

Finance Subcommittee

Medic One/EMS Strategic Plan & Levy Reauthorization

July 31, 2018

1:00 - 3:00 PM

**2100 24th Avenue S, Community Room A
Seattle, WA 98144**

Chair: John Marchione, Mayor of Redmond

Alternate: Keith Scully, Councilmember, City of Shoreline

Agenda

- **Opening Remarks & Introductions** (5 minutes)
 - **Updated Economic Forecast** (20 minutes)
 - **Reserves and Sensitivity (What-if) Analysis** (30 minutes)
 - **Updated Subcommittee Programmatic Recommendations and Financial Plan** (40 minutes)
 - **Finance Subcommittee Recommendations** (20 minutes)
 - Programmatic recommendations and funding
 - Reserve and contingencies funding levels and approval process
 - Financial Plan
 - **Next Finance Meeting & Next Steps** (5 minutes)
 - EMS Advisory Task Force – September 18, 2018*
-

Medic One/EMS Strategic Plan & Levy Reauthorization

EMS STAKEHOLDER PRINCIPLES

As regional EMS Stakeholders, we remain committed to these fundamental principles:

1. REGIONAL SYSTEM

The Medic One/EMS system is based on partnerships that are built on regional, collaborative, cross-jurisdictional coordination. This seamless cohesion allows the system to excel in pre-hospital emergency care.

2. TIERED MEDICAL MODEL

The medical model, with its tiered system and intensive dispatch, EMT and paramedic training and protocols, has led to our success in providing high quality patient care throughout the region.

3. PROGRAMS & INNOVATIVE STRATEGIES

State of the art science-based strategies and programmatic leadership have allowed us to meet the needs and expectations of our residents and our system.

4. FOCUS ON COST EFFECTIVENESS AND EFFICIENCIES

The Medic One/EMS system has maintained financial viability and stability due to the region's focus on operational and financial efficiencies, effectiveness and cost savings.

5. MAINTAINING AN EMS LEVY AS FUNDING SOURCE

The EMS levy is a reliable and secure source of funding our world-renowned system.

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION

Future Meetings

EMS Advisory Task Force:

✓ Thursday, January 18, 2018	1pm – 3 pm	Tukwila Community Center
✓ Wednesday, May 30, 2018	1 pm – 3 pm	Tukwila Community Center
September 18, 2018	1:30 – 3:30	2100 Building, Community Room A
Tuesday, October 16, 2018	1 pm – 3 pm	Tukwila Community Center

SUBCOMMITTEES:

Advanced Life Support (ALS) - Tuesdays from 1:00 – 3:00, South Seattle location

✓ February 15, 2018		Renton Fire Station 14
✓ March 15, 2018 (1:30 – 3:30)		2100 Building Community Room B
✓ April 10, 2018		2100 Building, Community Room A
✓ May 8, 2018		2100 Building, Community Room A
✓ June 12, 2018 (ALS Working Group)		2100 Building, Community Room A
✓ July 10, 2018		2100 Building, Community Room A
August 14, 2018		2100 Building, Community Room A
September 11, 2018		2100 Building, Community Room A
October 9, 2018		TENTATIVE - 2100 Building

Basic Life Support (BLS) - Thursdays from 1:00 – 3:00, various Renton sites

✓ February 8, 2018		Renton Fire Station 14
✓ March 8, 2018		Renton Fire Station 14
✓ April 5, 2018		Renton City Hall, Council Chambers, 7 th Floor
✓ May 3, 2018		Renton City Hall, Council Chambers, 7 th Floor
✓ June 7, 2018		Renton Fire Station 14
July 12, 2018		Renton City Hall, Council Chambers, 7th Floor
August 9, 2018		Renton City Hall, Council Chambers, 7 th Floor
September 6, 2018		Renton City Hall, Council Chambers, 7 th Floor
October 4, 2018		TBD

Regional Services (RS) - Tuesdays from 1:00 – 3:00, Renton location

✓ February 20, 2018		City of Seattle Joint Training Facility
✓ March 20, 2018		Renton Highlands Library conference room
✓ April 17, 2018		Renton Highlands Library conference room
✓ May 15, 2018	1:30 – 3:30	2100 Building, Community Room A
June 19, 2018	1:30 – 3:30	2100 Building, Community Room A
July 17, 2018	1:30 – 3:30	2100 Building, Community Room A
August 21, 2018	1:30 – 3:30	2100 Building, Community Room A
September 18, 2018	1:30 – 3:30	2100 Building, Community Room A

Finance - Tuesdays or Thursdays from 1:00 – 3:00, Kirkland location

✓ February 1, 2018 (Thursday)		Renton Fire Station 14 (1900 Lind Ave SW)
✓ May 17, 2018 (Thursday)	12:00 – 2:00	Peter Kirk Room, Kirkland City Hall
➔ Tuesday, July 31, 2018	1 pm – 3 pm	2100 Building Community Room B
September 25, 2018 (Tuesday)		Peter Kirk Room, Kirkland City Hall

Bold = recently revised

LOCATIONS:

Renton Fire Station 14
1900 Lind Ave SW, Renton

Phone: (425) 430-7000

City of Seattle Joint Training Facility
9401 Myers Way South, Seattle

Phone: (206) 386-1600

The 2100 Building
2100 24th Ave S, Seattle

Phone: (206) 407-2100

Renton City Hall
1055 South Grady Way, Renton

Phone: (425) 430-6400

Kirkland City Hall
123 5th Ave, Kirkland, WA

Phone: (425) 587-3000

Renton Highland Library Conference Room
2801 NE 10th Street, Renton

Phone: (425) 277-1831

Tukwila Community Center
12424 42nd Ave South, Tukwila

Phone: (206) 768-2822

EMS Advisory Task Force
Medic One/EMS Levy Reauthorization Calendar

2018

JANUARY

S	M	T	W	Th	F	S
	H1	2	3	4	5	6
7	8	9	0	11	12	13
14	H15	16	17	IF 18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY

S	M	T	W	Th	F	S
				FIN 1	2	3
4	5	6	7	BLS 8	9	10
11	12	ALS 13	14	15	16	17
18	19	RS 20	21	22	23	24
25	26	27	28			

MARCH

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	BLS 8	9	10
11	12	13	14	ALS 15	16	17
18	19	RS 20	21	22	23	24
25	26	27	28	29	30	31

ALS - revised

APRIL

S	M	T	W	Th	F	S
1	2	3	4	BLS 5	6	7
8	9	ALS 10	11	12	13	14
15	16	RS 17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MAY

S	M	T	W	Th	F	S
		1	2	BLS 3	4	5
6	7	ALS 8	9	10	11	12
13	14	RS 15	16	FIN 17	18	19
20	21	22	23	24	25	26
27	H28	29	TF 30	31		

Finance and Task Force meetings - revised

JUNE

S	M	T	W	Th	F	S
					1	2
3	4	5	6	BLS 7	8	9
10	11	ALS 12	13	14	15	16
17	18	RS 19	20	21	22	23
24	25	26	27	28	29	30

JULY

S	M	T	W	Th	F	S
1	2	3	H4	5	6	7
8	9	ALS 10	11	BLS 12	13	14
15	16	RS 17	18	19	20	21
22	23	FIN 24	25	26	27	28
29	30	TF 31				

AUGUST

S	M	T	W	Th	F	S
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5	6	7	8	BLS 9	10	11
12	13	ALS 14	15	16	17	18
19	20	RS 21	22	23	24	25
26	27	28	29	30	31	

