April 29, 2020

Mr. David Bean
Director of Research
Project #3-39
Governmental Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Mr. Bean:

On behalf of the King County Executive, the Honorable Dow Constantine, I thank the Governmental Accounting Standards Board (GASB) for the opportunity to comment on its proposed exposure draft for Project No. 3-39. King County is the 13th largest county in the nation by population and is the financial, economic, and industrial center of the Pacific Northwest region. Unfortunately, we have also found ourselves at ground zero in the nation’s fight against the novel coronavirus, SARS-CoV-2, and its associated health condition COVID-19 following the nation’s first outbreak in Kirkland, WA.

The County has made lessening the impact of COVID-19 on residents its highest priority. The County opened its Health & Medical Area Command on January 21 to coordinate our region’s COVID-19 response. We have opened new recovery facilities, new isolation facilities, created nearly 1,900 new spaces for those experiencing homelessness, and have issued public health orders to reduce transmission based on the best available science to protect our residents. Recent modeling indicates our actions are having beneficial effect, yet Executive Constantine recognized even this week “daily life has been turned upside down.” Despite our best efforts, over 2,000 of our residents are confirmed infected with the new virus and over 170 have perished.

The County is fully committed to transparency and accountability, yet our limited resources are needed now more than ever to manage the operational response to COVID-19. GASB acknowledged the long list of tasks and processes required for a successful implementation of GASB 87: Leases in paragraph B123: gathering and analyzing contracts, implementing new internal controls, updating information technology systems, working with grantors, and changing statutes and policies. King County has spent more than a year preparing and was making good progress. However, the health and human services agencies most impacted by COVID-19 are the same agencies with the most complex contracts and grantor relationships. These need careful analysis and coordination between the County, its grantors, and subrecipients to ensure proper classification under GASB 87 and to ensure compliance with grant terms and conditions. To avoid distraction from our COVID-19 response in these agencies specifically,
but across the county government as well, I strongly support GASB’s proposal to defer the effective date of GASB 87 and its associated Implementation Guide for one year.

If you have questions, please contact Finance Director Ken Guy at (206) 263-9254.

Sincerely,

Dwight D. Dively
Chief Operating Officer and Director, Office of Performance, Strategy and Budget

cc: Ken Guy, Director, Finance and Business Operations Division
    Elly Slakie, PSB