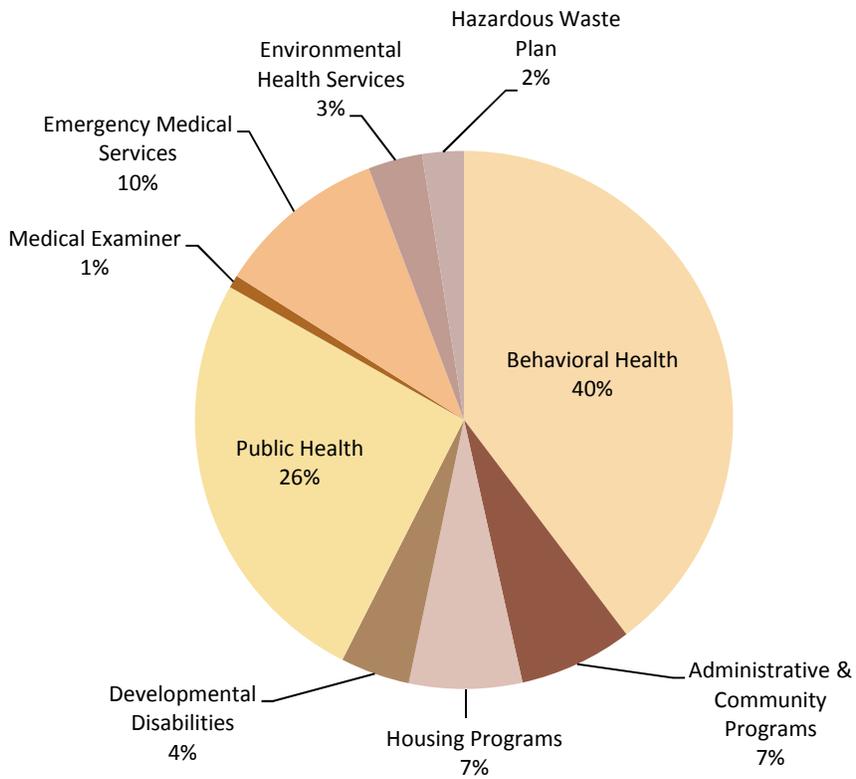
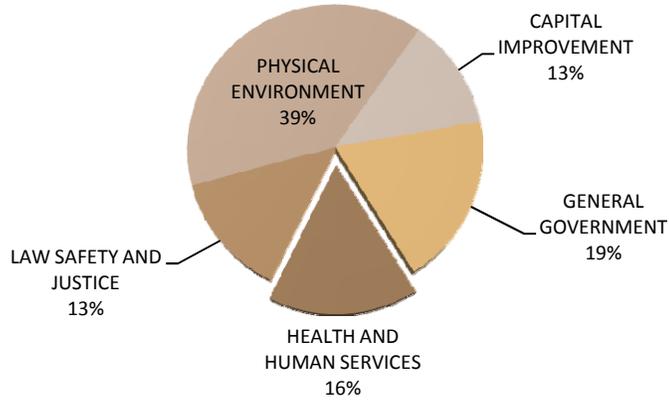

HEALTH AND
HUMAN SERVICES

Health and Human Services \$1.5 Billion



Organization of the Pie Chart: The following agencies were combined to make the pie chart more readable.

Behavioral Health: Mental Health and Alcoholism & Substance Abuse, and Mental Illness and Drug Dependency Fund

Housing Programs: Federal Housing & Community Development Fund and Housing Opportunity Fund

Administrative & Community Programs: Veterans' Services, Human Services, Employment Education, Children & Family Services

Due to rounding, figures in pie chart may not add to 100%

INTRODUCTION

The King County Health and Human Services departments provide services to many of the most vulnerable residents of King County, and include the Department of Community and Human Services and the Department of Public Health – Seattle and King County. The work of these two departments is crucial to the well-being of the community. However, while the demand for services provided by these departments has been increasing, resources available to pay for these services are decreasing, creating a challenging set of funding choices. As with many other King County programs, the Health and Human Services program area reduced various programs, services and staff in an effort to match program expenditures with decreasing revenues.

These services are delivered by two county departments:

- Department of Community and Human Services (DCHS); and
- Department of Public Health – Seattle & King County (Public Health).

These departments are primarily funded by a combination of revenue sources, including state and federal funds, fees-for-service, grants and the County General Fund.

The Department of Community and Human Services (DCHS) is dedicated to helping the region's neediest residents achieve and maintain healthier and more independent lives and to strengthening communities by coordinating regional housing and human services systems. Primarily through contracts with community-based agencies, the department helps King County's low-income and special needs residents achieve stability, improved health, greater independence, and a higher quality of life.

While the department provides a wide range of services, it focuses efforts in four key areas, including mental health prevention and early intervention services, ending homelessness, criminal justice services as alternatives to incarceration, and job training and employment services.

The Department of Public Health – Seattle & King County (Public Health) works to identify and promote the conditions under which all people can live within healthy communities and can achieve optimum health. Public Health employs strategies that are based on four main principles applied to the department's work, which are that PH's services and programs are based on science and evidence, driven by social justice, focused on prevention, and centered on the community.

Public Health has three main functions as defined by its Public Health Operations Master Plan. The first is Health Protection, which includes tracking and preventing disease and other threats, regulating dangerous environmental and workplace exposures, and ensuring the safety of water, air and food. The second is Health Promotion, which focuses on leading efforts to promote health and prevent chronic conditions and injuries. And the third function is Health Provision, which emphasizes helping assure access to high quality health care for all populations within King County.

Uncertain and Declining Resources for Health and Human Services

The overarching issue facing both DCHS and Public Health is uncertain and declining revenue. The implementation of the Affordable Care Act provides an unprecedented opportunity for DCHS and Public Health clients to gain access to affordable health care. However, if and how that revenue will be received by the HHS agencies remains unclear. For Public Health, this uncertainty is exacerbated by the static or declining status of state and federal funds which, taken together, represent over 10% of the Public Health Fund budget. Similarly for DCHS, state funding for mental health services is chronically underfunded and now facing additional pressures with the recent State Supreme Court decision on psychiatric boarding. The DCHS Employment and Education Resources program is also facing revenue reductions as federal funds for employment services decline as the regional economy improves. Together, the downward pressure on resources will challenge the ability of HHS agencies to continue to provide critical services to the low-income and vulnerable populations of King County.

Community and Human Services

Use this page for notes.

COMMUNITY & HUMAN SERVICES

Mission:

Community & Human Services

Provide equitable opportunities for people to be healthy, happy, self-reliant, and connected to community.

OVERVIEW

The Department of Community and Human Services (DCHS) DCHS is responsible for a wide range of programs and services designed to strengthen communities and help the region's most vulnerable residents achieve and maintain healthier and more independent lives. These services include alcohol and drug prevention, intervention and treatment; community services for older adults and survivors of domestic violence and sexual assault; services for people with developmental disabilities; employment and education programs; housing and community development, including homeless services

and prevention; recovery-focused mental health treatment; and veterans' services.

The department provides oversight and management of the revenues from the Veterans and Human Services Levy and implementation of the 2012-2017 Service Improvement Plan, as well as oversight and management of the Mental Illness and Drug Dependency (MIDD) dedicated sales tax revenues and service plan. DCHS hosts the Committee to End Homelessness, providing coordination to regional efforts to prevent and end homelessness. In collaboration with Public Health-Seattle & King County (PHSKC) and the Executive's Office, DCHS provides leadership in the implementation of the Health and Human Services Transformation Plan.

Nine volunteer citizen advisory and oversight boards offer input to DCHS human services efforts in the areas of aging, alcohol and drug abuse, developmental disabilities, mental health, regional human services, veterans and women's issues. A number of other committees, particularly in the area of housing, are also staffed or coordinated by DCHS.

As a primarily regional services department, DCHS plays a strong role in the stability of the region's human services infrastructure, including a very significant role as a funder. The majority of DCHS programs and services are provided through contracts with community-based agencies. Of the total annual department revenues, over 85 percent of the DCHS budget is contracted to community agencies.

The work of DCHS is accomplished through the efforts of the Director's Office; Community Services Division (CSD); Developmental Disabilities Division (DDD); and the Mental Health, Chemical Abuse and Dependency Services Division (MHCADSD).