SEPTEMBER

S	M	T	W	Th	F	S
						1
2	H3	4	5	BLS 6	7	8
9	10	ALS 11	12	13	14	15
16	17	RS 18	19	20	21	22
23	24	FIN 25	26	27	28	29
30						

OCTOBER

S	M	T	W	Th	F	S
	1	2	3	BLS 4	5	6
7	H8	ALS 9	10	11	12	13
14	15	TF 16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	H12	13	14	15	16	17
18	19	20	21	H22	H23	24
25	26	27	28	29	30	

DECEMBER

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	H25	26	27	28	29
30	31					

Econ forecasts: 3/7-3/14; 7/18-7/27; 8/17-8/27


3/30/2018

2018 King County Economic and Revenue Forecast

Presentation to the EMS Levy Planning Financial Subcommittee

Presented on: July 31st, 2018

Dave Reich
Office of Economic and Financial Analysis



Overview

The U.S. economic expansion continues (108 months)

- 2018:1Q=+2%, tracking higher in 2Q (~+4%)
- Strong employment growth (avg. +215K/month in 2018 YTD)
- Continue to expect employment growth in 2018-2019
- Unemployment likely to drop, inflation on the rise

King County economy also continues to grow

- Strong employment growth (+3.2% in 2018 YTD)
- Continued population growth-added 36,500 people in KC in 2017-2018
- Continued construction boom driving employment and commerce
- Leading indicators mostly positive

Biggest risk/uncertainty; U.S. govt. & trade

- Trade and tariffs are front and center

July 2018 Revenue Forecasts

Assumptions:

(1) 65% Confidence Level – 65% chance revenues will come in higher than forecasted (lower for inflation/price forecasts)

(2) All potential annexation areas are assumed to occur on schedule:

-North Highline (Area Q/Sliver)	(01-01-21)
-North Highline (Remainder)	(01-01-21)
-West Hill	(01-01-23)
-East Federal Way	(01-01-23)

Countywide Assessed Value Forecast

Tax Year	Value	Annual Growth	% Change from March 2018 Forecast	\$ Change from March 2018 Forecast
2016	\$426,335,605,836	9.85%	0.00%	\$0
2017	\$471,456,288,020	10.58%	0.00%	\$0
2018	\$534,662,434,753	13.41%	0.00%	\$0
2019	\$594,371,420,436	11.17%	0.47%	\$2,768,341,668
2020	\$643,251,296,092	8.22%	2.03%	\$12,784,976,487
2021	\$683,472,885,070	6.25%	2.23%	\$14,930,495,381
2022	\$719,296,747,766	5.24%	2.51%	\$17,623,196,177
2023	\$746,915,701,927	3.84%	1.89%	\$13,857,811,983
2024	\$777,218,340,124	4.06%	1.82%	\$13,888,130,919
2025	\$812,826,260,370	4.58%	1.54%	\$12,294,304,281
2026	\$844,272,863,701	3.87%	1.34%	\$11,203,293,125
2027	\$877,188,513,227	3.90%	1.31%	\$11,374,499,887

New Construction Forecast

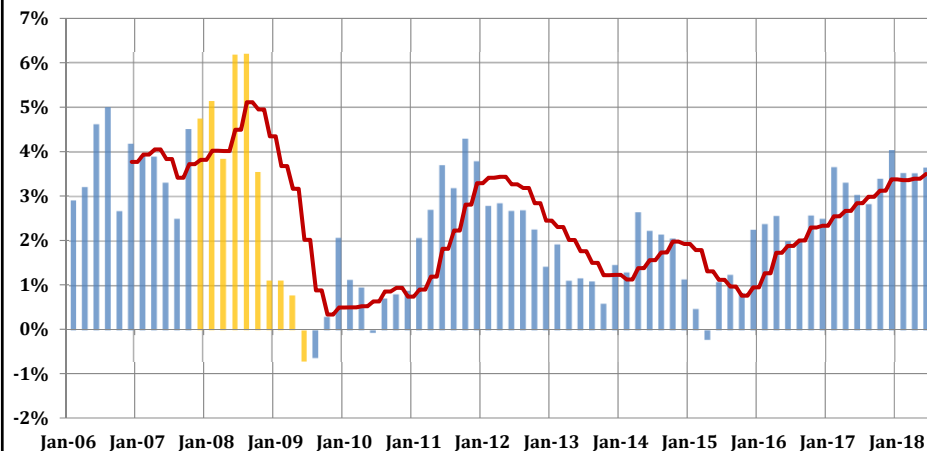
Tax Year	Value	Annual Growth	% Change from March 2018 Forecast	\$ Change from March 2018 Forecast
2016	\$6,111,997,054	22.37%	0.00%	\$0
2017	\$8,438,451,607	38.06%	0.00%	\$0
2018	\$9,789,738,887	16.01%	0.00%	\$0
2019	\$10,390,563,983	6.14%	7.81%	\$752,816,891
2020	\$9,680,282,486	-6.84%	6.12%	\$557,878,169
2021	\$8,718,721,717	-9.93%	7.46%	\$605,433,553
2022	\$8,640,419,483	-0.90%	5.33%	\$436,884,714
2023	\$8,665,151,014	0.29%	2.57%	\$217,268,998
2024	\$8,940,303,965	3.18%	-0.93%	(\$83,920,361)
2025	\$9,243,801,336	3.39%	-3.43%	(\$328,136,235)
2026	\$9,422,919,840	1.94%	-5.00%	(\$495,815,124)
2027	\$9,969,224,693	5.80%	-0.99%	(\$99,312,979)

Local inflation continues to increase in 2018



Seattle CPI-W Annual Inflation

with recession bars and rolling annual average line
Source: Bureau of Labor Statistics

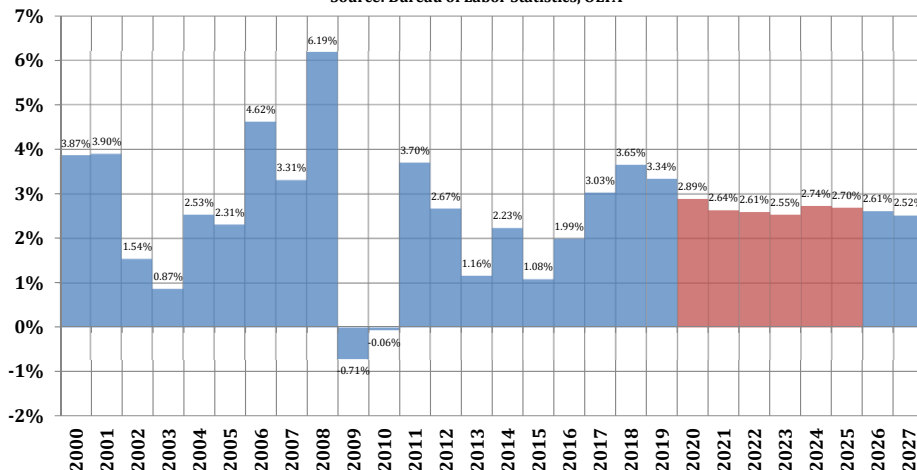


Local inflation continues to increase in 2018



June to June Seattle CPI-W Forecast

Actual 2000-2018, Forecast 2019-2027 and Levy Period 2020-2025
Source: Bureau of Labor Statistics, OEFA

