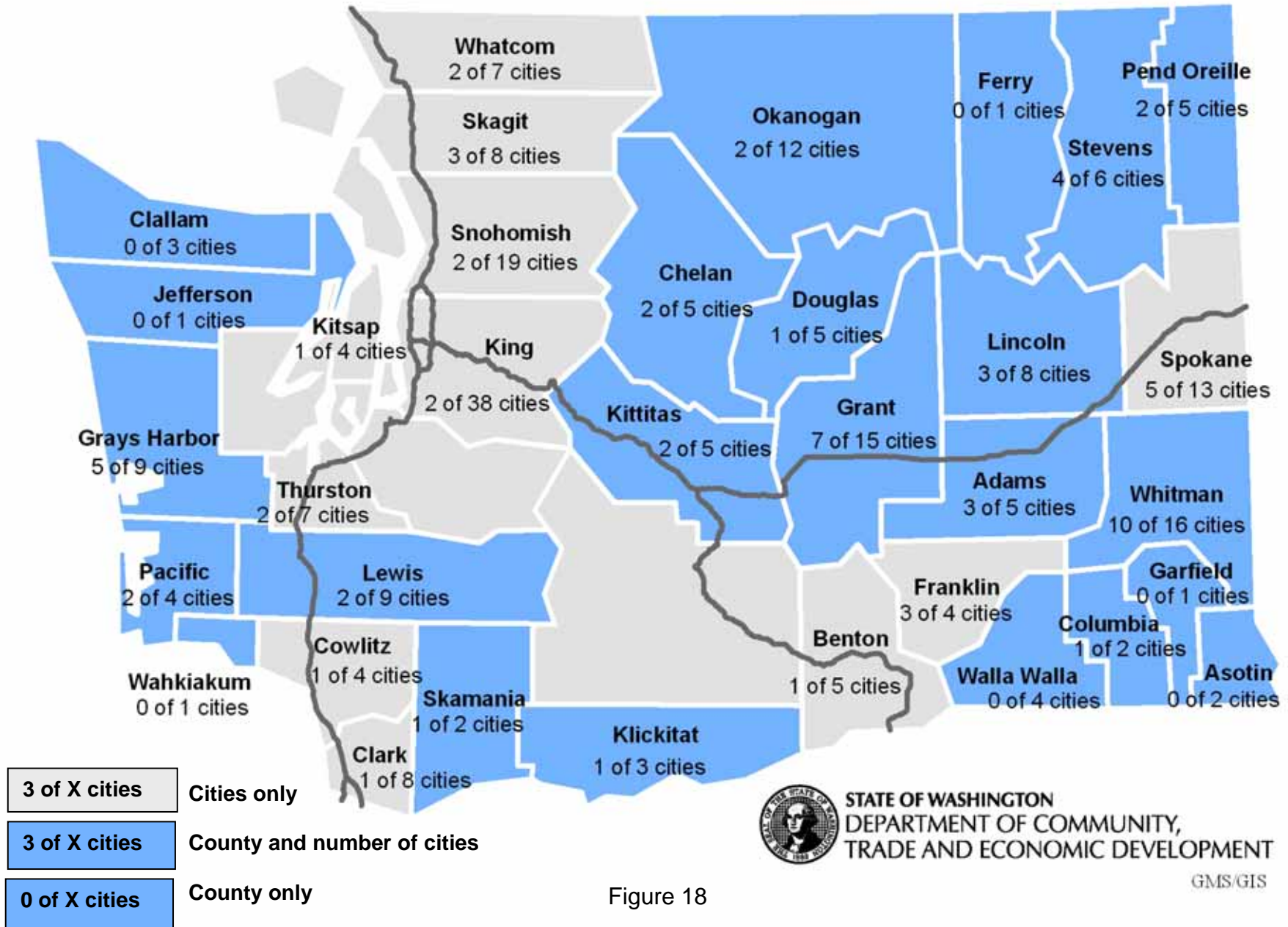
County Findings:

- Twenty three counties (or 59% of all counties) have very low population density (48 persons per square mile or less). One additional county had low density in 2000.
- One third of counties (13) have assessed property value per square mile in the bottom quartile. Two fewer counties had low assessed property value per square mile in 1994.
- One county had a population in 2004 where 48.45% or more are served by DSHS.
- Seven counties (or 18% of all counties) had high school drop out rates of one third or greater.

Decade Change:

Based on the measures for which data is available for the decade this indicator show a slight decline overall with slightly more local governments showing stress. Since 2000 one fewer county and six fewer cities have population densities below the benchmark showing a slight improvement in the number of local governments with low service delivery density. The number of local governments with low assessed property value per square mile has increased over the decade from 88 in 1994 to 98 in 2004 (or 31% of all local governments). The change over the decade in dropout rates and DSHS clients could not be measured since the data being used was not collected in 1994.