2015/2016 Key Issues

Between the Division of Human Services created in 1974 and the Department of Community and Human Services of 2014 lies 40 years of sweeping reform, including ground-breaking national legislation like the Education for All Children Act of 1975 and the Americans with Disabilities Act of 1990, and State legislation that created Regional Support Networks for mental health in 1990. DCHS welcomed housing and community development in 1995, and said good-bye to public defense in 2013. Many other milestones mark changes to behavioral health, housing, homelessness, employment and education, and more.

The next two years, 2015-2016, promise to be no less extraordinary, with truly transformative initiatives and broad-reaching legislation to implement.

By far the most intensive work ahead will be the implementation of new State legislation calling for full integration of publicly funded mental health, substance abuse and physical health services. At the same time, the implementation of the federal Affordable Care Act continues to dramatically open doors to services for thousands in the community who could not previously afford coverage. With local and national partners, DCHS will implement the Health and Human Services Transformation Plan, bringing social, health, and economic equity and opportunity to people and neighborhoods long denied that promise. The Youth Action Plan Task Force will complete its work, with recommendations meant to improve access and service delivery to help children and youth. The Committee to End Homelessness (CEH) in King County, hosted by DCHS, has renewed energy and a new vision to make homelessness rare, brief and one-time. Through the Regional Veterans Initiative, DCHS is bringing together partners from the state and federal government, social services and veterans organizations to improve access and increase the coordination of services for veterans and their families.

The biggest change driver for DCHS over the past decade is the variability of its funding streams, and it remains the biggest change driver today. The department has faced reductions from many fund sources, including County General Fund, state funding, federal housing and community development funding, and federal and state Workforce Investment Act Funding. Fluctuating sales tax revenues, property tax revenues, and proceeds from document recording fees present challenges in budgeting year to year. DCHS is aggressive about pursuing funding grants, but opportunities are inconsistent from year to year.

Looking ahead, given the challenges DCHS is facing and the transformative initiatives it is pursuing, it is clear that the way DCHS does business will have fundamentally changed two years from now.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

- **Equity and Social Justice:** DCHS has been involved in King County's equity and social justice efforts since the very beginning. Department representatives participate on the countywide Interbranch Team and complete annual work plans to identify ways to decrease inequities. In 2012, the DCHS Equity and Social Justice Leadership Team developed a multi-year strategic plan.

The primary goal for 2014 was enrolling all DCHS employees in a day-long training on racial inequities as a means to create a baseline of understanding across the department. The primary tool is a three-part video series titled *Race: The Power of an Illusion*. This training will be provided quarterly, or as needed in 2015 and 2016. A more advanced video training called *Cracking the Codes: The System of Racial Inequality* begins in late 2014 and continues into 2015 to take staff to the next level of equity and social justice understanding.

The goals for 2015 include the following:

- 1. Creating a learning community within DCHS to increase employees' understanding of equity and social justice issues, particularly racial inequity.**
In addition to the video training, DCHS provided three workshops for staff using a racial equity impact assessment tool, and helped to pilot a new racial equity impact assessment tool being developed for King County. Additional training topics and events will be offered based on interest and availability of presenters.
- 2. Improving cultural competency in contracting.**
DCHS is working to achieve greater equity through all aspects of its contracting and procurement processes. Standard language requiring agencies to incorporate equity and social justice practices in their business will be added to all Department 2015 contracts and RFPs. Additionally, DCHS will conduct outreach to agencies lead by and serving culturally diverse communities and communities of color to determine their barriers to contracting with the Department, create support for agencies that need technical assistance, develop a decision matrix that looks at how decisions might disproportionately impact certain groups, and expand access to the Department's approved vendor list.
- 3. Increasing workforce diversity within DCHS, especially at senior staff levels.**
Achieving workforce diversity within DCHS is an effort to ensure that the makeup of the department mirrors the diversity of the populations being served. The goals are 1) to ensure that DCHS staff is representative of the diversity of King County at all levels of the organization; and 2) ensure that DCHS staff is supported in advancing their careers within the County. Both efforts will involve staff and management as well as input from Human Resources on hiring and recruitment.

Because DCHS programs and services are provided primarily to the most vulnerable residents, including those at the very bottom of the economic ladder, the agency is especially aware of and sensitive to the need to look at differences of race and place in funding decisions and service delivery and design. These issues will be front and center in the development and implementation of the Health and Human Services Transformation Plan, Youth Action Plan, Developmental Disabilities Three Year Plan, the integration of health and behavioral health, ending homelessness and other integration and planning efforts taking place in 2015 and 2016.

Efficiencies: In collaboration with King County Information Technology (KCIT), DCHS has recently achieved a number of efficiencies in service delivery, technology applications, and facility utilization. These efforts have allowed DCHS to reduce technology and facility costs while maintaining or increasing the level of services being provided. In 2015-2016 DCHS will continue to work to explore additional ways to increase efficiency and reduce costs. A few highlights of proposed efficiencies include:

- 1. Switch to the Customer Support Service Kiosk Service.** CSD currently pays a fixed cost for a 0.65 FTE LAN Administrator to support the thin client devices across the labs and classrooms at Work Source Renton. In 2015-2016, the thin client devices will be replaced with the new KCIT Kiosk Service from the Customer Support Service team. CSD will also reduce the number of devices from 106 thin clients down to 74. By switching to Kiosk service, CSD will realize a cost savings of roughly \$50,000 over 2015-2016, and give CSD better control of how much service it wishes to order by switching to the Kiosk rate per device.

- 2. DDD Fiscal Improvement Project.** DDD will work with KCIT to develop and implement an automated contract billing system to replace the current process, which is manually intensive, error prone, and requires multiple reconciliations of data between systems and spreadsheets. The proposed solution creates a single point of data-entry for billing and contracts. Once in place, contractors will enter billing information directly into a database through a web-based portal, which will reduce errors, processing time, and rework. Because contract and billing data will be stored in a single database, there will be an improvement in the accuracy of the data and management will be able to govern with data proactively and respond to reporting requests quickly and consistently. Providers will see a faster turnaround between billing and payment and have earlier access to client authorization data, allowing them to troubleshoot authorization issues more efficiently.
- 3. Reductions in Staff Costs.** The DCHS 2015/2016 Proposed Budget includes staff reductions of almost 10.00 FTEs, the majority of which represent efficiencies as work is being shifted to existing staff, and programs or services are not being reduced.
- 4. Resource Optimization at WorkSource Renton.** DCHS is pursuing new partnership collaborations with other King County agencies to fully utilize all available office and training space at WorkSource and YouthSource Renton. These partnerships will generate additional revenue and enhance services offered to jobseekers in King County. Potential County partnerships include the Development Disabilities Division, MHCADSD, Human Resources, Corrections, as well as the Department of Natural Resources and Parks.

DCHS ADMINISTRATION / DIRECTOR'S OFFICE OVERVIEW

In addition to providing general oversight for all programs and services within the department, the Director's Office oversees critical business functions that connect the department and its three divisions. These include finance and budget preparation and oversight, payroll, human resources, emergency response and coordination, communications, public records, legislative coordination, performance measurement design and oversight, and cross departmental data and evaluation efforts.

The Director's Office provides leadership to the planning and implementation for the Health and Human Services Transformation Plan, planning and preparation for the launch of the Duals Demonstration Project, intensive planning for the integration of behavioral health and primary health care, and the development of the Youth Action Plan. The Director's Office is also involved in the planning and resource coordination for the Committee to End Homelessness and the regional efforts to end homelessness in King County.

Funds to support the Director's Office come from a cost allocation formula applied to all of the funds in the department, which incorporates factors for salaries and contract services.