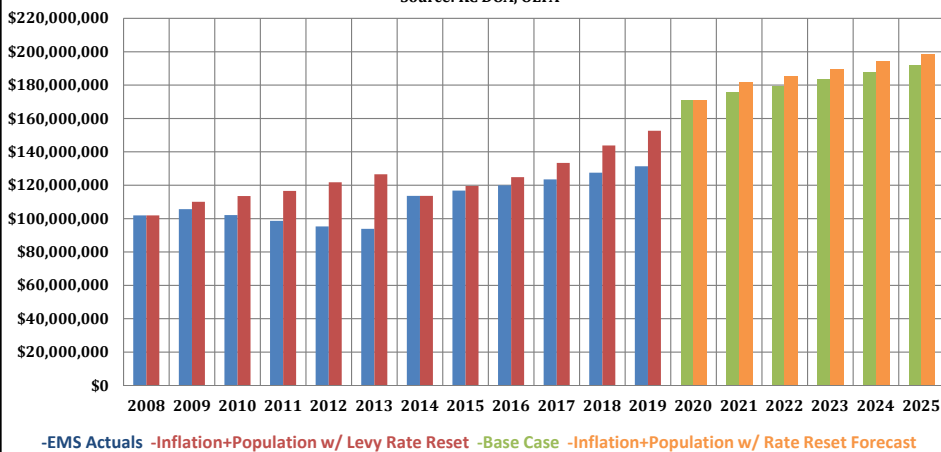


EMS Levy Amounts with Levy Reset each Levy Period

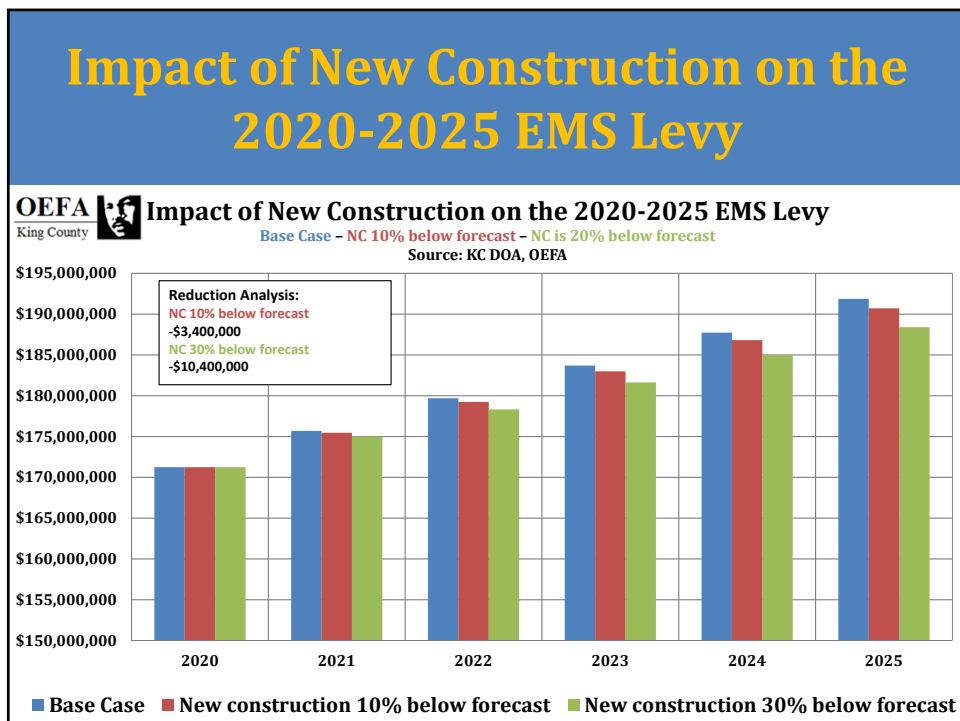
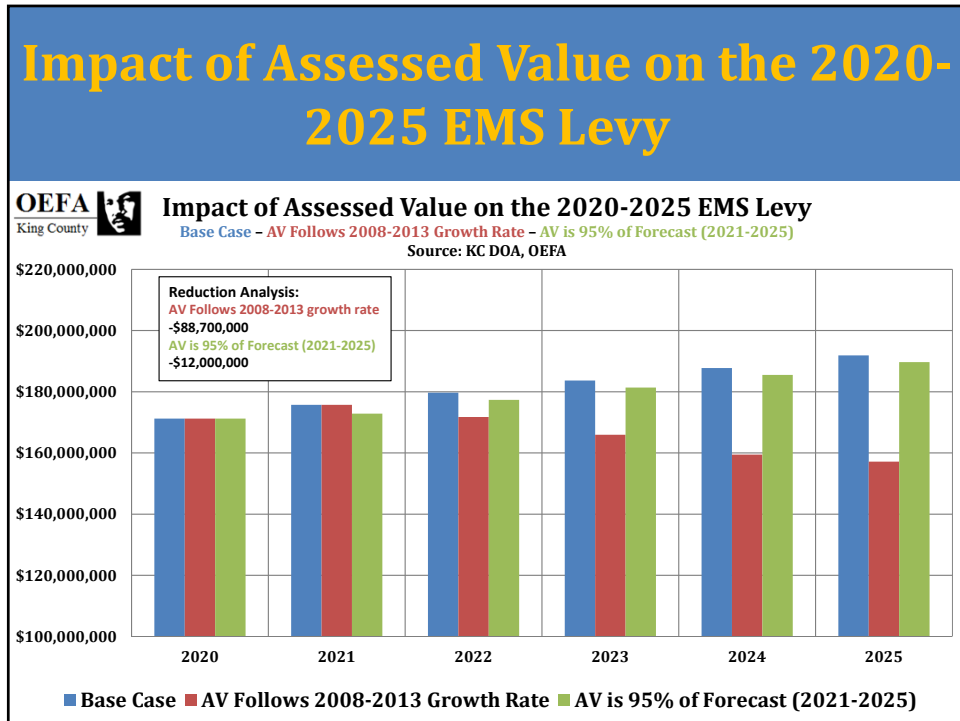


