**Exhibit 5 – Budget Narrative**

Budget Narrative is not to exceed 5 pages.

1. Briefly describe what is included in each expense category and, where appropriate, indicate any assumptions behind your expenses. Your expense assumptions should take into account your implementation timeline as described in Section E8 of your narrative response.
2. Clearly indicate how the funds will be subcontracted to partners and include each partner’s personnel budget and assumptions behind those expenses. Funds awarded through this RFA process may not be subcontracted to any agency not named as a partner in this RFA response without approval of PHSKC.
3. Non-FEPP Levy contributions are expected to represent 30% or more of the total proposed annual operating budget. Please indicate expected Medicaid and third-party billing revenues.
4. Funds will be allocated through a performance-based agreement with 75% distributed as base pay and 25% set aside as performance pay. In your proposed budget, we ask that you budget for the full amount including all performance pay. However, if you are unable to achieve your performance targets and do not receive some portion of your performance pay, how will you adjust your budget?