FINANCIAL STRESS INDICATOR 10 – LOW POPULATION DENSITY



STATE OF WASHINGTON
 DEPARTMENT OF COMMUNITY,
 TRADE AND ECONOMIC DEVELOPMENT

GMS/GIS

Figure 18

FINANCIAL STRESS INDICATOR 10 – LOW ASSESSED PROPERTY VALUE PER SQUARE MILE

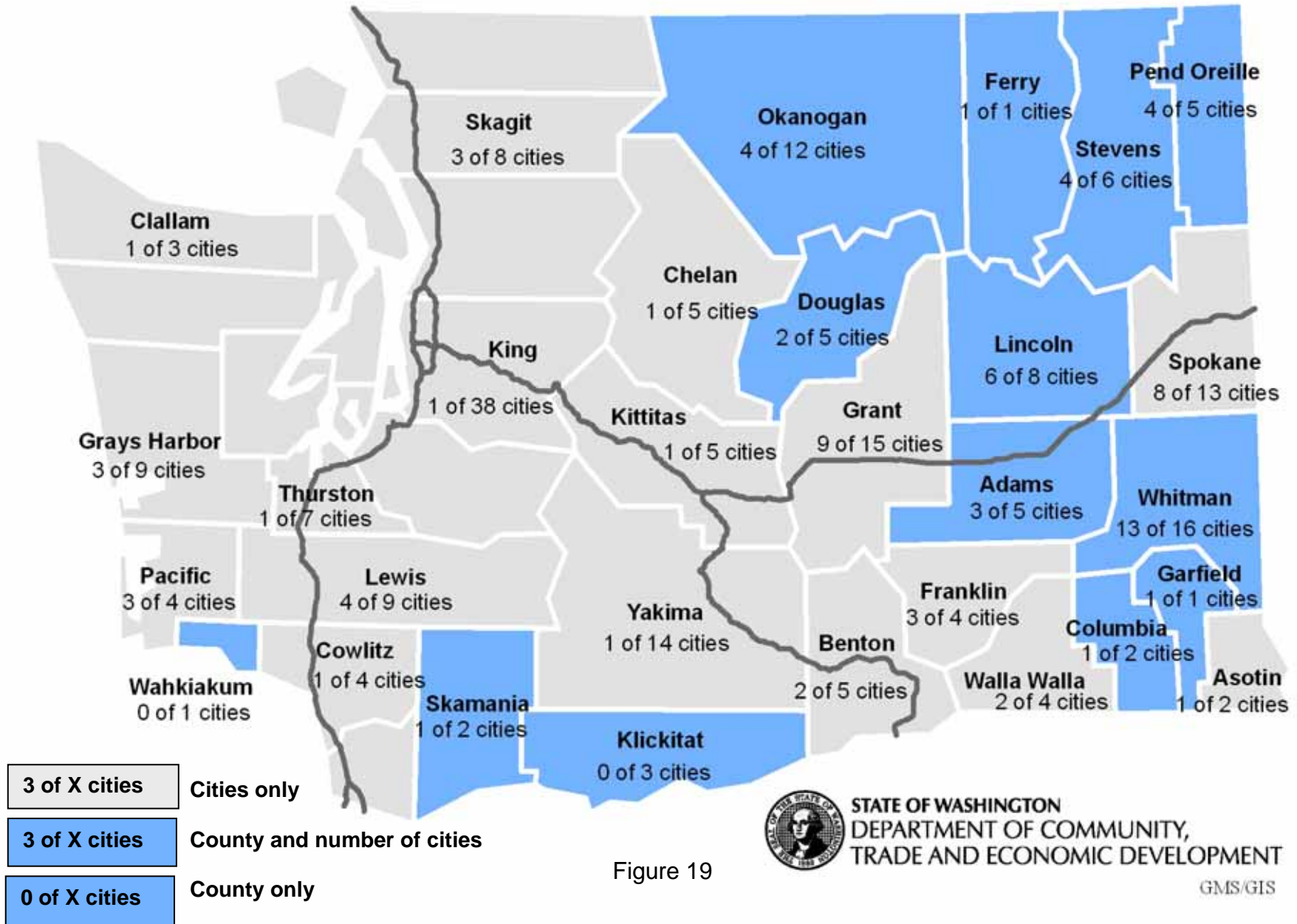


Figure 19

**FINANCIAL STRESS INDICATOR 10
48% OR MORE OF POPULATION SERVED BY DSHS**

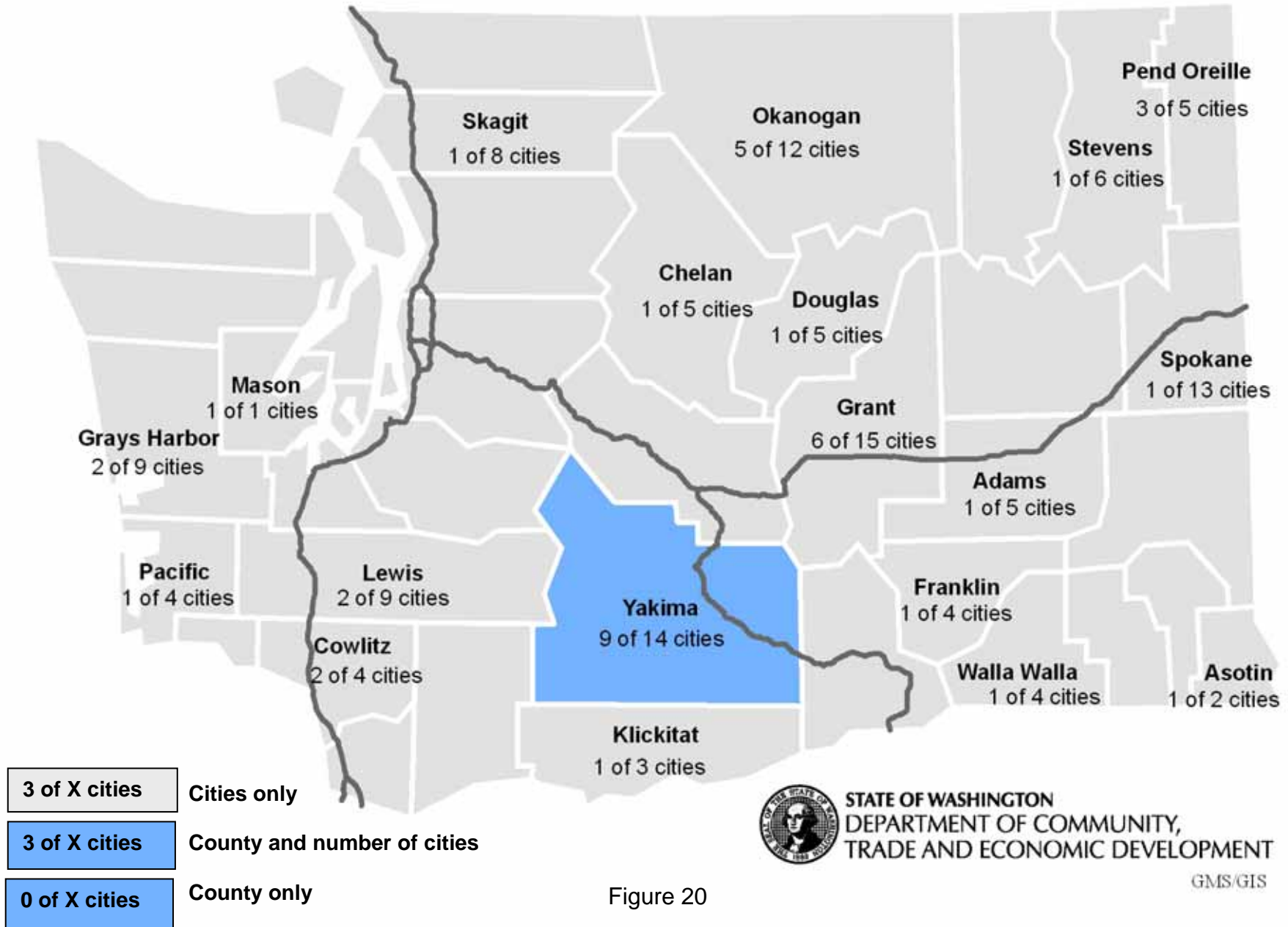


Figure 20

FINANCIAL STRESS INDICATOR 10 – HIGH SCHOOL DROPOUT RATE OVER 33%

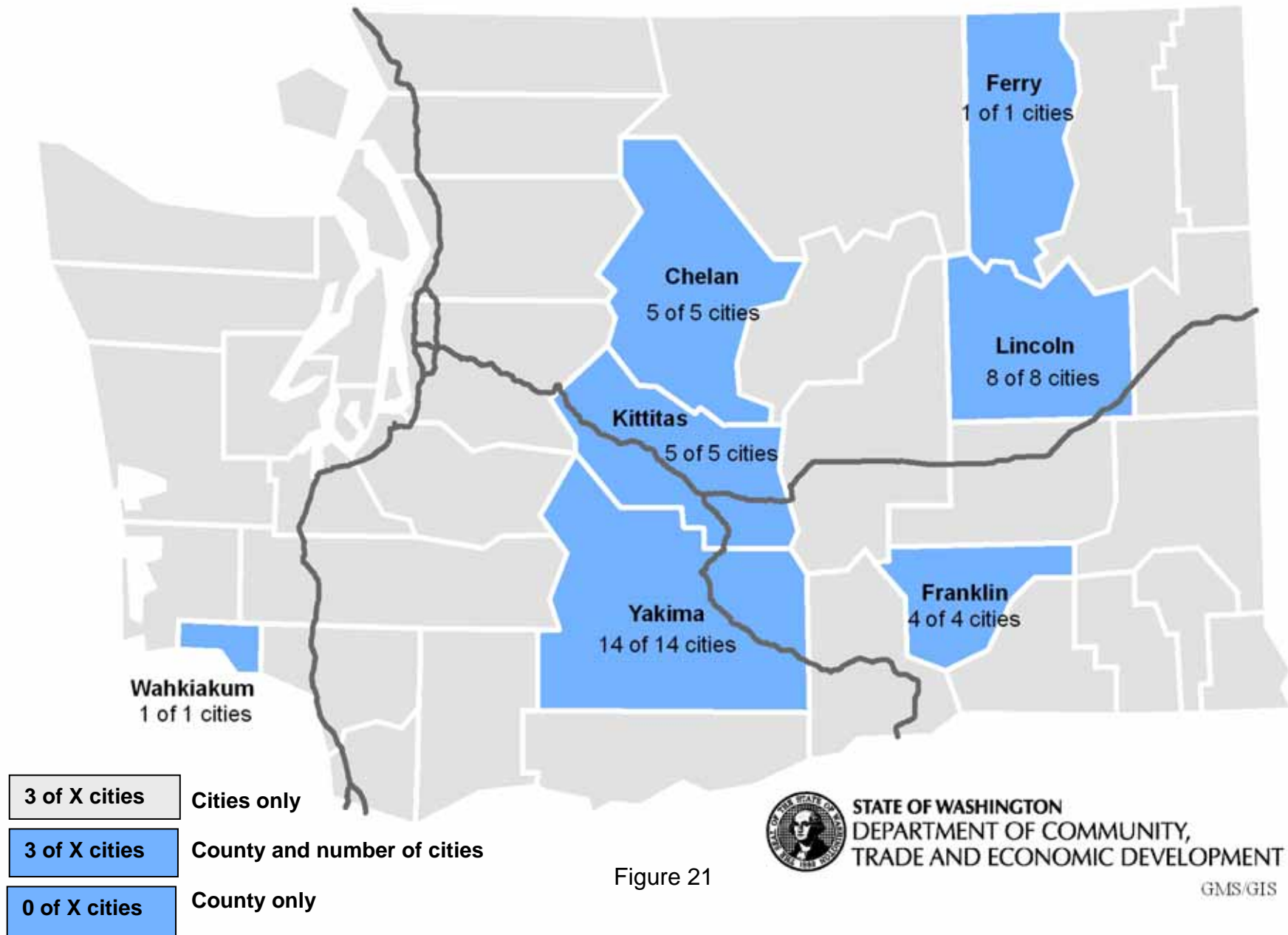


Figure 21



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

GMS/GIS

DEFINITIONS AND NOTES

Definitions

1. Where the word **Cities** appears towns are also included.
2. The **Median** is the number in the middle of a set of numbers; that is, half the numbers have values that are greater than the median, and half have values that are less. If there is an even number of numbers in the set, then MEDIAN calculates the average of the two numbers in the middle. For example:
 - MEDIAN of the set of numbers (1, 2, 3, 4, 5) equals 3
 - MEDIAN of the set of numbers (1, 2, 3, 4, 5, 6) equals 3.5, the average of 3 and 4
2. **Average** is the sum of a set of numbers divided by the number count. For example: the average of 1,2,3,4,5,6,7 is 28 (the sum of the numbers) divided by 7 (the size of the number set) equals 4.

City Data Notes

1. Cities noted in the appendix tables with an asterisk (*) did not report financial data for one or more of the years 1994 to 2004. Eleven of the noted cities were incorporated as new cities during the 1994-2004 timeframe and were not a reporting entity for some of the study years.
2. Personal Income figures were not available for all cities. The county number was used where Personal Income was not available.
3. Overlapping property tax burden for cities was not available on a batch basis, so only the property tax levy for the city is compared to assessed value. Overlapping property tax burden for all the counties was available, but is not applicable to many cities that may lie within a number of individual special districts.