DCHS Administration / Director's Office Key Issues

The following change drivers impact the 2015-2016 DCHS Administration budget:

- **Funding Challenges.** Budget cuts and deficits across DCHS mean that all budgets, programs and services must be scrutinized for reductions, including DCHS Administration.
- **Health and Human Services Transformation.** The Transformation Plan touches all areas of business for DCHS. Funding for staff to move the initiatives forward continues in the 2015-2016 Proposed Budget, with co-reporting of staff to both DCHS and Public Health.
- **Youth Action Plan.** Recommendations from the Youth Action Plan Task Force could potentially impact DCHS and its programs, services, staffing and funding.
- **Lean efforts.** The department has fully embraced Lean principles and practices. DCHS began its exploration with Lean in 2012 with efforts to improve contract, amendment and invoice processing. In each Lean event, the ones who participated were the ones doing the work, giving staff at all levels the opportunity to contribute and shine. In addition to CSD's work toward administrative improvements, Crisis and Commitment Services has worked to improve its Involuntary Treatment Act processes, and DDD used Lean methods to improve its fiscal procedures. DCHS was the first County department to hold a Lean event with outside agencies when it hosted a Lean process to look at improving the Family Housing Connection referral process with homeless housing providers. Looking ahead, DCHS will continue to work with PSB's Continuous Improvement Team to develop opportunities to apply Lean principles, quality improvement, and visible management tools to enhance business operations and efficiencies.
- **Committee to End Homelessness Reorganization.** To help support the work of the CEH, the department has consolidated staff previously housed in CSD to bring the regional work on ending family homelessness and ending youth/young adult homelessness all under the CEH umbrella in the DCHS Administration Fund. The budgets for CSD and DCHS Administration reflect this change.

COMMUNITY SERVICES DIVISION OVERVIEW

The Community Services Division provides a wide range of services. Housing and Community Development coordinates funding and oversight for the creation of affordable and special needs housing, homeless prevention and supportive services, housing repair, and projects that improve the livability of poorer neighborhoods and communities. Employment and education programs give at-risk youth and low-income adults the opportunity to prepare for living wage jobs in the community. County funding helps support varied services for youth and families, older adults, and survivors of domestic violence and sexual assault.

The division oversees the Veterans and Human Services (VHS) Levy, renewed by the voters in 2011 to fund programs and services to help veterans and military personnel and their families and other individuals and families in need. Service priorities are reducing homelessness, reducing criminal justice and emergency system involvement, and increasing self-sufficiency.

The Regional Veterans Initiative, launched by King County Executive Dow Constantine in 2014, is dedicated to bringing together partners from across the veterans-serving systems to increasing knowledge and understanding of the needs of veterans and the services available, and improving access to and the coordination of those services across systems and providers. In this way, King County strives to honor the service and sacrifice of veterans and military personnel and their families.

Seven separate funds are administered by CSD. Each constitutes one or more separate appropriation units with multiple revenue sources.

- **Children and Families Services (CFS) Fund (to be renamed the Community Services Operating Fund in 2015).** Several sources of dedicated revenues and transfers have been included in the CFS Fund, including General Fund dollars, marriage license and divorce fees, a portion of sales tax, parking garage revenue, and a transfer of MIDD dollars. The budget has historically been divided into two sections: division administration and community services. The former reflects the administrative costs of CSD and revenue is transferred in from the other six funds to share the costs. The community services section funds senior centers, sexual assault and domestic violence agencies, other community-based services, and contract management.
- **Veterans Levy Fund/Human Services Levy Fund.** Two separate funds were created with the Veterans and Human Services Levy, each receiving 50 percent of levy revenues. These funds support services for veterans and their families and other individuals and families in need. Services are provided directly by CSD staff, through contracts with CSD, or distributed to other county departments via memorandum of understanding.
- **Veterans Relief Fund.** Revenue comes from dedicated millage from property taxes per State law, and is used to support low-income and homeless veterans and their families.
- **Housing Opportunity Fund (HOF).** The HOF has dedicated revenue from state-authorized document recording fees and other sources to support affordable and homeless housing projects, including capital investments, supportive services, and operating support.
- **Federal Housing and Community Development Fund (FHCD).** The FHCD Fund contains revenue from federal sources, primarily the U.S. Department of Housing and Urban Development (HUD). Three sections – Community Development Block Grant, HOME Investment Partnerships,

and Other Programs – fund housing repair, homeless prevention, and low-income housing and community development projects.

- **Employment and Education Resources (EER) Fund.** This fund has two sections – youth and adult – that are primarily supported through grants and other funds. The largest grant source is the federal Workforce Investment Act, allocated through the King County Workforce Development Council. Funding supports at-risk youth through YouthSource at Renton, Learning Center North at Shoreline Community College, and an out of school consortium with multiple partners. Funding also supports WorkSource Renton, King County Jobs Initiative, and the Dislocated Worker Program. County funding for the Youth and Family Services agencies is also included.

Community Services Division Key Issues

The following change drivers impact the 2015-2016 Community Services Division budget:

- **Employment and Education Resources Proviso.** The primary site for EER services is WorkSource Renton, which is the only one-stop employment center in the Seattle-King County WorkSource system. Despite its successes, EER has had serious funding issues. Federal funding has been inconsistent, depending on unemployment rates and other factors. County funds have provided protection from the volatility of state and federal funding, but when the recession forced significant reductions to CSD’s budget, County funding to EER was reduced. Layoffs in recent years have produced savings, but additional layoffs would reduce the program’s ability to bill for services and would only add to the deficit.

As part of the 2014 budget, the King County Council included a budget proviso calling for an examination of the revenues and expenditures for EER “to provide information to the Council on the sustainability of the EER funding model and the return on the investments by examining EER program outcomes in the broader context of constrained General Fund, declining state and federal revenues, and competition for increasingly limited human services funds.” That proviso response, in addition to Line of Business planning for EER, provides the basis for CSD’s budget decisions for the 2015-2016 biennial budget.

- **Employment and Education Line of Business Planning.** King County Executive Dow Constantine directed Executive Branch departments to explore Line of Business (LoB) Planning to seek efficiencies and increase productivity and effectiveness. In concert with staff of the Office of Performance, Strategy and Budget (PSB), DCHS began a LoB planning effort in 2014 focused on employment and education services department-wide. The LoB planning effort brought together staff from the Director’s Office and the three divisions and provided an extraordinary opportunity to learn about employment and education services across the divisions and set the stage for new ways of thinking, aligning outcomes, and doing business. LoB planning efforts informed the 2015/2016 EER budget proposal and continued work will inform future strategic and budget decisions.
- **Workforce Investment Act Funding.** The largest funder for EER is the Seattle-King County Workforce Development Council (WDC) and EER is still waiting to hear its final allocation for Workforce Investment Act funding for 2015. This fund source is critical to workforce training efforts and programs.
- **Open Doors Expansion.** An exciting and new collaboration with United Way of King County (UWKC) begins in 2014 and carries over into 2015 as EER and UWKC join together to re-connect

drop out young adults to education and employment training. The goal is to take the success of a smaller YouthSource program and bring it to scale to serve more youth in more locations. Planning, including selecting additional sites, will take place in 2014 and implementation will begin in 2015.

- **Bridge to Prosperity.** King County received a \$1.5 million Face Forward grant from the U.S. Department of Labor to provide employment, training and support services to re-integrate justice-involved youth into their communities. Designed in 2014 to begin services in 2015, the grant will support case management, mentoring, education and training that lead to industry-recognized credentials and a genuine chance to succeed.
- **Federal Housing Funds.** It appears that federal formula funds will “hold” at status quo levels, but potential cuts could yet be on the horizon for 2015 and 2016 if the economy falters. This could impact Community Development Block Grant and HOME funds, as well as McKinney Homeless HEARTH Act funding.
- **Document Recording Fees.** The State Legislature renewed and expanded document recording fees in the 2014 session. These funds are critical to homeless housing development and supportive services. Changes in 2014 require that a significant portion of the funding be paid to private landlords to provide housing and some aspects of implementation are still being discussed with the State Department of Commerce. It is uncertain if the changes will result in a reduction of funding for homeless housing and services in King County.
- **Housing Trust Fund.** No additional capital funding was provided for the Housing Trust Fund for the second half of 2014-2015. It is uncertain how it will fare in the next biennium. The Housing Trust Fund is a critical fund source for housing development and reductions in recent years have slowed regional production.
- **Changing Needs of Veterans.** Thanks to the VHS Levy, King County is better able to help veterans and their families than many other counties. Working with veterans’ service providers and state and federal governments, King County has sought to respond to the needs of veterans, including increasing Post Traumatic Stress treatment and establishing outreach services for members of the Washington National Guard and their families. The differing needs of aging veterans and younger returning veterans will be a continuing challenge.