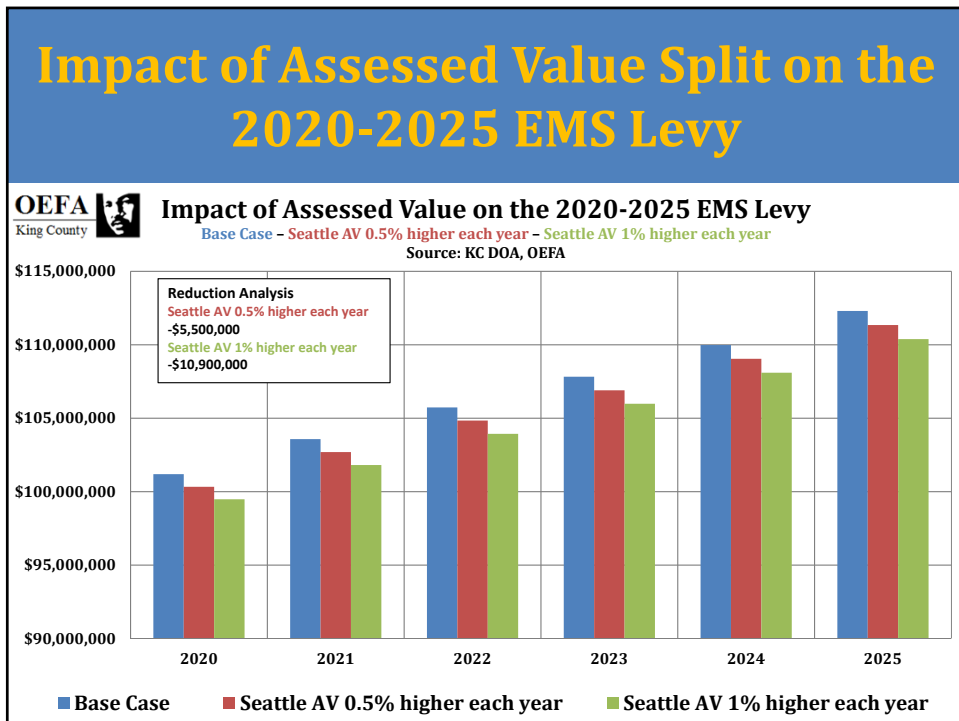
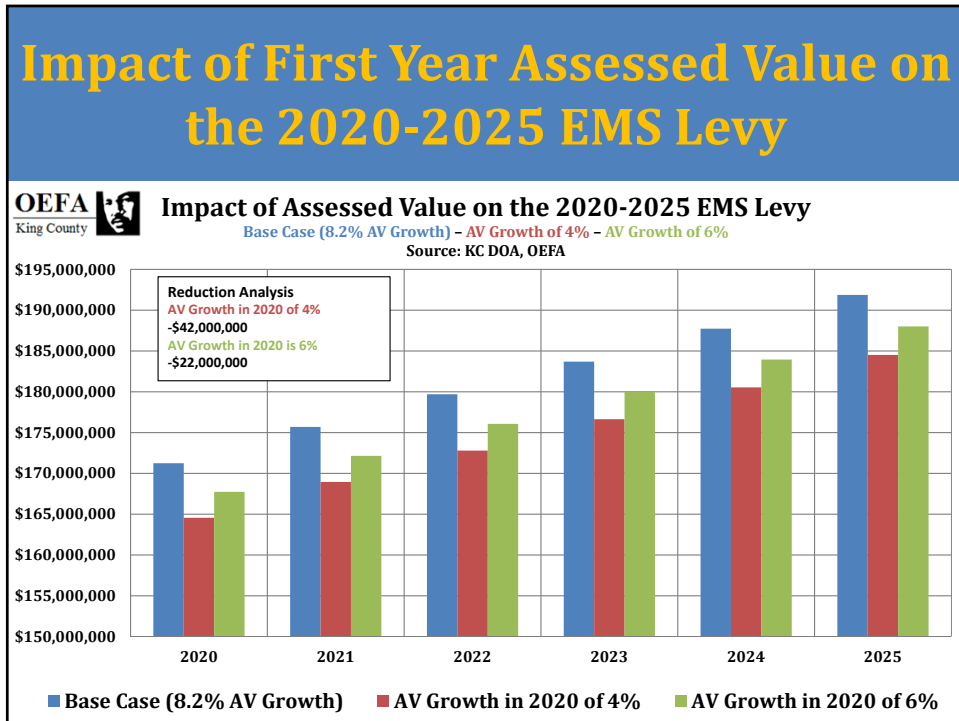
EMS Levy Amounts w/ Levy Rate Reset each Levy Period

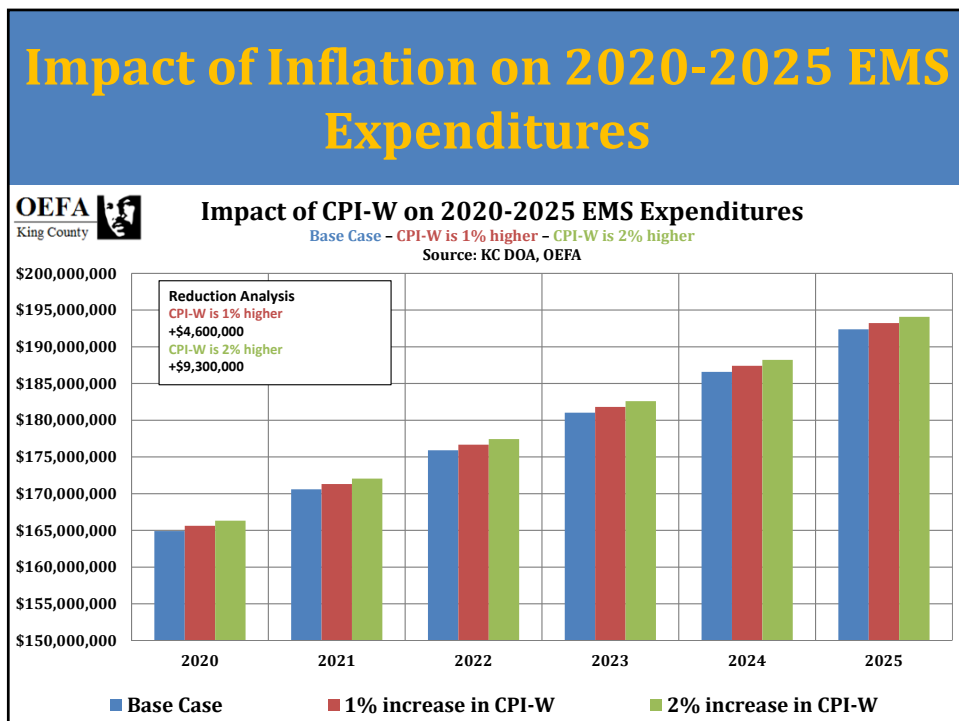
EMS Actuals, CPI+Pop w/ Rate Reset, Levy Period Base Case, CPI+Pop w/ Rate Reset Forecast
Source: KC DOA, OEFA



-EMS Actuals -Inflation+Population w/ Levy Rate Reset -Base Case -Inflation+Population w/ Rate Reset Forecast







King County Office of Economic and Financial Analysis

<http://www.kingcounty.gov/independent/forecasting.aspx>

2020-2025 Levy Planning FINANCIAL SUBCOMMITTEE

7/31/2018

**KING COUNTY
EMERGENCY MEDICAL
SERVICES**

Background King County Financial Policies

- **Provide a prudent level of financial resources to meet specific purposes**
- **Address cash flow needs (anticipated mismatches between revenues and expenditures)**
- **Meet legal, contract or existing policy requirements**
- **Clarify fund level decision-making around uncertainty**
- **Include standardized approach to reserves (fund balance)**

Background Main Drivers

Revenues:

- Confidence levels (65% per KC policy)
- Beginning Assessed Valuation (AV) level at beginning of new levy
- New construction levels
- Tax distribution to Seattle and King County (proportionately on AV)
- Amount of reserves available to carry forward from 2014-2019 levy

Expenditures:

- Programmatic decisions:
 - ✦ Adjustments to base allocations for ALS, BLS, RS
 - ✦ Support for innovative & emerging programs (i.e., MIH, Strategic Initiatives)
- Contingencies and reserves (i.e., placeholders for new ALS units)
- Cost escalators (inflaters)

EMS Application of KC Policies Current (2014-2019) EMS Reserves

- **“Operating Reserves” converted to “Contingencies”**
 - Usual expenses outside of ALS allocation (limited access RSS)
- **Expenditure Reserve**
 - ALS capacity needs (including placeholders for new ALS units)
 - ALS equipment plan funds
- **Rainy Day Reserve**
 - *Includes end of levy requirement of 90 days operating expenses*
- **Rate Stabilization Reserve**
 - Includes funding for needs related to changes in economic conditions and potential buy down future levy rate

Sensitivity Analyses (What-if Scenarios) Background

- **Evaluates potential impacts of revenue and expenditure risks**
 - Revenue: property taxes less than planned
 - Expenses: inflation (CPI-W) higher than planned
- **Considers 2008-2013 as the “worst-case” scenario**
- **Assumes changes in economic conditions will affect either expenses or revenues, but not both (based on experience of 2008-2013 levy)**

Sensitivity Analyses (What-if Scenarios) Scenarios

- **Starting AV less than planned (Scenario A)**
 - First Year AV growth at 6% (rather than 8.2%)
 - First Year AV growth at 4% (rather than 8.2%)
- **Reductions in AV reduces property taxes (Scenario B)**
 - AV at 95% of forecast
 - AV similar to 2008-2013 levy
- **New construction below forecast (Scenario C)**
 - New Construction AV Reduction of 10%
 - Reduction in New Construction of 20%
- **CPI-W higher than planned (Scenario D)**
- **Proportion change between Seattle & KC EMS Funds (Scenario E)**

Sensitivity Analyses (What-if Scenarios) King County (Seattle & KC EMS Fund)

Revenues (2020-2025)	Total Decrease (in millions)
Scenario #A-1: First Year AV growth 6% (forecast 8.2%)	(\$24.0)
Scenario #A-2: First Year AV growth 4% (forecast 8.2%)	(\$43.8)
Scenario #B-1: AV @ 95% of forecast (full levy)	(\$12.0)
Scenario #B-2: AV follows 2008-2013 growth rate	(\$88.7)
Scenario #C-1: New Construction 10% below forecast	(\$5.3)
Scenario #C-2: New Construction 20% below forecast	(\$8.8)
Expenses (2020-2025)	Total Decrease (in millions)
Scenario #D-1: CPI-W 1% higher than planned	(\$4.6)
Scenario #D-2: CPI-W 2% higher than planned	(\$9.3)

Sensitivity Analyses (What-if Scenarios) KC EMS Fund

Revenues (2020-2025)	Total Decrease (in millions)
Scenario #A-1: First Year AV growth 6% (forecast 8.2%)	(\$25.8)
Scenario #A-2: First Year AV growth 4% (forecast 8.2%)	(\$14.1)
Scenario #B-1: AV @ 95% of forecast (full levy)	(\$7.0)
Scenario #B-2: AV follows 2008-2013 growth rate	(\$52.2)
Scenario #C-1: New Construction 10% below forecast	(\$3.1)
Scenario #C-2: New Construction 20% below forecast	(\$5.2)
Scenario #E-1: Distribution Seattle/KC EMS AV .5% change	(\$5.5)
Scenario #E-2: Distribution Seattle/KC EMS AV 1% change	(\$10.9)
Expenses (2020-2025)	Total Decrease (in millions)
Scenario #D-1: CPI-W 1% higher than planned	(\$2.7)
Scenario #D-2: CPI-W 2% higher than planned	(\$5.5)

Sensitivity Analyses (What-if Scenarios) KC Reserves

Reserves	Low (in millions)	High (in millions)
ALS Expenditure Reserves	\$13.8	\$13.8
AV follows 2008-2013 growth rate	\$27.8	\$27.8
Available with 27 cent levy		\$5.4
Total Reserves	\$41.6	\$47.0
Sensitivity Analyses	Low	High
First year AV growth lower than planned	(\$14.1)	(\$25.8)
AV growth after 1 st year less than planned	(\$7.0)	(\$52.2)
New construction below forecast	(\$3.1)	(\$5.2)
Distribution Seattle/KC EMS AV .5% change	(\$5.5)	(\$10.9)
CPI-W higher than planned	\$2.7	\$5.5

Programmatic Reviews



- **Advanced Life Support (ALS) Services**
- **Basic Life Support (BLS) Services**
- **Regional Services/Strategic Initiatives (RSSI)**

Programmatic Reviews Advanced Life Support (ALS) Services

- **Continue with Operating and Equipment Allocations**
- **Operating Allocation Components (Unit, Program & System)**
- **Access to contingencies and reserves**
- **Placeholder in reserves for potential two 12-hour units beginning in fall of Year 2 (2021) and Year 5 (2025)**
- **Inflation**
 - Operating Allocation by CPI-W +1%
 - Equipment Allocation by Vehicle PPI

Programmatic Reviews Basic Life Support (BLS) Services

- **Continuation of existing allocation amount, including:**
 - Incorporation of BLS QI & Training and BLS Core Services Funds
 - Full allocation distributed 50% AV/50% Calls in 2020
 - Funds added to make sure all agencies receive at least the same amount in 2020 as 2019 (~\$6 million add for levy period)
 - Beginning in 2021 new funds only distributed 50% AV & 50% Call Volume
- **MIH allocation/funding starting at \$4m/year in 2020 (including \$1.4m from 2014-2019 SI Funds moved to BLS)**
 - BLS Quality Improvement (QI) & Training SI
 - Efficiencies and Effectiveness (E&E) Studies SI
 - Alternatives to CMT SI Funding
 - Regional CMT Unit Funding

Programmatic Reviews Regional Services/Strategic Initiatives (RSSI)

- **Regional Services (RS) Allocation:**
 - Continue RS Allocation with small “true-ups”
 - Convert 2 SIs to Regional Services
 - ✦ Regional Records Management System (ESO)
 - ✦ Regionalization of Initial EMT Training
- **Strategic Initiatives (SI) Allocation:**
 - Transfer select SI funds to BLS allocation
 - Propose three SIs:
 - ✦ Vulnerable Populations SI (including mental wellness)
 - ✦ AEIOU QI SI *(new)*
 - ✦ STRIVE SI (training/EMS Online platform) *(new)*

KC EMS Programs Programmatic Review Updates – KC EMS Fund

PROGRAM AREAS	Initial Proposed (in millions)	Updated Proposed (in millions)	Difference (in millions)	% Change
Advanced Life Support (ALS)	\$372.5	\$369.8	(\$2.7)	(0.7%)
Basic Life Support (BLS)				4.1%
Basic Allocation	\$134.9	\$134.5	(\$0.4)	(0.4%)
“Hold Harmless”		\$5.9	\$5.9	N/A
Mobile Integrated Healthcare (MIH)	\$26.4	\$26.3	(\$0.1)	(0.4%)
Regional Services (RS)	\$80.8	\$78.9	(\$1.9)	(2.4%)
Strategic Initiatives (SI)	\$7.2	\$6.7	(\$0.5)	(7.0%)
TOTAL EXPENDITURES	\$621.8	\$622.1	\$0.3	(0.0%)