4. The beginning fund balance for each year between 1994 and 2004 was compared to the previous year to determine whether expenditures exceeded revenue received in a given year. When the general fund beginning balance declined a spot check of special fund balances also occurred to determine whether there might have been unique circumstances.
5. Employment growth data was not available at the city level so county level employment growth data was applied to each city within a county's boundaries.
6. Sales tax information was not available on a batch basis for 1994, so 1995 sales tax receipts were used for the basic, optional and criminal justice sales tax distributions when applicable. Some cities and counties have not implemented the optional local sales tax or the criminal justice sales tax.
7. Percentage of population being served by DSHS was derived from the 2004 DSHS client data base geographically coded for city limit boundaries. Percentage of freshman leaving school before their senior year was available on a county basis and the county number is used.

County Data Notes

1. All counties reported financial data for 1994 to 2004 and were measured.
2. Per Capita Personal Income figures were available for all counties.
3. Overlapping property tax burden for all the counties was available, but is not applicable to many cities that may lie within a number of individual special districts.
4. The beginning fund balance for each year between 1994 and 2004 was compared to the previous year to determine whether expenditures exceeded revenue received in a given year.

When the general fund beginning balance declined a spot check of special fund balances also occurred to determine whether there might have been unique circumstances.

5. Population, Employment and Personal Income data were available for all counties.
6. Sales tax information was not available on a batch basis for 1994, so 1995 sales tax receipts were used for the basic, optional and criminal justice sales tax distributions when applicable. Some cities and counties have not implemented the optional local sales tax or the criminal justice sales tax.
7. Percentage of population being served by DSHS was derived from the 2004 DSHS client data base geographically coded for county boundaries.