The following are highlights of notable administrative changes in the 2015/2016 Proposed Budget for CSD:

- **Children and Family Services Fund Restructure and Renaming.** The Children and Family Services Fund is being restructured and renamed to improve transparency and simplify the revenue transfers associated with this fund. The current CFS Fund receives revenue from a number of sources including a portion of sales tax collections, parking garage revenue, marriage license fees, and divorce filing fees. These revenues will be rerouted to the General Fund and replaced in equal amount by a direct transfer from the General Fund in 2015/2016. CFS currently transfers funds to the EER and HOF funds. These transfers will be replaced with direct transfers from the General Fund. All administrative changes related to the CFS restructure are net zero and result in no change to revenue dedicated to programs in CFS, EER, and HOF funds.

CFS currently has three appropriation units: Community Services Operating; one appropriation unit for transfers to EER and HOF; and one appropriation unit for revenue. In the 2015/2016 Proposed Budget only the Community Services Operating appropriation unit will be kept, and all revenues and expenditures will be consolidated there. As part of the overall restructure of revenues and

appropriation units for the CFS fund, the fund is being renamed to the Community Services Operating Fund starting in 2015. The fund number in budget and accounting systems is not changing.

- **Competitive Process for Human Services Contracts in 2016.** A handful of DCHS contracts were funded in 2014 directly through the CFS Fund as County Council adds. The 2015/2016 Proposed Budget would continue this practice for 2015 funding. However, in 2016, DCHS proposes to put the amount of these contracts into the competitive funding round for that specific contract type, e.g., homeless youth shelter or legal services. DCHS believes that a fair, transparent, competitive process will produce better programs. The specifics of this process have not been finalized but initial parameters being considered are:
 - Grouping available funding in existing major categories used in the budget process: Domestic Violence Survivor Services, Sexual Assault Victim Services, Legal Services, Homeless Prevention and Emergency Services, and Senior Services. Adjustments to these major categories of funding, not specific contracts, are determined through the budget process.
 - Ensure that overall levels of service are maintained or increased through award decisions.
 - A range of criteria will be incorporated into the fair and transparent process including, but not limited to, program performance, populations served, and regional need for specific services.

DEVELOPMENTAL DISABILITIES DIVISION OVERVIEW

The division provides services and supports to enhance the lives of King County residents with developmental disabilities and their families. Services include early intervention for infants and toddlers with developmental delays and family resource coordination for their families; employment services to assist adults and youth transitioning from high school to obtain and maintain employment; Community Access services to assist adults with individualized skill development, independent living and community integration to learn how to actively engage in their local communities; homeless prevention and access to affordable housing; in-home interventions to help families manage behavioral and emotional challenges; and community information and education services to assist individuals and families.

The State of Washington funds DDD to manage and deliver developmental disabilities services through contracts with the State Department of Social and Health Services (DSHS) Developmental Disabilities Administration (DDA), the DSHS Division of Vocational Rehabilitation (DVR), and the State Department of Early Learning (DEL). The division also receives a small amount of revenue generated by County millage funding. DDD provides the majority of services via contracts with community-based agencies. Through contracts and partnerships with other regional agencies, DDD provides services that begin at birth and can last throughout an individual's lifetime.

The Developmental Disabilities Fund is administered by DDD.

Developmental Disabilities Division Key Issues

The following change drivers impact the 2015-2016 Developmental Disabilities Division budget:

State funding for developmental disabilities services in King County is currently stable. Not only did DDD suffer no budget cuts, it received additional funds to support high school transition services and an increase for community information and education services.

- **Early Intervention Program.** King County continues to experience an increase in the number of infants and toddlers utilizing early intervention services. These services are essential to helping very young children prepare for school and for life. In the last four fiscal years, total annual enrollment has grown from 2,543 to 3,277 children served, representing a growth rate of 29 percent. There has been no increase in State DDA funding and only a 16.6 percent increase in federal (Part C) funding. With funding trailing caseload growth, the average per capita rate providers receive declines. King County has requested a more equitable funding formula for the distribution of Part C funding for early intervention. The DEL will hold public meetings in 2014 to gather information toward possible changes to the formula. There is potential for DDD to receive additional funding in 2015 and 2016 if the funding formula is changed.
- **Outreach to Non-English Speaking Families.** DDD has achieved success in efforts to improve outreach and engagement to limited or non-English speaking families and is dedicated to working with stakeholders to continue those efforts. DDD will be issuing a Request for Proposal for an organization to maintain a telephone line to serve as a central referral line for families to receive information or a referral for early intervention services. The agency selected will ensure adequate language supports are available to respond to callers who do not speak English at the time of the initial call.

- **Discontinuing Third-party Administrative Services for School Districts.** Another change related to the Early Intervention Program is DDD's business decision to stop serving as the pass-through agent for early intervention funding from several local school districts. Instead, districts will contract directly with early intervention service providers. It is not efficient for DDD to continue to serve as a conduit.
- **Wait List Reduction.** In the last legislative session, the State added funding to move individuals and families off the wait list and into supportive services. With this additional funding, the State will move about 1,000 people who are currently waiting for services to the Home and Community Based Services Basic Plus Waiver and approximately 30 percent of these individuals will be from King County.
- **Adult Supported Employment.** King County has a strong history of providing employment services and supports for residents with developmental disabilities. Washington State's Working Age Adult Policy establishes employment supports as the primary use of employment and day program funds for adults with developmental disabilities. The act further requires that individuals who receive day program funding try employment programs for a minimum of nine months before entering less integrated community day programs. Washington was the first state in the nation to have "employment first" legislation. The Legislature approved additional funding for employment services for the 2014-2015 second half of the biennium, which will help King County meet the high demand for adult employment services.
- **High School Transition.** King County has a very successful School to Work Program that works with high school youth with developmental disabilities before graduation to introduce them to the world of employment. Through training and job placements, DDD and provider agencies help young adults learn there is a place for them in the community when they graduate, which reduces isolation and fosters community involvement and inclusion. DDD is working to reach out to youth earlier in their high school years, as a means to improve their preparation for employment and their success in employment long-term post-graduation. Largely due to its success in engaging and placing youth, King County received additional funding from the Legislature for 2014-2015 and is fully funded to help students in transition.
- **Provider One Medicaid Billing System.** The State DDA required all counties to move to an hourly payment system for adult services to prepare for the state to move to the Provider One Medicaid Billing System. DDD worked for over a year to move from a tiered payment system to implement a new hourly payment system. DDD has been successful in increasing its contract allocation from the State to provide employment services under the new hourly payment system.
- **Need for Technology Improvements.** The division has a very high need to upgrade its business functions and in 2015 will take a significant step forward in business process improvements. With approval from King County Information Technology (KCIT), DDD will embark on a significant information technology update to improve provider agency billing procedures and gain efficiencies and better reporting capabilities.

***MENTAL HEALTH, CHEMICAL ABUSE AND DEPENDENCY SERVICES
DIVISION OVERVIEW***

The Mental Health, Chemical Abuse and Dependency Services Division provides oversight and management of publicly funded mental health and substance abuse services for eligible King County residents with an emphasis on prevention, intervention and recovery.

In Washington State, Regional Support Networks (RSNs) are the administrators of the public mental health system. King County RSN, part of MHCADSD, has operated the County's mental health service system since 1989 and is responsible for enacting mental health policies, establishing local procedures, financial management, and ensuring the quality of services. The RSN also coordinates the managed care Mental Health Plan, authorizes mental health care for people who meet criteria for services, and manages the mental health provider network. The system provides crisis services, outpatient treatment, inpatient services, residential services, and involuntary hospitalization.

The majority of services are provided via contracts with community-based agencies offering a range of services based on individual need, including case management, family counseling, individual or group counseling, medication management, residential care, emergency/crisis assistance, and vocational or school-based services. Specialized services available at some agencies include deaf/hearing impaired services, children's services, ethnic/cultural services, homeless outreach, and co-occurring mental health and substance abuse services.

The State also provides funding to MHCADSD to provide alcohol and drug treatment, which it does primarily through contracts with local agencies. Contracted services include prevention, chemical dependency information and referral, detoxification, sobering services, opioid treatment programs, outpatient treatment and youth outpatient treatment.

Direct services from MHCADSD includes 24/7 crisis intervention and involuntary treatment outreach and investigation provided by Designated Mental Health Professionals (DMHPs) to people in emotional crisis, as well as 24/7 street outreach and triage service to assist chronic inebriates and others impaired by drugs and alcohol provided by the Emergency Services Patrol in the downtown Seattle area. Alcohol and Other Drug Prevention Program staff works with local communities to support substance abuse and violence prevention efforts.