(Note: Update includes refinements and July economic forecast update)

Programmatic Update Updated Proposed Compared to PSQ

<i>In Millions</i>				
PROGRAM AREAS (Full County)	Preliminary Status Quo	Updated Proposed	Difference	% Change
Advanced Life Support (ALS)				
City of Seattle	\$140.5	\$149.0	\$8.5	6%
KC EMS Fund	\$342.9	\$369.8	\$26.9	8%
Basic Life Support (BLS)				
City of Seattle	\$259.0	\$300.3	\$41.3	16%
KC EMS Fund	\$134.6	\$140.4	\$5.8	4%
Mobile Integrated Healthcare (MIH)	\$9.5	\$26.3	\$16.8	177%
Regional Services (RS)	\$76.0	\$78.9	\$2.9	4%
Strategic Initiatives (SI)	\$4.5	\$6.7	\$2.2	49%
TOTAL Expenditures	\$967.0	\$1,071.4	\$104.4	11%
ALS Expenditure Reserves	\$4.7	\$13.8	\$9.1	196%
Rainy Day Reserves (90-days)	\$25.5	\$27.8	\$2.3	9%
Total with Reserves	\$997.2	\$1,113.0	\$115.8	12%

Financial Plans 2020-2025 EMS Levy: Updated Proposed

<i>In Millions -- 27 cent levy rate</i>			
REVENUES	Seattle	KC EMS	Total
Property Taxes	\$449.3	\$640.6	\$1,089.9
Other Revenue (KC EMS Fund)		\$8.5	\$8.5
TOTAL Revenue	\$449.3	\$649.1	\$1,098.4
EXPENDITURES			
Advanced Life Support (ALS)	\$149.0	\$369.8	\$518.8
Basic Life Support (BLS)	\$300.3	\$140.4	\$440.7
Mobile Integrated Healthcare (MIH)		\$26.3	\$26.3
Regional Services (RS)		\$78.9	\$78.9
Strategic Initiatives (SI)		\$6.7	\$6.7
TOTAL Expenditures	\$449.3	\$622.1	\$1,071.4
Reserves		\$41.6	\$41.6
TOTAL With Reserves	\$449.3	\$663.7	\$1,113.0

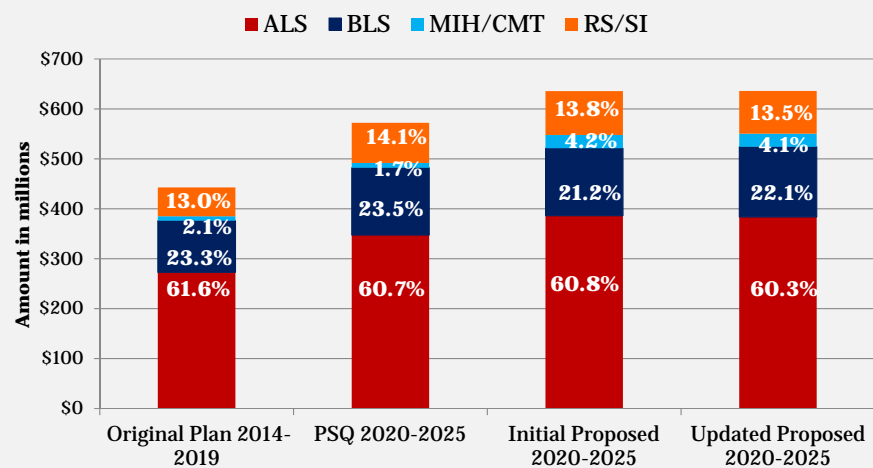
See separate attachment for Updated Proposed Financial Plan -- Based on OEFA July Forecast

Financial Plan Summary 2020-2025 EMS Levy: Updated Proposed

Expenditures & Reserves	Total (in millions)
Total Expenditures	\$1,071.4
Reserves (Expenditure & Rainy Day)	\$41.6
TOTAL Expenditures & Reserves	\$1,113.0
2020-2025 Property Tax Forecast	\$1,089.9
New Other Revenues (KC)	\$8.5
Carryforward Reserves from 2014-2019	\$20.0
TOTAL Revenues	\$1,118.4
Funds available to supplement reserves	\$5.4

(Note: Based on July forecast assuming a 27 cent levy)

KC EMS Programs – ALS Includes Reserves Comparison of Programs by Levy Periods



EMERGENCY MEDICAL SERVICES LEVY OVERVIEW - DRAFT UPDATED PROPOSED (July 2018 Forecast)

7/26/2018

	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed	2020-2025
REVENUES							
Countywide Assessed Value ¹	640,604,835,565	680,660,945,129	716,337,421,509	743,842,745,939	774,020,713,208	809,482,135,568	
Countywide EMS Levy	172,963,306	177,462,998	181,507,902	185,530,905	189,629,907	193,807,702	1,100,902,720
Countywide EMS Levy with Undercollection	171,233,673	175,688,368	179,692,823	183,675,596	187,733,608	191,869,625	1,089,893,693
Levy Rate	0.2700	0.2607	0.2534	0.2494	0.2450	0.2394	
Proportion	40.91%	41.05%	41.16%	41.30%	41.42%	41.47%	
Projected Seattle EMS Levy	70,759,288	72,848,561	74,708,653	76,624,264	78,544,707	80,372,054	453,857,527
Projected Seattle Undercollection	(707,593)	(728,486)	(747,087)	(766,243)	(785,447)	(803,721)	(4,538,575)
Projected Net Seattle Property Taxes	70,051,695	72,120,075	73,961,566	75,858,021	77,759,260	79,568,334	449,318,952
Seattle Revenue	70,051,695	72,120,075	73,961,566	75,858,021	77,759,260	79,568,334	449,318,952
Proportion	59.09%	58.95%	58.84%	58.70%	58.58%	58.53%	58.78%
Projected King County EMS Levy	102,204,017	104,614,437	106,799,250	108,906,641	111,085,199	113,435,648	647,045,193
Projected Undercollection	(1,022,040)	(1,046,144)	(1,067,992)	(1,089,066)	(1,110,852)	(1,134,356)	(6,470,452)
Projected Net King County Property Taxes	101,181,977	103,568,293	105,731,257	107,817,575	109,974,347	112,301,292	640,574,741
Projected King County Other Revenue	893,200	1,031,200	1,310,200	1,562,200	1,773,200	1,938,200	8,508,200
King County Revenue	102,075,177	104,599,493	107,041,457	109,379,775	111,747,547	114,239,492	649,082,941
TOTAL REVENUE	172,126,873	176,719,568	181,003,023	185,237,796	189,506,808	193,807,825	1,098,401,893
EXPENDITURES							
Advanced Life Support Services -- Seattle	(22,674,284)	(23,537,538)	(24,373,149)	(25,235,941)	(26,116,733)	(27,078,090)	(149,015,735)
Advanced Life Support Services -- King County	(56,346,530)	(58,454,009)	(60,494,065)	(62,600,411)	(64,750,672)	(67,097,603)	(369,743,290)
Total Advanced Life Support Services	(79,020,814)	(81,991,547)	(84,867,214)	(87,836,352)	(90,867,405)	(94,175,693)	(518,759,025)
Basic Life Support Services -- Seattle	(47,377,412)	(48,582,537)	(49,588,417)	(50,622,080)	(51,642,527)	(52,490,244)	(300,303,217)
Basic Life Support Services -- King County	(21,327,183)	(22,156,811)	(22,963,319)	(23,792,295)	(24,636,921)	(25,558,342)	(140,434,871)
Mobile Integrated Healthcare (MIH) - King County	(4,000,000)	(4,155,600)	(4,306,864)	(4,462,342)	(4,620,755)	(4,793,571)	(26,339,132)
Total Basic Life Support Services	(72,704,595)	(74,894,948)	(76,858,600)	(78,876,717)	(80,900,203)	(82,842,157)	(467,077,220)
Regional Services	(11,967,994)	(12,433,550)	(12,886,130)	(13,351,319)	(13,825,290)	(14,342,356)	(78,806,639)
Strategic Initiatives	(1,209,128)	(1,253,294)	(1,295,963)	(956,835)	(987,695)	(1,021,449)	(6,724,364)
TOTAL EXPENDITURES	(164,902,530)	(170,573,339)	(175,907,907)	(181,021,223)	(186,580,593)	(192,381,655)	(1,071,367,247)
DIFFERENCE Revenues/Expenditures	7,224,342	6,146,229	5,095,116	4,216,573	2,926,214	1,426,171	27,034,645
RESERVES (not cumulative)							
KC ALS Reserves	(2,470,000)	(4,240,000)	(5,760,000)	(7,640,000)	(10,520,000)	(13,790,000)	(13,790,000)
KC Rate Stabilization Reserves							
KC Rainy Day Reserves (90 day requirement)	(23,387,877)	(24,276,147)	(25,137,454)	(25,930,653)	(26,832,657)	(27,816,983)	(27,816,983)
TOTAL RESERVES	(25,857,877)	(28,516,147)	(30,897,454)	(33,570,653)	(37,352,657)	(41,606,983)	(41,606,983)
Difference needed to cover yearly cashflow and increase in reserves		Est Avail Reserves from 2014-2019 levy		(20,000,000)		Reserve Funding Needed	(21,606,983)
DIFFERENCE (including reserves and carryforward funding from 2014-2019 levy)							5,427,662