REFERENCES

1. Honadle, Beth W., Incrementalism Redux: State Roles in Local Government Fiscal Crises, Institute for Policy Research University of Cincinnati, 2005 (<http://www.ipr.uc.edu/Publications/Publications.cfm>).
2. Kloha, P., Weissert, C., Kleine, R., Someone to Watch Over Me: State Monitoring of Local Fiscal Conditions. American Review of Public Administration 2005; 35: 236-255.
3. Greisel, J., Leatherman J. Guide to Indicators of Financial Condition. Kansas State University, Office of Local Government, Department of Agricultural Economics, (www.oznet.ksu.edu/olg/publications/other_reports/guide_to_fiscal_indicators.pdf-) Summarizes and reviews the work of the International City Management Association, the Government Finance Officers Association, bond rating agencies and academic research in the area of indicators of local government financial condition.
4. Honadle, B.W. 2003. The State's Role in U.S. Local Government Fiscal Crises: A Theoretical Model and Results of a National Survey. International Journal of Public Administration, 26(13): 1431-1472.
5. State of Pennsylvania Department of Community and Economic Development Act 47 Program, <http://www.newpa.com/programDetail.aspx?id=97> and Survey of Financial Condition <http://www.newpa.com/default.aspx?id=132> Governor's Center for Local Government Services, Financial Monitoring Workbook, 1999.

APPENDIX

Counties Sorted by Stress Score

County	Indicator 1	Indicator 2	Indicator 3 Cash Balance	Indicator 3 Diverted Road Tax	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Unincorporated Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 DSHS Clients	Indicator 10 Dropout Rate	Total Stress	Receives SB 6050 Assistance
Skagit																			0	
Whatcom																			0	
Benton												1							1	
Island	1																		1	1
Pierce										1									1	
Thurston	1																		1	
Chelan															1			1	2	
Clallam								1							1				2	
Cowlitz				1				1											2	
Grays Harbor								1							1				2	1
King						1				1									2	
Mason	1			1															2	1
Jefferson				1				1							1				3	
Lewis			1					1							1				3	
Snohomish	1				1			1											3	
Spokane								1		1			1						3	

County	Indicator 1	Indicator 2	Indicator 3 Cash Balance	Indicator 3 Diverted Road Tax	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Unincorporated Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 DSHS Clients	Indicator 10 Dropout Rate	Total Stress Receives SB 6050 Assistance	
Grant						1		1					1		1				4	1
Kittitas								1				1			1			1	4	
Klickitat												1		1	1	1			4	1
Pacific	1	1										1			1				4	1
San Juan				1		1		1				1							4	
Skamania		1												1	1	1			4	1
Walla Walla					1					1		1			1				4	1
Adams						1		1				1			1	1			5	1
Kitsap	1		1	1	1			1											5	
Pend Oreille		1						1						1	1	1			5	1
Clark	1			1	1	1		1		1									6	
Douglas	1					1		1		1					1	1			6	1
Asotin	1				1			1				1	1	1	1				7	1
Franklin		1	1		1					1	1		1					1	7	
Garfield		1			1	1	1					1			1	1			7	1
Whitman		1					1			1	1		1		1	1			7	
Yakima	1				1	1				1			1				1	1	7	1
Lincoln			1	1		1		1				1			1	1		1	8	1
Okanogan	1	1	1					1					1	1	1	1			8	1
Wahkiakum		1	1			1		1						1	1	1		1	8	1
Columbia				1	1	1		1	1	1		1			1	1			9	1
Stevens	1	1						1			1	1	1	1	1	1			9	1

County	Indicator 1	Indicator 2	Indicator 3 Cash Balance	Indicator 3 Diverted Road Tax	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Unincorporated Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 DSHS Clients	Indicator 10 Dropout Rate	Total Stress	Receives SB 6050 Assistance
Ferry	1			1		1		1			1	1	1	1	1	1		1	11	1
State	13	9	6	9	8	13	2	22	1	10	4	13	9	8	23	13	1	7		20

Counties Sorted Alphabetically

ID	County	Indicator 1	Indicator 2	Indicator 3 Cash Balance	Indicator 3 Diverted Road Tax	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Unincorporated Population	Indicator 8 Personal Income	Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Assessed Value Per Sq Mile	Indicator 10 DSHS Clients	Indicator 10 Dropout Rate	Stress Total	Receives SB 6050 Assistance
100	Adams						1		1				1			1	1			5	1
200	Asotin	1				1			1				1	1	1	1				7	1
300	Benton												1							1	
400	Chelan															1			1	2	
500	Clallam								1							1				2	
600	Clark	1			1	1	1		1		1									6	
700	Columbia				1	1	1		1	1	1		1			1	1			9	1
800	Cowlitz				1				1											2	
900	Douglas	1					1		1		1					1	1			6	1
1000	Ferry	1			1		1		1			1	1	1	1	1	1		1	11	1
1100	Franklin		1	1		1					1	1		1					1	7	
1200	Garfield		1			1	1	1					1			1	1			7	1
1300	Grant						1		1					1		1				4	1
1400	Grays Harbor								1							1				2	1
1500	Island	1																		1	1
1600	Jefferson				1				1							1				3	
1700	King						1				1									2	
1800	Kitsap	1		1	1	1			1											5	

ID	County	Indicator 1	Indicator 2	Indicator 3 Cash Balance	Indicator 3 Diverted Road Tax	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Unincorporated Population	Indicator 8 Personal Income	Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Assessed Value Per Sq Mile	Indicator 10 DSHS Clients	Indicator 10 Dropout Rate	Stress Total	Receives SB 6050 Assistance
1900	Kittitas								1				1			1			1	4	
2000	Klickitat												1		1	1	1			4	1
2100	Lewis			1					1							1				3	
2200	Lincoln			1	1		1		1				1			1	1		1	8	1
2300	Mason	1			1															2	1
2400	Okanogan	1	1	1					1					1	1	1	1			8	1
2500	Pacific	1	1										1			1				4	1
2600	Pend Oreille		1						1						1	1	1			5	1
2700	Pierce										1									1	
2800	San Juan				1		1		1				1							4	
2900	Skagit																			0	
3000	Skamania		1												1	1	1			4	1
3100	Snohomish	1				1			1											3	
3200	Spokane								1		1			1						3	
3300	Stevens	1	1						1			1	1	1	1	1	1			9	1
3400	Thurston	1																		1	
3500	Wahkiakum		1	1			1		1						1	1	1		1	8	1
3600	Walla Walla						1				1		1			1				4	1
3700	Whatcom																			0	
3800	Whitman		1					1			1	1		1		1	1			7	

ID	County	Indicator 1	Indicator 2	Indicator 3 Cash Balance	Indicator 3 Diverted Road Tax	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Unincorporated Population	Indicator 8 Personal Income	Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Assessed Value Per Sq Mile	Indicator 10 DSHS Clients	Indicator 10 Dropout Rate	Stress Total	Receives SB 6050 Assistance
3900	Yakima	1				1	1				1			1				1	1	7	1
4000	State	13	9	6	9	8	13	2	22	1	10	4	13	9	8	23	13	1	7		20