The primary fund source for MHCADSD is state funds, augmented by federal funding. When state cuts are made, they are primarily to non-Medicaid funds. The division, therefore, continues to look at ways to transition programs and services to make them Medicaid-eligible.

Revenues are also generated by the MIDD sales tax, county millage, and competitive grants awarded to the division. General Fund support previously provided for criminal justice initiatives was eliminated in the 2010 budget and those programs are now funded with MIDD supplantation dollars, as allowed by the State Legislature for a limited time. A number of County departments (including the King County Sheriff's Office, PHSKC, and the Department of Public Defense) receive MIDD supplantation dollars to provide services in support of MIDD goals and objectives. The MIDD has proven especially successful in reducing emergency room visits, jail bed days, and psychiatric hospitalizations. More important, it is helping people to live healthier, safer and more stable lives in the community and funding many substance abuse and mental illness prevention efforts focused on children and youth in the schools.

Three separate funds are administered by MHCADSD – the Mental Health Fund, Alcoholism and Substance Abuse Fund, and MIDD Fund. Each constitutes one or more separate appropriation units with multiple revenue sources.

Mental Health, Chemical Abuse and Dependency Services Division Key Issues

With the State serving as the primary fund source for both mental health and substance abuse services, the largest challenge for the 2015/2016 MHCADSD budget is funding uncertainty. In addition, a host of recent system changes, including the expansion of Medicaid eligibility under the Affordable Care Act, increasing demand for inpatient psychiatric treatment bed capacity, and the recent Supreme Court ruling on boarding, add to the uncertainty about funding for behavioral health care in the 2015/2016 biennium. For this reason, MHCADSD is proposing strategies to address potential challenges and reserving MIDD funds to address any unforeseen financial challenges in the next biennium. Other change drivers for the 2015/2016 MHCADSD budget are outlined below.

- **Mental Health Funding Reductions.** The State cut “state-only” funds that support mental health services effective July 1, 2014 through June 30, 2015. It is uncertain what the budget outlook will be for the 2015-2017 State budget.
- **Substance Abuse Funding Reductions.** The State cut “state-only” funds to support substance abuse services effective July 1, 2014 through June 30, 2015. It is uncertain what the budget outlook will be for the biennial 2015-2017 State budget.
- **MIDD Revenue.** Increased sales tax revenues combined with the anticipated reduction in supplantation (see next item) have created opportunities to revisit MIDD strategies that were identified, but shelved due to lack of funding or to explore other more pressing uses in the system that might be supported by the MIDD Fund.
- **MIDD Supplantation.** The schedule for allowable supplantation of MIDD funding is reduced by ten percent in 2015 and again in 2016. The 2015/2016 Proposed Budget reflects the decline in supplantation, including continued MIDD funding of therapeutic courts, as allowed by State law.
- **Medicaid Expansion.** With the advent of the Affordable Care Act (ACA), King County enrolled over 101,000 people into Medicaid beginning in 2014. It is unclear at this time how many will seek mental health and/or substance abuse services, but the increased enrollment will definitely mean additional funding and additional clients. The 2015/2016 Proposed Budget includes increases in appropriation to account for projected effects of Medicaid expansion.
- **Duals Demonstration Project.** King County will proceed with the implementation of the three-year Duals Demonstration Project to streamline health, behavioral health and long-term care services (including in-home/nursing care services) for individuals insured by both Medicare and Medicaid (also known as dually eligible, or duals). The goals of the initiative are to 1) improve health outcomes for Medicare-Medicaid enrollees; 2) improve the experience of enrollees through better coordination of care and; 3) decrease costs associated with unnecessary care. The project is in collaboration with PHSKC, the State of Washington, and the City of Seattle. The project has financial implications for MHCADSD as persons who opt into the project would be transferred from MHCADSD to the managed care organizations, along with responsibility for the care of those persons.

- **Involuntary Inpatient Psychiatric Hospitalization.** King County and the State of Washington have struggled for several years with a serious shortage of inpatient involuntary treatment beds for people in psychiatric crisis, leading to the practice of “boarding” where people waited hours and even days in an emergency room or non-psychiatric hospital room for an involuntary treatment bed to open. A Washington State Supreme Court decision in August 2014 found the practice unlawful. King County has joined with the state, other counties, the Washington State Hospital Association and key stakeholders to discuss short and long-term solutions to the bed shortage.

New funding allocated by the state in 2014 will be used to create a 16-bed evaluation and treatment facility in King County, set to open in 2015. The division is using MIDD fund balance to develop a second 16-bed facility. Additional resources forthcoming from the State will help to purchase involuntary treatment beds for immediate use, during the time it takes to develop the local evaluation and treatment facilities. The division also enhanced community services to help with diversion and intervention, including expansion of the crisis response team, increased next day appointments, and creation of a new Transition Support Team to help with discharge planning, and utilization of those resources are helping to reduce the numbers of people on single bed certifications. A joint task force co-convened by the County Executive’s Office and the Governor’s Office in Fall 2014 will develop additional strategies, including a 2015 legislative package.

- **Involuntary Treatment Act Evaluation Response Timelines.** Under state statute, DMHPs must meet established timelines for completion of an evaluation of an individual for involuntary commitment. DMHPs have six hours from the time of referral if an individual or family member comes to a hospital and 12 hours if the individual needing an evaluation was brought in by police. Changes to the commitment criteria have increased demand for evaluation. Several actions are being taken to address this challenge.
- **New State Funding for Evaluation and Treatment.** The 2014 State Legislature approved funding to develop a new Evaluation and Treatment Facility in King County, but failed to allocate any capital funding to build a new facility. MHCADSD is working with a provider to develop a 16-bed facility using the state funds.
- **PACT Expansion.** King County received additional funding from the 2014 State Legislature to expand the Program for Assertive Community Treatment (PACT) that provides case management services and supports for the most fragile members of the community.
- **HEARTH Act.** HUD changed the criteria and priorities for the homeless HEARTH Act, resulting in a loss of funding for the Shisler Sobering Center. Transition funds were provided for one year, but new funding must be identified for 2015 and beyond.
- **Detoxification (detox).** MHCADSD’s current understanding is that detox facilities of more than 16 beds are not eligible for Medicaid reimbursement. MHCADSD will explore several options to address this challenge including 1) the possibility of splitting up large detox facilities into several smaller ones so as to bill Medicaid for services, 2) requesting a waiver to allow Medicaid billing, or 3) getting clarification from the State to allow billing to Medicaid as is occurring in other states.
- **Integration Planning.** King County must move forward to plan and implement Senate Bill 6312 to integrate mental health, substance abuse and primary care no later than 2020 and as soon as 2016. Budget impacts are still to be determined.

- **Information Technology and Integration Planning.** Should MHCADSD decide to proceed as an early adopter of full integration, there could be considerable information technology needs. An out of cycle review in 2015 for this project may be necessary to facilitate intensive planning.
- **Recovery Plan.** MHCADSD continues to implement the Behavioral Health Recovery Plan, which extends principles of recovery to the substance abuse system. Key actions are implementing or expanding peer supports and employment services.

COMMUNITY DEVELOPMENT AND SERVICES LINE OF BUSINESS

PURPOSE

Assist communities to improve infrastructure, reduce disparities in health, income and quality of life, and improve the vibrancy and sustainability of the community.

OUTCOMES

- Complete federal Housing and Urban Development (HUD) requirements for development of public infrastructure and parks/open space projects in low-income areas, community facility.
- Complete HUD requirements for development of community facilities in neighborhoods serving low-income persons.
- Complete HUD requirements for assisting small business through microenterprise programs.

PRODUCT FAMILIES

- Community development requirements
- Communities of Opportunity
- Small business consulting services
- Civil legal services
- Information and referral services
- Food bank supports
- Senior center services
- Domestic violence and sexual assault survivor services
- Cultural navigation and translation services

EARLY INTERVENTION AND READINESS TO LEARN

LINE OF BUSINESS

PURPOSE

Provide services and supports that promote optimal development and wellbeing and increase school readiness to help infants and toddlers and their families.