¹ Does not include City of Milton

Finance Subcommittee Decisions – 7/31/18

I. Programmatic recommendations and funding

II. Reserve-related

- a. Proposed funding levels for reserves
- b. **Reserve approval process – policy**
- c. Putting balance in Rate Stabilization – policy

Reserve Approval -- continue current policy

- ✦ EMSAC Financial Subcommittee review of proposed use of Reserves (forward recommendation to EMSAC)
- ✦ EMS Advisory Committee (EMSAC) review and recommendation to use reserves to EMS Director
- ✦ Based on recommendation, EMS Director approves [implements]?? within appropriation limits and requirements of KC Council (or KC Policies)

Contingency Approval – revised policy

- ✦ After review/recommendation by working group, EMS Director to review and either:
 - approve use of contingencies
 - forward to EMSAC Financial Subcommittee and EMSAC for review and recommendation
- ✦ Approvals and actual use to be reported to EMSAC Financial Subcommittee
- ❖ *On limited basis, EMS Advisory Committee can recommend use of contingencies and reserves for all programs*

III. Financial Plan and affiliated levy rate

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION

ALS Subcommittee Report for 7/31/18 Finance Subcommittee

(Reflects decisions made at 7/10/18 ALS meeting)

Recommendations made by the Subcommittee:

1. ***Continue using the unit allocation*** to determine ALS costs.
 - The unit allocation remains an appropriate methodology to determine ALS costs.
 - It is designed to include eligible ALS-related operating expenses to prevent cost-shifting to providers.
 - This methodology creates an even playing field and acknowledges that every agency has a different cost structure and cost pressures.
 - The unit allocation consists of Operating allocation and Equipment allocation.
2. ***Slightly revise methodology*** for the Operating allocation to help ensure there is sufficient funding for program oversight & support:
 - a. Use Unit Cost Allocation to calculate direct paramedic services costs;
 - b. Use Program Administration Allocation to calculate costs associated with management and supervision of direct paramedic services; and
 - c. Use ALS System Cost Allocation to address highly variable costs including costs associated with paramedic students.
3. ***2020 proposed unit allocation is forecast at \$2,892,128*** and will be inflated appropriately over the span of the levy.
4. ***Annually inflate*** the Operating allocation by CPI-W +1%, and the Equipment allocation by the appropriate vehicle PPI.
5. ***Establish a “place holder” of approximately \$11.6 million*** in the Financial Plan to potentially fund a 12-hour unit beginning the fall of 2021, and an additional 12-hours in the fall of 2024.
 - This will help protect the system should projections changes and new units need to be added over the span of the 2020-2025 levy.
6. ***Continue to use reserves and contingencies*** to cover costs that fall outside the allocation.
 - a. Fund ALS reserves at a total of \$13.8 million (including the \$11.6 million recommended for potential new units) over the span of the levy; simplify into two categories:
 - ALS Capacity Reserves, which includes the unit “placeholder”
 - ALS Equipment Reserves
 - b. Fund contingencies at \$1 million a year.
7. ***Pursue a strong regional approach*** to develop greater ALS efficiencies and overall system effectiveness.
 - Explore options to address **paramedic workforce needs** and increase **operational efficiencies** through regional collaboration.

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION

BLS Subcommittee Report for 7/31/18 Finance Subcommittee

(Reflects decisions made at 6/7/18 ALS meeting)

Recommendations made by the Subcommittee:

BLS Allocation:

1. **CONSOLIDATE the funding** from the BLS Core Services regional program and the BLS Training and QI Initiative into the General BLS allocation. Earmark usage for those activities in the contract.

This simplifies, streamlines and minimizes the time, efforts and expense of executing separate amendments for each BLS funding program. Agencies will still need to follow the Core Services and Training and QI program requirements to be eligible to receive the funding.

2. **REBASE the total allocation for the first year** of the new levy span (2020) using the distribution methodology of 50% AV/ 50% call volume to more accurately reflect current assessed valuation and service levels.
3. **ADD BLS funding** to ensure that agencies are “kept whole”, and not negatively impacted by this first year rebase.

Rebasing would result in some agencies receiving less funding in 2020 than in 2019. The Subcommittee recommends adding funding to resolve this potential gap so that no agency would receive less in 2020 than 2019. This results in adding nearly \$6 million to the overall levy.

4. **DISTRIBUTE annual increases only** on top of previous year’s combined BLS allocation starting 2021 using 50% AV/50% call volume methodology.

Mobile Integrated Healthcare (MIH) funding:

5. **ALLOCATE \$4 million a year** of levy funding for Mobile Integrated Healthcare (MIH).
6. **DISTRIBUTE the first year** of MIH funding to all agencies throughout the region using the current 50% AV/ 50% call volume methodology.
7. **INFLATE** each agency’s funding in the subsequent years of the levy by CPI-W + 1.
8. **ESTABLISH guidelines** to create consistency around data collection, measures and program reporting.