Cities Sorted by Stress Score

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
1402	Cosmopolis																	0	
1503	Oak Harbor																	0	1
1701	Algona																	0	1
1702	Auburn																	0	
1706	Bothell																	0	
1714	Issaquah																	0	
1734	Woodinville																	0	
1736	Shoreline*																	0	
2702	Buckley																	0	1
3002	Stevenson																	0	
3104	Edmonds																	0	
3118	Woodway																	0	
3213	Spokane Valley*																	0	
3406	Tumwater																	0	
404	Leavenworth*															1		1	
601	Battle Ground				1													1	
602	Camas				1													1	
606	Washougal				1													1	
804	Longview*																1	1	1
1403	Elma							1										1	1
1708	Clyde Hill								1									1	
1711	Enumclaw							1										1	
1725	Renton		1															1	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
1730	Yarrow Point				1													1	
1731	Newcastle*							1										1	
1732	Federal Way				1													1	
1737	Maple Valley*				1													1	1
1738	Covington*				1													1	1
1739	Kenmore*												1					1	
1803	Poulsbo				1													1	
2101	Centralia																1	1	1
2105	Napavine							1										1	1
2301	Shelton																1	1	1
2409	Pateros*												1					1	1
2412	Twisp*							1										1	1
2704	DuPont*							1										1	
2708	Gig Harbor							1										1	
2709	Milton*							1										1	
2710	Orting				1													1	1
2716	Sumner				1													1	
2720	Lakewood*							1										1	1
2901	Anacortes			1														1	
2908	Sedro-Woolley				1													1	
3101	Arlington				1													1	
3105	Everett		1															1	
3107	Granite Falls			1														1	1
3112	Monroe							1										1	
3210	Spokane							1										1	1
3212	Liberty Lake*				1													1	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
3402	Lacey				1													1	
3403	Olympia		1															1	
3705	Lynden				1													1	
302	Kennewick				1						1							2	
304	Richland							1			1							2	
502	Port Angeles		1					1										2	
503	Sequim				1			1										2	
603	La Center				1			1										2	
604	Ridgefield							1						1				2	
608	Woodland				1			1										2	
902	East Wenatchee		1					1										2	
1501	Coupeville		1		1													2	
1704	Bellevue			1				1										2	
1705	Black Diamond												1	1				2	1
1707	Carnation				1			1										2	
1710	Duvall				1	1												2	
1715	Kent				1			1										2	
1717	Lake Forest Park							1					1					2	
1718	Medina							1	1									2	
1719	Mercer Island		1					1										2	
1722	North Bend		1		1													2	
1723	Pacific			1				1										2	
1724	Redmond				1			1										2	
1726	Seattle				1			1										2	
1733	SeaTac		1		1													2	
1735	Burien		1		1													2	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
1740	Sammamish*				1								1					2	
1802	Port Orchard				1			1										2	
1804	Bainbridge Island				1									1				2	
2402	Conconully*							1					1					2	1
2407	Omak		1														1	2	1
2411	Tonasket							1									1	2	1
2502	Long Beach				1						1							2	
2701	Bonney Lake				1			1										2	
2703	Carbonado		1										1					2	1
2705	Eatonville				1			1										2	
2706	Fife				1			1										2	
2707	Fircrest		1										1					2	1
2712	Roy				1			1										2	1
2713	Ruston			1				1										2	1
2714	South Prairie*								1				1					2	1
2717	Tacoma				1			1										2	
2718	Wilkeson							1					1					2	1
2719	University Place*				1								1					2	1
2721	Edgewood*	1											1					2	1
2902	Burlington				1			1										2	
3001	North Bonneville													1	1			2	1
3102	Brier				1								1					2	1
3110	Lynnwood		1					1										2	
3111	Marysville				1			1										2	
3114	Mukilteo				1								1					2	
3119	Mill Creek			1	1													2	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
3202	Cheney		1									1						2	1
3303	Kettle Falls									1	1							2	1
3405	Tenino		1										1					2	1
3604	Walla Walla		1								1							2	1
3701	Bellingham				1			1										2	
3704	Ferndale				1			1										2	
3812	Pullman							1				1						2	1
3908	Sunnyside*															1	1	2	1
3913	Yakima															1	1	2	1
104	Ritzville		1					1			1							3	1
303	Prosser				1	1					1							3	
402	Chelan							1						1		1		3	
405	Wenatchee*							1								1	1	3	1
605	Vancouver				1			1					1					3	
801	Castle Rock				1	1		1										3	1
803	Kelso				1				1								1	3	1
1303	Ephrata							1						1	1			3	1
1308	Mattawa	1										1	1					3	1
1309	Moses Lake				1			1									1	3	
1312	Soap Lake*							1				1	1					3	1
1401	Aberdeen							1	1								1	3	1
1406	Montesano							1						1	1			3	1
1407	Oakville			1				1					1					3	1
1408	Westport				1			1						1				3	
1502	Langley		1	1				1										3	
1601	Port Townsend		1		1			1										3	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
1703	Beaux Arts Village		1					1	1									3	
1709	Des Moines				1			1					1					3	1
1713	Hunts Point				1			1	1									3	
1716	Kirkland		1		1			1										3	
1721	Normandy Park				1				1				1					3	
1728	Snoqualmie			1	1			1										3	
1729	Tukwila		1		1			1										3	
1902	Ellensburg*							1			1					1		3	1
2102	Chehalis				1			1									1	3	
2103	Morton				1			1	1									3	
2107	Toledo	1			1			1										3	1
2109	Winlock		1					1							1			3	1
2401	Brewster				1			1									1	3	1
2408	Oroville		1					1									1	3	1
2413	Winthrop				1			1						1				3	
2711	Puyallup				1	1		1										3	
2715	Steilacoom		1		1								1					3	1
2801	Friday Harbor		1		1						1							3	
3103	Darrington*							1					1	1				3	1
3109	Lake Stevens		1		1								1					3	1
3116	Stanwood				1	1		1										3	
3404	Rainier				1			1					1					3	1
3407	Yelm		1		1									1				3	
3601	College Place							1			1		1					3	1
3702	Blaine				1			1						1				3	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
3703	Everson		1					1					1					3	1
3706	Nooksack		1					1					1					3	1
3707	Sumas		1					1						1				3	
3802	Colfax		1		1					1								3	1
3906	Naches				1			1								1		3	1
3909	Tieton							1					1			1		3	1
3911	Union Gap				1											1	1	3	
3914	Zillah		1										1			1		3	1
103	Othello				1			1			1						1	4	
202	Clarkston		1								1		1				1	4	1
401	Cashmere	1						1					1			1		4	1
501	Forks		1						1			1			1			4	1
1104	Pasco		1		1											1	1	4	1
1307	Krupp*							1					1	1	1			4	1
1310	Quincy		1		1			1									1	4	1
1311	Royal City	1										1	1		1			4	1
1313	Warden				1			1					1				1	4	1
1801	Bremerton			1	1			1	1									4	
1901	Cle Elum				1						1			1		1		4	
2002	Goldendale				1			1			1						1	4	1
2406	Okanogan				1			1							1		1	4	1
2504	South Bend					1					1		1		1			4	1
2603	Metaline							1	1			1			1			4	1
2605	Newport				1	1		1									1	4	1
2903	Concrete			1	1			1						1				4	1
2905	La Conner		1		1			1							1			4	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
2907	Mount Vernon			1	1			1									1	4	
3108	Index		1					1					1	1				4	1
3113	Mountlake Terrace		1		1			1					1					4	1
3115	Snohomish		1	1	1			1										4	
3117	Sultan			1	1			1					1					4	1
3201	Airway Heights		1					1				1			1			4	1
3203	Deer Park				1			1						1	1			4	1
3206	Medical Lake							1				1	1		1			4	1
3207	Millwood		1		1			1	1									4	
3302	Colville		1		1					1	1							4	
3501	Cathlamet			1	1			1								1		4	
3803	Colton	1								1			1		1			4	1
3816	Uniontown									1			1	1	1			4	1
3905	Moxee				1			1								1	1	4	1
3907	Selah		1		1			1								1		4	1
201	Asotin	1	1								1		1		1			5	1
607	Yacolt	1	1		1			1					1					5	1
903	Mansfield	1	1					1				1	1					5	1
1201	Pomeroy*							1			1	1	1		1			5	1
1301	Coulee City				1			1					1	1	1			5	1
1302	Electric City	1			1							1	1		1			5	1
1305	Grand Coulee				1				1			1			1		1	5	1
1405	McCleary				1				1				1	1	1			5	1
1409	Ocean Shores				1	1	1	1						1				5	
1727	Skykomish		1					1	1					1	1			5	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
1903	Kittitas				1			1			1		1			1		5	1
2003	White Salmon			1	1			1			1		1					5	1
2104	Mossyrock*				1			1	1					1	1			5	1
2108	Vader				1			1					1	1	1			5	1
2203	Davenport		1		1			1			1					1		5	1
2405	Nespelem	1	1									1	1		1			5	1
2906	Lyman*					1		1					1	1	1			5	1
3106	Gold Bar	1	1		1			1					1					5	1
3204	Fairfield	1			1			1					1		1			5	1
3602	Prescott*							1			1	1			1		1	5	1
3901	Grandview		1					1					1			1	1	5	1
3903	Harrah	1	1									1	1			1		5	1
3910	Toppenish		1									1	1			1	1	5	1
3912	Wapato							1				1	1			1	1	5	1
305	West Richland				1			1			1		1	1	1			6	1
802	Kalama			1	1	1		1						1	1			6	
901	Bridgeport	1	1					1				1	1				1	6	1
904	Rock Island	1	1					1				1	1		1			6	1
905	Waterville	1	1					1					1	1	1			6	1
1315	Wilson Creek	1	1									1	1	1	1			6	1
1316	Coulee Dam				1				1			1	1	1			1	6	1
1904	Roslyn				1						1		1	1	1	1		6	1
1905	South Cle Elum	1	1		1						1		1			1		6	1
2001	Bingen				1	1		1	1		1			1				6	
2106	Pe Ell			1	1			1				1	1		1			6	1
2205	Odessa				1	1					1	1			1	1		6	1