OUTCOMES

- Upon exiting Birth to Three services or turning age three, children's positive social-emotional skills:
 - Increase by 5% the number of children functioning within age expectations
 - Increase by 10% the number of children who substantially improve progress
- More than 90% of families report that services help them effectively communicate their children's needs
- More than 95% of families report that services help them support their children's learning and development

PRODUCT FAMILIES

- Birth to Three services
- Family supports
- School readiness services
- Parenting skills training
- Infant and early childhood mental health services

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
COMM AND HUMAN SVCS ADMIN (EN_A93500_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$6,814,265	\$6,292,653	15.00	0.00
Adjustments to 2013/2014 Adopted Budget	(440,325)	36,653	0.00	0.00
Administrative Service Changes				
AC_001 DCHS Administrative FTE Reduction	(320,463)	(320,463)	(1.00)	0.00
AC_002 DCHS GIS Allocation	0	97,392	0.00	0.00
AC_004 Committee to End Homelessness Reorganization	2,593,650	2,539,000	7.00	0.00
AC_005 Coordinated Entry Contracts Reorganization	438,179	438,179	0.00	0.00
AC_006 Government Relations Officer Reorganization	344,961	344,962	1.00	0.00
AC_007 Executive Shared Policy Position	91,931	91,930	0.25	0.00
AC_008 Healthcare Integration TLT	259,147	225,000	0.00	1.00
Direct Service Changes				
DS_001 Health and Human Services Transformation Plan	476,000	476,000	0.00	0.00
Technical Adjustments				
TA_010 Net Zero Adjustments	(2)	0	0.00	0.00
TA_011 COLA	2,898	0	0.00	0.00
TA_012 Step/Merit	64,532	0	0.00	0.00
TA_025 Proforma Technical Adjustment	100,000	0	0.00	0.00
TA_050 Revenue Adjustments	0	250,000	0.00	0.00
Central Rates	310,640	0	0.00	0.00
Total Decision Package	4,361,473	4,142,000	7.25	1.00
Ending Biennium FTE Count	\$10,735,412	\$10,471,306	22.25	1.00
Executive Proposed Budget	\$10,736,000	\$10,472,000	22.25	1.00
Percent Change over 2013/2014 Adopted Budget	57.6%	66.4%	48.3%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

DCHS Administration

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for DCHS Administration is \$10.7 million with funding for 22.25 FTEs and 1.00 TLTs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

DCHS Administrative FTE Reduction – (\$320,463) Expenditure / (\$320,463 Revenue) / (1.00) FTE

This proposal reduces one position in DCHS Administration and changes the position class for a second position as part of a department wide initiative to consolidate processes and create efficiencies. Work assignments within DCHS Administration will be reassigned to the remaining staff to accommodate this position reduction.

DCHS GIS Allocation – \$97,392 Revenue

GIS charges were historically absorbed by the Community Services Division (CSD) with the assumption that GIS work performed for DCHS was for the housing and community development program. A review of the allocation base used to charge GIS costs to CSD found that much of the need for GIS work came from across the department and did not match the original assumption. This proposal moves the GIS central rate charges to DCHS Administration and allows the costs to be recovered as part of collections from DCHS funds for department administration. The expenditure portion of this administrative change is incorporated in central rate adjustments.

Committee to End Homelessness Reorganization – \$2,593,650 Expenditure / \$2,539,000 Revenue / 7.00 FTE

This proposal is for an organizational move of the Committee to End Homelessness (CEH) out of CSD and into the DCHS Administration budget to be overseen by the department director. This is an organizational change between DCHS appropriation units within the department and will not have an impact on the CEH.

Coordinated Entry Contracts Reorganization – \$438,179 Expenditure / \$438,179 Revenue

This proposal is to move revenues and expenditures for the Youth and Young Adult and Family Housing Connection Coordinated Entry service contracts into DCHS Administration in conjunction with the Committee to End Homelessness reorganization proposal. Revenues for these contracts come from private foundation grants, United Way, and the City of Seattle.

Government Relations Officer Reorganization – \$344,961 Expenditure / 344,962 Revenue / 1.00 FTE

This proposal is an administrative change to properly align the 1.00 FTE and associated appropriation for the DCHS Government Relations Officer to the DCHS Administration budget where the work is being performed.

Executive Shared Policy Position – \$91,931 Expenditure / \$91,930 Revenue / 0.25 FTE

This proposal is an administrative change to properly align the 0.25 FTE and associated appropriation for the Executive Policy Position to the DCHS Administration budget. The FTE for this position currently resides in the Mental Health Fund. Since this position benefits the entire department, it is appropriate for the FTE to be located in DCHS Administration.

Healthcare Integration TLT – \$259,147 Expenditure / 225,000 Revenue / 1.00 TLT

This proposal is to continue support through the 2015/2016 biennium for a current TLT staff position associated with carrying out the King County Health and Human Services (HHS) Transformation Plan. This proposal also moves the appropriation authority for this position into DCHS Administration so that it can be more fully integrated with the entire transformation team. Revenue for this position comes from the Veterans and Human Services Levy.

Direct Service Changes

Health and Human Services Transformation Plan – \$476,000 Expenditure / \$476,000 Revenue

In 2013, King County government, in conjunction with community partners, developed a plan for an accountable, integrated system of health, human services, and community-based prevention, known as the Health and Human Services Transformation Plan. This proposal continues support for current staff positions and other operating costs associated with carrying out the Transformation Plan.

Technical Adjustments

Net Zero Adjustments – \$2 Expenditure

Net zero adjustments were made to shift expenditure authority between accounts to improve transparency and better align the budget with actual expenditures.

Cost of Living Adjustment (COLA) – \$2,898 Expenditure

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit – \$64,532 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Proforma Technical Adjustment – \$100,000 Expenditure

This amount reflects an adjustment for 2014 mid-biennial budget update items to be carried forward into the 2015/2016 biennium.

Revenue Adjustments – \$250,000 Revenue

This is a technical adjustment aligning projected revenues for the 2015/2016 biennium.

Central Rates

Central Rate Adjustments – \$310,640 Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
DCHS Administration / 000001080**

Category	2013/2014 Budget	2013/2014 BTD Actuals ¹	2013/2014 Estimated ²	2015/2016 Proposed	2017/2018 Projected ³	2019/2020 Projected ³
Beginning Fund Balance	\$ 521,612	\$ -	\$ -	296,224	32,118	0
Revenues						
Federal						
State						
Local				1,608,088	1,646,441	1,686,985
General Fund			738,000	476,000	-	-
Intergovernmental						
Interfund Transfers	6,292,653	4,388,088	6,157,718	8,387,218	9,231,103	9,894,814
Other		555				
Total Revenues	6,292,653	4,388,643	6,895,718	10,471,306	10,877,544	11,581,799
Expenditures						
Salaries, Wages & Benefits	(3,969,658)	(3,113,485)	(4,213,139)	(6,704,923)	(7,140,743)	(7,612,032)
Supplies and Other	(305,692)	(42,385)	(57,022)	(236,277)	(241,912)	(247,869)
Central Rates	(1,513,681)	(1,601,461)	(2,305,269)	(2,486,215)	(2,675,167)	(2,878,480)
Contracted Services	(1,025,234)	(151,610)	(786,912)	(831,997)	(851,840)	(843,418)
Participant Costs				-		
Interfund Transfers			(238,000)	(476,000)		
Total Expenditures	(6,814,265)	(4,908,941)	(7,600,342)	(10,735,412)	(10,909,662)	(11,581,799)
Estimated Underexpenditures						
Other Fund Transactions						
2012 Fund Balance Transfer Fund 1070		1,000,848	1,000,848			
Ending Fund Balance	-	480,550	296,224	32,118	0	0
Reserves ⁴						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve						
Total Reserves	-	-	-	-	-	-
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	-	480,550	296,224	32,118	-	-

Financial Plan Notes:

- ¹ 2013/2014 BTD Actuals reflect actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL 010 Aug 19, 2014.
- ² 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through Jun 30, 2014 and estimated revenues and expenditures for the remainder of 2014.
- ³ Outyear expenditure projections are based on PSB Outyear budget assumptions on salaries & benefits and central rates with respective increases incorporated into Interfund Transfers.
- ⁴ This fund is not required to carry a reserve as it primarily functions as an internal service fund for DCHS.