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION

Regional Services Subcommittee Report for 7/31/18 Finance Subcommittee

(Reflects decisions made at 5/15/18 Regional Services meeting)

Recommendations made by the Subcommittee:

1. **CONTINUE** *delivering programs* that provide essential support to the system.

Such programs and services focus on superior medical training, oversight and improvement, innovation, data management, regional leadership and efficiencies.

2. **RESUME AND DEVELOP** *Strategic Initiatives* that leverage previous investments made by the region to improve patient care and outcomes:
 - The Vulnerable Populations Initiative;
 - AEIOU Quality Improvement Initiative; and
 - STRIVE EMS Online Modernization Initiative.

Review of 2014-2019 Strategic Initiatives

Overview:

Strategic Initiatives are pilot programs designed to enhance the quality of care, gain system improvements and contain the growth and costs in EMS service. Over the span of the current levy, the EMS Division worked closely with its regional partners to develop and implement **six Strategic Initiatives** that extend across all segments of the Medic One/EMS system.

Vulnerable Populations Strategic Initiative (VPSI):

Focus: The goal of VPSI is to conduct programmatic, scientific and case-based evaluations to ensure that the interface between EMS and vulnerable populations is of the highest quality in collaboration with fire departments, community-based organizations, and the University of Washington. VPSI activities have focused on 1) conducting *education and outreach activities* in vulnerable communities (limited English proficiency and seniors), 2) conducting *pilot studies* on alternative EMS care delivery to vulnerable populations (elderly; LEP; mental health and intoxicated patients), and 3) conducting a countywide *wellness needs assessment* among 9-1-1 personnel.

Impacts: VPSI efforts have resulted a strong partnership with the UW School of Public Health supporting all aspects of the VPSI, including community outreach (121 undergraduate students contributed a total of 6,050 service-learning hours), pilot development and evaluation (8 graduate students provided over 2,000 hours to develop and evaluate the fire-based projects), and large scale assessments. The following summarizes the impact:

- 1) **Outreach and Education:** In partnership with the Chinese Information Service Center, the Somali Health Board, Seattle Office of Emergency Management, and the Tukwila School District, over 12,000 limited English proficiency community residents were provided 9-1-1 education. Twenty-eight 9-1-1/CPR education and training workshops were conducted at senior centers, reaching 488 people. Survey results show that the education was effective in increasing knowledge and awareness of when and how to call 9-1-1 and perform bystander CPR.
- 2) **Fire-based Pilot Studies:** In partnership with local fire departments and numerous community-based service agencies, three pilot studies were implemented, including the Vulnerable Adult Pilot Project (improving identification and reporting of vulnerable adults in Seattle), the Mental Illness and Chemical Dependency Pilot Project (connecting 9-1-1 callers to health care resources in Shoreline), and the Sobering Center Pilot Project (providing an alternative destination for intoxicated individuals in Kent and Renton).
- 3) **Countywide Wellness Needs Assessment:** An assessment regarding attitudes and experiences regarding mental wellness in EMS personnel was conducted in early 2018. Most EMS personnel reported to be in good or excellent health, but (work) stress is a significant issue and sleep deprivation, and the effects of sleep on work and health, is an even greater issue. Based on these and other findings, VPSI is working with the King County Fire Chiefs to develop and implement a comprehensive approach to mental wellness in the region.

BLS Efficiencies Strategic Initiative:

Focus: The BLS Efficiencies SI targets specific low-acuity calls that make responders unavailable or out of position for time-critical emergencies. Includes transferring appropriate low-acuity calls to a nurse triage service, providing pre-paid taxi vouchers to appropriate patients needing further non-urgent care, and developing alternatives to better serve non-emergency patients and callers.

This Initiative also supported regionalizing initial EMT training options. Under this approach, agencies can offer additional EMT training opportunities that better meet their schedules and needs. King County EMS coordinates the trainings and provides the standardized curriculum used by the SEIs, allowing flexibility with Fire Department partners and ensuring continued excellence in training EMTs in the County.

Impacts: In 2016, the use of the taxi voucher program in King County avoided between \$245,400 and \$494,100 in associated transportation costs for people who call 9-1-1 but do not need emergency transportation, after accounting for the total cost of the program (taxi fares).¹ Agencies and the EMS Division have embraced the new training options, and support moving it into ongoing regional services.

Community Medical Technician (CMT) Initiative:

Focus: The CMT Initiative provides alternative/more effective responses to low-acuity 9-1-1 medical calls. CMTs are dispatched as an alternative to a traditional BLS unit, and evaluate and help link patients to more appropriate medical, social and community services to address their needs.

Impacts: The evaluation reflected the positive impact CMT units had on call-demand, particularly during peak mid-day hours where calls for BLS services increased, while maintaining a high level of patient satisfaction. In addition, feedback from EMS responders showed they appreciated this type of response and felt they were capable of doing the work. Support for the CMT program has grown over time and EMS agencies advocate for the development of an overarching regional framework under the umbrella term of 'Mobile Integrated Healthcare' (MIH).

Efficiency and Effectiveness (E&E) Strategic Initiative:

Focus: E&E has supported a wide range of continuous improvement to better understand the needs of complex patients out in the field. Included in E&E were two "Alternatives to CMT" pilots which aimed to identify root causes of callers' needs, and help them get access to a more appropriate healthcare setting.

Impacts: Each project undertaken through this Initiative focused on better understanding the needs of complex patients out in the field, which will help improve the quality of care, help manage the rate of growth of the system, and produce eventual cost savings.

BLS Training & Quality Improvement Strategic Initiative:

Focus: The BLS Training and QI SI links and synchronizes strategies to more systematically and uniformly review data, and provide consistent training based on the results of the data review.

Impacts: The opportunities provided by this Initiative will be made available across the system to all agencies, regardless of size or budget, and will improve patient outcomes, making the system more effective all around.

¹ This assumes:

- Taxi program only saves transports for one-way and first leg of roundtrip (536 instances out of 627 vouchers). If not transported by taxi, 100% would go to Emergency Dept. Fire-based BLS transport "cost" of \$490. Private ambulance transport billed "cost" of \$954.

Regional Records Management System Strategic Initiative:

Focus: This Initiative consolidates data into a singular record management system overseen by the EMS Division and used by all agencies. This Initiative is the culmination of many years' work to move EMS providers in King County from paper forms to a singular electronic patient care record system.

Impacts: By the end of this year, 29 EMS agencies will have transitioned to the use of ESO records, benefitting our partners and patients with more complete and better access to data, increased system oversight, and ultimately, improved medical care.

Next steps - 2020-2025 levy:

The proposal for the 2020-2025 levy eliminates the difficulties experienced by agencies in the 2014-2019 levy by modifying the Initiatives to better align with agencies' needs, and simplifying the process for receiving the funding. Under the proposal:

- King County EMS aligns the various low-acuity projects under the umbrella term of "Mobile Integrated Healthcare" (MIH);
- Initiatives that supported low acuity projects/connecting callers to the correct resources (BLS Efficiencies, E&E, and CMT) will be earmarked specifically for MIH efforts. All BLS agencies will be eligible to receive MIH funding; and
- The BLS Training and QI Initiative will be incorporated into the BLS Allocation to streamline and minimize administrative efforts, expense and time.