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
2410	Riverside	1						1				1	1	1	1			6	1
2501	Ilwaco					1		1	1		1			1	1			6	
2604	Metaline Falls	1	1		1			1				1			1			6	1
3208	Rockford		1					1					1	1	1		1	6	1
3209	Spangle		1	1			1	1						1	1			6	1
3301	Chewelah*							1		1	1			1	1		1	6	1
3306	Springdale*							1		1	1	1		1	1			6	1
3401	Bucoda	1	1									1	1	1	1			6	1
3603	Waitsburg				1			1			1	1	1		1			6	1
3807	LaCrosse							1		1		1	1	1	1			6	1
3808	Lamont	1								1		1	1	1	1			6	1
3814	St. John				1	1	1	1	1	1								6	1
403	Entiat	1	1					1					1	1	1	1		7	1
701	Dayton			1	1	1		1			1	1	1					7	1
1304	George	1			1							1	1	1	1		1	7	1
1404	Hoquiam		1					1	1				1	1	1		1	7	1
2206	Reardan	1			1	1		1			1		1			1		7	1
2208	Wilbur		1		1						1		1	1	1	1		7	1
2403	Elmer City	1	1					1	1			1	1		1			7	1
2601	Cusick		1		1							1	1	1	1		1	7	1
2904	Hamilton	1	1		1			1					1	1	1			7	1
3211	Waverly	1	1					1				1	1	1	1			7	1
3810	Oakesdale		1				1			1		1	1	1	1			7	1
3902	Granger	1						1				1	1		1	1	1	7	1
3904	Mabton	1			1			1				1	1			1	1	7	1
101	Hatton	1		1				1			1	1	1	1	1			8	1

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
105	Washtucna	1			1	1					1	1	1	1	1			8	1
301	Benton City	1			1	1		1			1	1	1		1			8	1
1306	Hartline	1	1					1	1			1	1	1	1			8	1
2204	Harrington				1			1	1		1	1	1		1	1		8	1
2207	Sprague		1		1			1			1	1	1		1	1		8	1
2503	Raymond		1	1				1			1		1	1	1		1	8	1
3205	Latah	1	1					1	1			1	1	1	1			8	1
3304	Marcus	1			1					1	1	1	1	1	1			8	1
3305	Northport		1					1	1	1	1		1	1	1			8	1
3801	Albion	1	1		1				1	1		1	1		1			8	1
3804	Endicott	1			1		1			1		1	1	1	1			8	1
3809	Malden	1	1					1		1		1	1	1	1			8	1
3811	Palouse	1	1		1			1		1		1	1		1			8	1
3813	Rosalia			1			1	1		1		1	1	1	1			8	1
3815	Tekoa						1	1	1	1		1	1	1	1			8	1
102	Lind	1			1	1		1			1	1	1	1	1			9	1
702	Starbuck	1	1					1	1		1	1	1	1	1			9	1
1101	Connell				1	1		1		1		1	1	1	1	1		9	1
1102	Kahlotus	1						1	1	1		1	1	1	1	1		9	1
1103	Mesa	1			1			1		1		1	1	1	1	1		9	1
2201	Almira	1	1						1		1	1	1	1	1	1		9	1
2202	Creston	1	1					1			1	1	1	1	1	1		9	1
2602	Ione				1	1		1	1			1	1	1	1		1	9	1
3805	Farmington	1	1				1	1		1		1	1	1	1			9	1
3806	Garfield	1			1		1	1		1		1	1	1	1			9	1
1001	Republic			1	1	1		1	1	1	1	1			1	1		10	1

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
	State Total	49	85	26	138	22	9	171	34	25	47	64	114	71	85	38	41		171