BEHAVIORAL HEALTH

LINE OF BUSINESS

PURPOSE

Provide a range of coordinated prevention, intervention, crisis response and treatment services for persons with mental illness and substance use disorders.

OUTCOMES

- Increase mental health and substance use disorder recovery rates.
- Meet or exceed all investigation and detention services statutory timelines.
- Increase Crisis Solution Center referrals by law enforcement.
- Reduce incarceration and re-hospitalization rates.
- Increase peer services and employment opportunities.

PRODUCT FAMILIES

- Crisis response, intervention and detention services
- Outpatient services
- Inpatient services
- Residential services
- Inmate Services
- Vocational services
- Prevention services

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
DEVELOPMENTAL DISABILITIES (EN_A92000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$55,100,017	\$54,240,997	16.00	0.00
Adjustments to 2013/2014 Adopted Budget	752,776	53,635	0.00	0.00
Administrative Service Changes				
AC_101 DDD Fiscal Improvement Program	459,475	0	0.00	0.00
Direct Service Changes				
DS_101 Additional State Developmental Disabilities Administration Funding	7,679,842	7,679,842	0.00	0.00
DS_102 Additional Federal IDEA Part C Early Intervention Funding	883,871	883,871	0.00	0.00
DS_103 Additional Division of Vocational Rehabilitation Funding	440,000	440,000	0.00	0.00
DS_104 Discontinue Third-party Administrative Services for School Districts	(4,481,624)	(4,481,624)	0.00	0.00
Technical Adjustments				
TA_010 Net Zero Adjustments	0	0	0.00	0.00
TA_011 COLA	1,599	0	0.00	0.00
TA_012 Step/Merit	35,880	0	0.00	0.00
TA_050 Revenue Adjustments	0	258,876	0.00	0.00
Central Rates	32,582	0	0.00	0.00
Total Decision Package	5,051,625	4,780,965	0.00	0.00
Ending Biennium FTE Count	\$60,904,418	\$59,075,597	16.00	0.00
Executive Proposed Budget	\$60,905,000	\$59,076,000	16.00	0.00
Percent Change over 2013/2014 Adopted Budget	10.5%	8.9%	0.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Developmental Disabilities

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Developmental Disabilities is \$60.9 million with funding for 16.00 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

DDD Fiscal Improvement Program – \$459,475 Expenditure

The current Developmental Disabilities Division (DDD) billing process is manually intensive and is error prone. It requires multiple reconciliations of data between systems and spreadsheets, and frequent manual corrections of errors. This proposal funds an IT project to replace the current databases, software programs, and spreadsheets with a web-based, single point of data-entry system for billings and contracts. This solution will reduce errors and processing time while increasing efficiency.

Direct Service Changes

Additional State Developmental Disabilities Administration Funding – \$7,679,842 Expenditure / \$7,679,842 Revenue

This proposal adds funding that was allocated to King County DDD by the Department of Social and Health Services (DSHS)/Developmental Disabilities Administration (DDA) to provide ongoing services to 2012 and 2013 School-to-Work students who are authorized for employment services by DSHS/DDA. This is an increase in State Employment and Day Program revenue for King County DDD, ensuring continuity and increased access to employment services for more individuals with developmental disabilities.

Additional Federal IDEA Part C Early Intervention Funding – \$883,871 Expenditure / \$883,871 Revenue

This proposal adds funding from the Individuals with Disabilities Education Act (IDEA), Part C, which covers the Early Intervention Program for Infants and Toddlers with Disabilities. These federal dollars are passed through from the Department of Early Learning to King County DDD to administer early intervention services. King County contracts with authorized early intervention agencies to provide the required early intervention services to all eligible children. King County DDD is receiving an increase in funds as a result of its high rate of growth in serving eligible children over the past several years.

Additional Division of Vocational Rehabilitation Funding – \$440,000 Expenditure / \$440,000 Revenue

This proposal adds anticipated funding to King County DDD under an outcome-based employment services contract from the Department of Social and Health Services (DSHS)/Division of Vocational Rehabilitation (DVR). This funding is allocated to provide School-to-Work employment services to students who are eligible for funding through DSHS/DDA upon exiting their school programs.

Discontinue Third-party Administrative Services for School Districts – (\$4,481,624) Expenditure / (\$4,481,624) Revenue

Effective June 30, 2014, King County DDD will no longer serve as a third-party administrator for school districts with early intervention programs. Since school districts play a primary role in funding the early intervention system for children age birth to three, King County DDD believes school districts contracting directly with provider agencies will improve relationships between school districts and provider agencies, foster smoother transition into school districts for children and families, and increase efficiency in processing payments to provider agencies.

Technical Adjustments

Net Zero Adjustments – \$0 Expenditure

Net zero adjustments were made to shift expenditure authority between accounts to improve transparency and better align the budget with actual expenditures.

Cost of Living Adjustment (COLA) – \$1,599 Expenditure

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit – \$35,880 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustments – \$258,876 Revenue

This is a technical adjustment aligning projected revenues for the 2015/2016 biennium.

Central Rates

Central Rate Adjustments – \$32,582 Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Developmental Disabilities Fund / 000001070**

Category	2013/2014 Budget	2013/2014 BTD Actuals ¹	2013/2014 Estimated ²	2015/2016 Proposed ³	2017/2018 Projected ⁴	2019/2020 Projected ⁴
Beginning Fund Balance	5,595,447	10,650,418	10,650,418	5,604,258	3,775,437	2,683,919
Revenues						
Federal	2,925,182	1,725,331	3,297,053	3,809,053	3,809,053	3,809,053
State	40,130,676	27,019,349	43,428,681	48,250,518	50,250,518	52,250,518
Local	5,997,653	4,658,059	6,038,587	6,310,182	6,592,854	6,877,318
General Fund				-		
Intergovernmental	5,182,624	3,730,473	4,947,222	701,000	701,000	701,000
Interfund Transfers				-		
Other	4,844	(276,839)	(281,642)	4,844	4,844	4,844
Total Revenues	54,240,979	36,856,373	57,429,901	59,075,597	61,353,425	63,637,889
Expenditures						
Salaries, Wages & benefits	(2,519,830)	(2,551,330)	(2,933,294)	(3,864,964)	(4,116,187)	(4,387,855)
Supplies and Other	(550,000)	(13,507)	(254,245)	(567,568)	(567,568)	(567,568)
Central Rates	(2,247,561)	(1,302,226)	(2,067,401)	(1,878,695)	(2,021,476)	(2,175,108)
Contracted Services	(49,624,414)	(36,137,447)	(52,645,200)	(54,127,716)	(55,733,712)	(57,308,412)
Participant Costs				-		
Interfund Transfers	(98,892)	(175,820)	(351,640)	(6,000)	(6,000)	(6,000)
Interfund Transfers - IT Project				(459,475)		
Interfund Transfers - Transformation Plan Work				-		
Total Expenditures	(55,040,697)	(40,180,330)	(58,251,780)	(60,904,418)	(62,444,943)	(64,444,943)
Estimated Underexpenditures						
Other Fund Transactions						
2012-13 YE Reconciliation ⁵		(382,437)	(4,224,281)			
2013 Beginning Balance Adjustment-FBOD						
Ending Fund Balance	4,795,729	6,944,024	5,604,258	3,775,437	2,683,919	1,876,865
Reserves						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve ⁶	(2,261,946)	(1,651,246)	(2,393,909)	(2,502,921)	(2,566,231)	(2,648,422)
Total Reserves	(2,261,946)	(1,651,246)	(2,393,909)	(2,502,921)	(2,566,231)	(2,648,422)
Reserve Shortfall	-	-	-	-	-	771,557
Ending Undesignated Fund Balance	2,533,783	5,292,778	3,210,349	1,272,516	117,688	-

Financial Plan Notes:

¹ 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 (GL_RPRT_010 dated 04/14/14) and through June 30, 2014 (GL_RPRT_010 dated 08/08/14).

² 2013/2014 Estimated reflects actual revenues and expenditures and estimated revenues and expenditures for the remainder of 2014.

³ 2015-2016 Proposed includes 2Q 2014 Supplemental Request of \$3,151,763.

⁴ Outyear projections are based on: August 2014 OEFA projections for Property Tax Revenues, PSB outyear budget assumptions for salary Inflation (COLA & Step) and central rates, and DDD Program Manager's assumptions for contract expenditures and revenues.