Cities Sorted by Primary County

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
101	Hatton	1		1				1			1	1	1	1	1			8	1
102	Lind	1			1	1		1			1	1	1	1	1			9	1
103	Othello				1			1			1						1	4	
104	Ritzville		1					1			1							3	1
105	Washtucna	1			1	1					1	1	1	1	1			8	1
201	Asotin	1	1								1		1		1			5	1
202	Clarkston		1								1		1				1	4	1
301	Benton City	1			1	1		1			1	1	1		1			8	1
302	Kennewick				1						1							2	
303	Prosser				1	1					1							3	
304	Richland							1			1							2	
305	West Richland				1			1			1		1	1	1			6	1
401	Cashmere	1						1					1			1		4	1
402	Chelan							1						1		1		3	
403	Entiat	1	1					1					1	1	1	1		7	1
404	Leavenworth*															1		1	
405	Wenatchee*							1								1	1	3	1
501	Forks		1						1			1			1			4	1
502	Port Angeles		1					1										2	
503	Sequim				1			1										2	
601	Battle Ground				1													1	
602	Camas				1													1	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
603	La Center				1			1										2	
604	Ridgefield							1						1				2	
605	Vancouver				1			1					1					3	
606	Washougal				1													1	
607	Yacolt	1	1		1			1					1					5	1
608	Woodland				1			1										2	
701	Dayton			1	1	1		1		1	1	1	1					7	1
702	Starbuck	1	1					1	1		1	1	1	1	1			9	1
801	Castle Rock				1	1		1										3	1
802	Kalama			1	1	1		1						1	1			6	
803	Kelso				1				1								1	3	1
804	Longview*																1	1	1
901	Bridgeport	1	1					1				1	1				1	6	1
902	East Wenatchee		1					1										2	
903	Mansfield	1	1					1				1	1					5	1
904	Rock Island	1	1					1				1	1		1			6	1
905	Waterville	1	1					1					1	1	1			6	1
1001	Republic			1	1	1		1	1	1	1	1			1	1		10	1
1101	Connell				1	1		1		1		1	1	1	1	1		9	1
1102	Kahlotus	1						1	1	1		1	1	1	1	1		9	1
1103	Mesa	1			1			1		1		1	1	1	1	1		9	1
1104	Pasco		1		1											1	1	4	1
1201	Pomeroy*							1			1	1	1		1			5	1
1301	Coulee City				1			1					1	1	1			5	1
1302	Electric City	1			1							1	1		1			5	1

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
1303	Ephrata							1						1	1			3	1
1304	George	1			1							1	1	1	1		1	7	1
1305	Grand Coulee				1				1			1			1		1	5	1
1306	Hartline	1	1					1	1			1	1	1	1			8	1
1307	Krupp*							1					1	1	1			4	1
1308	Mattawa	1										1	1					3	1
1309	Moses Lake				1			1									1	3	
1310	Quincy		1		1			1									1	4	1
1311	Royal City	1										1	1		1			4	1
1312	Soap Lake*							1				1	1					3	1
1313	Warden				1			1					1				1	4	1
1315	Wilson Creek	1	1									1	1	1	1			6	1
1316	Coulee Dam				1				1			1	1	1			1	6	1
1401	Aberdeen							1	1								1	3	1
1402	Cosmopolis																	0	
1403	Elma							1										1	1
1404	Hoquiam		1					1	1				1	1	1		1	7	1
1405	McCleary				1				1				1	1	1			5	1
1406	Montesano							1						1	1			3	1
1407	Oakville			1				1					1					3	1
1408	Westport				1			1						1				3	
1409	Ocean Shores				1	1	1	1						1				5	
1501	Coupeville		1		1													2	
1502	Langley		1	1				1										3	
1503	Oak Harbor																	0	1

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
1601	Port Townsend		1		1			1										3	
1701	Algona																	0	1
1702	Auburn																	0	
1703	Beaux Arts Village		1					1	1									3	
1704	Bellevue			1				1										2	
1705	Black Diamond												1	1				2	1
1706	Bothell																	0	
1707	Carnation				1			1										2	
1708	Clyde Hill								1									1	
1709	Des Moines				1			1					1					3	1
1710	Duvall				1	1												2	
1711	Enumclaw							1										1	
1713	Hunts Point				1			1	1									3	
1714	Issaquah																	0	
1715	Kent				1			1										2	
1716	Kirkland		1		1			1										3	
1717	Lake Forest Park							1					1					2	
1718	Medina							1	1									2	
1719	Mercer Island		1					1										2	
1721	Normandy Park				1				1				1					3	
1722	North Bend		1		1													2	
1723	Pacific			1				1										2	
1724	Redmond				1			1										2	
1725	Renton		1															1	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
1726	Seattle				1			1										2	
1727	Skykomish		1					1	1					1	1			5	
1728	Snoqualmie			1	1			1										3	
1729	Tukwila		1		1			1										3	
1730	Yarrow Point				1													1	
1731	Newcastle*							1										1	
1732	Federal Way				1													1	
1733	SeaTac		1		1													2	
1734	Woodinville																	0	
1735	Burien		1		1													2	
1736	Shoreline*																	0	
1737	Maple Valley*				1													1	1
1738	Covington*				1													1	1
1739	Kenmore*												1					1	
1740	Sammamish*				1								1					2	
1801	Bremerton			1	1			1	1									4	
1802	Port Orchard				1			1										2	
1803	Poulsbo				1													1	
1804	Bainbridge Island				1									1				2	
1901	Cle Elum				1						1			1		1		4	
1902	Ellensburg*							1			1					1		3	1
1903	Kittitas				1			1			1		1			1		5	1
1904	Roslyn				1						1		1	1	1	1		6	1
1905	South Cle Elum	1	1		1						1		1			1		6	1
2001	Bingen				1	1		1	1		1			1				6	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
2002	Goldendale				1			1			1						1	4	1
2003	White Salmon			1	1			1			1		1					5	1
2101	Centralia																1	1	1
2102	Chehalis				1			1									1	3	
2103	Morton				1			1	1									3	
2104	Mossyrock*				1			1	1					1	1			5	1
2105	Napavine							1										1	1
2106	Pe Ell			1	1			1				1	1		1			6	1
2107	Toledo	1			1			1										3	1
2108	Vader				1			1					1	1	1			5	1
2109	Winlock		1					1							1			3	1
2201	Almira	1	1						1		1	1	1	1	1	1		9	1
2202	Creston	1	1					1			1	1	1	1	1	1		9	1
2203	Davenport		1		1			1			1					1		5	1
2204	Harrington				1			1	1		1	1	1		1	1		8	1
2205	Odessa				1	1					1	1			1	1		6	1
2206	Reardan	1			1	1		1			1		1			1		7	1
2207	Sprague		1		1			1			1	1	1		1	1		8	1
2208	Wilbur		1		1						1		1	1	1	1		7	1
2301	Shelton																1	1	1
2401	Brewster			1				1									1	3	1
2402	Conconully*							1					1					2	1
2403	Elmer City	1	1					1	1			1	1		1			7	1
2405	Nespelem	1	1									1	1		1			5	1
2406	Okanogan				1			1							1		1	4	1

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
2407	Omak		1														1	2	1
2408	Oroville		1					1									1	3	1
2409	Pateros*												1					1	1
2410	Riverside	1						1				1	1	1	1			6	1
2411	Tonasket							1									1	2	1
2412	Twisp*							1										1	1
2413	Winthrop				1			1						1				3	
2501	Ilwaco					1		1	1		1			1	1			6	
2502	Long Beach				1						1							2	
2503	Raymond		1	1				1			1		1	1	1		1	8	1
2504	South Bend					1					1		1		1			4	1
2601	Cusick		1		1							1	1	1	1		1	7	1
2602	Ione				1	1		1	1			1	1	1	1		1	9	1
2603	Metaline							1	1			1			1			4	1
2604	Metaline Falls	1	1		1			1				1			1			6	1
2605	Newport				1	1		1									1	4	1
2701	Bonney Lake				1			1										2	
2702	Buckley																	0	1
2703	Carbonado		1										1					2	1
2704	DuPont*							1										1	
2705	Eatonville				1			1										2	
2706	Fife				1			1										2	
2707	Fircrest		1										1					2	1
2708	Gig Harbor							1										1	
2709	Milton*							1										1	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
2710	Orting				1													1	1
2711	Puyallup				1	1		1										3	
2712	Roy				1			1										2	1
2713	Ruston			1				1										2	1
2714	South Prairie*								1				1					2	1
2715	Steilacoom		1		1								1					3	1
2716	Sumner				1													1	
2717	Tacoma				1			1										2	
2718	Wilkeson							1					1					2	1
2719	University Place*				1								1					2	1
2720	Lakewood*							1										1	1
2721	Edgewood*	1											1					2	1
2801	Friday Harbor		1		1						1							3	
2901	Anacortes			1														1	
2902	Burlington				1			1										2	
2903	Concrete			1	1			1						1				4	1
2904	Hamilton	1	1		1			1					1	1	1			7	1
2905	La Conner		1		1			1							1			4	
2906	Lyman*					1		1					1	1	1			5	1
2907	Mount Vernon			1	1			1									1	4	
2908	Sedro-Woolley				1													1	
3001	North Bonneville													1	1			2	1
3002	Stevenson																	0	
3101	Arlington				1													1	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
3102	Brier				1								1					2	1
3103	Darrington*							1					1	1				3	1
3104	Edmonds																	0	
3105	Everett		1															1	
3106	Gold Bar	1	1		1			1					1					5	1
3107	Granite Falls			1														1	1
3108	Index		1					1					1	1				4	1
3109	Lake Stevens		1		1								1					3	1
3110	Lynnwood		1					1										2	
3111	Marysville				1			1										2	
3112	Monroe							1										1	
3113	Mountlake Terrace		1		1			1					1					4	1
3114	Mukilteo				1								1					2	
3115	Snohomish		1	1	1			1										4	
3116	Stanwood				1	1		1										3	
3117	Sultan			1	1			1					1					4	1
3118	Woodway																	0	
3119	Mill Creek			1	1													2	
3201	Airway Heights		1					1				1			1			4	1
3202	Cheney		1									1						2	1
3203	Deer Park				1			1						1	1			4	1
3204	Fairfield	1			1			1					1		1			5	1
3205	Latah	1	1					1	1			1	1	1	1			8	1
3206	Medical Lake							1				1	1		1			4	1
3207	Millwood		1		1			1	1									4	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
3208	Rockford		1					1					1	1	1		1	6	1
3209	Spangle		1	1			1	1						1	1			6	1
3210	Spokane							1										1	1
3211	Waverly	1	1					1				1	1	1	1			7	1
3212	Liberty Lake*				1													1	
3213	Spokane Valley*																	0	
3301	Chewelah*							1		1	1			1	1		1	6	1
3302	Colville		1		1					1	1							4	
3303	Kettle Falls									1	1							2	1
3304	Marcus	1			1					1	1	1	1	1	1			8	1
3305	Northport		1					1	1	1	1		1	1	1			8	1
3306	Springdale*							1		1	1	1		1	1			6	1
3401	Bucoda	1	1									1	1	1	1			6	1
3402	Lacey				1													1	
3403	Olympia		1															1	
3404	Rainier			1				1					1					3	1
3405	Tenino		1										1					2	1
3406	Tumwater																	0	
3407	Yelm		1		1									1				3	
3501	Cathlamet			1	1			1								1		4	
3601	College Place							1			1		1					3	1
3602	Prescott*							1			1	1			1		1	5	1
3603	Waitsburg				1			1			1	1	1		1			6	1
3604	Walla Walla		1								1							2	1
3701	Bellingham				1			1										2	

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
3702	Blaine				1			1						1				3	
3703	Everson		1					1					1					3	1
3704	Ferndale				1			1										2	
3705	Lynden				1													1	
3706	Nooksack		1					1					1					3	1
3707	Sumas		1					1						1				3	
3801	Albion	1	1		1				1	1		1	1		1			8	1
3802	Colfax		1		1					1								3	1
3803	Colton	1								1			1		1			4	1
3804	Endicott	1			1		1			1		1	1	1	1			8	1
3805	Farmington	1	1				1	1		1		1	1	1	1			9	1
3806	Garfield	1			1		1	1		1		1	1	1	1			9	1
3807	LaCrosse							1		1		1	1	1	1			6	1
3808	Lamont	1								1		1	1	1	1			6	1
3809	Malden	1	1					1		1		1	1	1	1			8	1
3810	Oakesdale		1				1			1		1	1	1	1			7	1
3811	Palouse	1	1		1			1		1		1	1		1			8	1
3812	Pullman							1				1						2	1
3813	Rosalia			1			1	1		1		1	1	1	1			8	1
3814	St. John				1	1	1	1	1	1								6	1
3815	Tekoa						1	1	1	1		1	1	1	1			8	1
3816	Uniontown									1			1	1	1			4	1
3901	Grandview		1					1					1			1	1	5	1
3902	Granger	1						1				1	1		1	1	1	7	1
3903	Harrah	1	1									1	1			1		5	1

ID	City(*non-reporting)	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8 Population	Indicator 8 Personal Income	Indicator 8 Employment Growth	Indicator 9 Assessed Value	Indicator 9 Sales Tax	Indicator 10 Population Density	Indicator 10 Assessed Value Per Sq Mile	Indicator 10 Dropout Rate	Indicator 10 DSHS Clients	Stress Total	Receives SB 6050 Assistance
3904	Mabton	1			1			1				1	1			1	1	7	1
3905	Moxee				1			1								1	1	4	1
3906	Naches				1			1								1		3	1
3907	Selah		1		1			1								1		4	1
3908	Sunnyside*															1	1	2	1
3909	Tieton							1					1			1		3	1
3910	Toppenish		1									1	1			1	1	5	1
3911	Union Gap				1											1	1	3	
3912	Wapato							1				1	1			1	1	5	1
3913	Yakima															1	1	2	1
3914	Zillah		1										1			1		3	1
	State Total	49	85	26	138	22	9	171	34	25	47	64	114	71	85	38	41		171