⁵ 2012-13 YE Reconciliation items are corrections to address errors that occurred when the King County Oracle-based accounting system was converted in 2012.

⁶ The fund is a special revenue fund and KCDDD maintains 30 days of annual expenditures as a rainy day reserve.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
DCHS DASAS (EN_A96000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$57,513,954	\$56,671,712	33.49	1.00
Adjustments to 2013/2014 Adopted Budget	(353,817)	0	(0.99)	0.00
Administrative Service Changes				
AC_001 Reduction 1 FTE PPM IV	(289,990)	0	(1.00)	0.00
Direct Service Changes				
DS_001 Non-Medicaid Reduction	(4,280,000)	(4,500,000)	0.00	0.00
DS_002 Add 2 TLT CD DMHPs	479,009	0	0.00	2.00
DS_004 Behavioral Health Integration – First Step	12,000,000	12,000,000	0.00	0.00
Technical Adjustments				
TA_001 FTE Technical Corrections	(51,638)	0	0.06	0.00
TA_012 Step/Merit	64,086	0	0.00	0.00
Central Rates	592,591	0	0.00	0.00
Total Decision Package	8,514,058	7,500,000	(0.94)	2.00
Ending Biennium FTE Count	\$65,674,195	\$64,171,712	31.56	3.00
Executive Proposed Budget	\$65,675,000	\$64,172,000	31.56	3.00
Percent Change over 2013/2014 Adopted Budget	14.2%	13.2%	-5.8%	200.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

MHCADS – Alcoholism and Substance Abuse

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Mental Health Chemical Abuse and Dependency Services – Alcoholism and Substance Abuse is \$65.7 million with funding for 31.56 FTEs and 3.00 TLTs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Reduction 1 FTE PPM IV – (\$289,990) Expenditure / (1.00) FTE

This proposal removes one FTE Project/Program Manager IV position. The change is being made solely as an efficiency move. Supervision of staff will be assumed by another manager.

Direct Service Changes

Non-Medicaid Reduction – (\$4,280,000) Expenditure / (\$4,500,000) Revenue

This proposal reflects State non-Medicaid funding cuts, as well as the fact that many clients who were previously covered by non-Medicaid revenue have gained Medicaid coverage. These clients will shift from being non-Medicaid clients to being Medicaid clients.

Add 2 TLT CD DMHPs – \$479,009 Expenditure / 2.00 TLT

This proposal adds two Term-Limited Temporary (TLT) Designated Mental Health Professionals (DMHPs) that are also Chemical Dependency Professionals (CDPs). Crisis and Commitment Services is currently stretching available staff resources to meet mandatory timelines. This change will add two TLT DMHPs to address workload issues. The DMHPs will also be CDPs and therefore able to address any substance use issues presented by individuals that are or may be detained. This will be the first time that DMHP staff will also be required to have a CDP certification, which represents an advance move by MHCADSD toward behavioral health integration.

Behavioral Health Integration – First Step – \$12,000,000 Expenditure / \$12,000,000 Revenue

This proposal reflects the first step toward behavioral health integration in 2016. In 2016, Medicaid revenue and expenditures, which are currently managed directly between providers and the state (with monitoring responsibility only by King County), will come directly to King County. This change will allow for an integrated behavioral health model to be managed by King County. The details of how this model will work are yet to be determined.

Technical Adjustments

FTE Technical Corrections – (\$51,638) Expenditure / 0.06 FTE

This proposal makes a series of technical corrections to consolidate several fractional FTEs into a single FTE (adding .06 of an FTE to create 1.0 FTE instead of .94 FTE).

Step/Merit – \$64,086 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Central Rates

Central Rate Adjustments – \$592,591 Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Substance Abuse Fund / 000001260**

Category	2013/2014 Budget	2013/2014 BTD Actuals ¹	2013/2014 Estimated ²	2015/2016 Proposed	2017/2018 Projected ³	2019/2020 Projected ³
Beginning Fund Balance	\$ 4,234,975	\$ 4,234,975	\$ 4,234,975	3,483,193	1,980,710	(1,779,915)
Revenues						
Federal Grants	19,716,182	8,854,552	12,643,824	19,416,182	19,416,182	19,416,182
State Grants	33,712,165	12,493,914	19,451,152	29,400,590	26,460,531	23,814,478
Medicaid				12,000,000	13,200,000	14,520,000
State-Others						
Local				1,056,640	1,056,640	1,056,640
General Fund						
Intergovernmental (City, Other)	3,243,365	2,187,765	3,243,365	2,298,300	2,472,971	2,660,917
Interfund Transfers						
Other		38,206				
Total Revenues	56,671,712	23,574,437	35,338,341	64,171,712	62,606,324	61,468,216
Expenditures						
Wages and Benefits (51000)	(7,680,662)	(4,101,633)	(5,380,391)	(7,610,828)	(8,105,532)	(8,640,497)
Supplies (52000)		(50,746)	(81,977)	(31,000)	(31,000)	(31,000)
Services (53000)	(47,602,314)	(18,698,242)	(27,627,116)	(55,261,174)	(55,261,174)	(55,261,174)
Intergovernmental Services (55000)	(2,230,978)	(2,057,131)	(3,000,639)	(2,605,917)	(2,803,967)	(3,017,068)
Other Fund Transactions		49,305		(165,276)	(165,276)	(165,276)
Total Expenditures	(57,513,954)	(24,858,446)	(36,090,123)	(65,674,195)	(66,366,949)	(67,115,015)
Estimated Underexpenditures						
Other Fund Transactions						
GAAP Adjustments		-	-			
Ending Fund Balance	3,392,733	2,950,966	3,483,193	1,980,710	(1,779,915)	(7,426,714)
Reserves						
Rainy Day Reserve ⁴			(1,503,755)	(2,736,425)	(2,765,290)	(2,796,459)
Total Reserves	-	-	(1,503,755)	(2,736,425)	(2,765,290)	(2,796,459)
Reserve Shortfall	-	-	-	755,715	4,545,204	10,223,172
Ending Undesignated Fund Balance	3,392,733	2,950,966	1,979,438	(0)	(0)	(0)

Financial Plan Notes:

¹ 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014.

Data was generated using June EBS report: GL_030 & PA_10.

² 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 (GL 033), and estimated revenues and expenditures for the remainder of 2014.

³ Revenue projections based on historical trends for the Substance Abuse Fund. Expenditure projections are based on standard PSB outyear assumptions for biennial budgeting.

⁴ Rainy Day Reserve is calculated based on 30 days of total annual expenditures.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
MENTAL HEALTH (EN_A92400_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$341,848,040	\$341,087,366	78.30	1.00
Adjustments to 2013/2014 Adopted Budget	1,097,691	(26,430)	(0.80)	0.00
Administrative Service Changes				
AC_001 Contract Monitor Position Reduction	(231,887)	0	(1.00)	0.00
Direct Service Changes				
DS_001 Medicaid Expansion	80,000,000	80,000,000	0.00	0.00
DS_002 PACT Proviso	2,384,672	2,384,672	0.00	0.00
DS_003 Add 16-bed Non-IMD Evaluation and Treatment Facilities	4,600,000	4,600,000	0.00	0.00
DS_004 Transition Support Program	1,000,000	1,000,000	0.00	0.00
DS_005 Shift Services to Medicaid	(7,499,300)	(11,327,084)	0.00	0.00
DS_006 Crisis and Commitment Services Staffing Changes	(515,183)	0	(2.00)	0.00
DS_007 Adjustments to Match ITA Court Budget	(204,339)	0	(1.00)	0.00
Technical Adjustments				
TA_010 Net Zero Adjustments	0	0	0.00	0.00
TA_011 COLA	20,473	0	0.00	0.00
TA_012 Step/Merit	168,888	0	0.00	0.00
TA_050 Revenue Adjustments	0	226,426	0.00	0.00
Central Rates	(1,388,476)	0	0.00	0.00
Total Decision Package	78,334,847	76,884,014	(4.00)	0.00
Ending Biennium FTE Count	\$421,280,578	\$417,944,950	73.50	1.00
Executive Proposed Budget	\$421,281,000	\$417,945,000	73.50	1.00
Percent Change over 2013/2014 Adopted Budget	23.2%	22.5%	-6.1%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

MHCADS – Mental Health

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Mental Health Chemical Abuse and Dependency Services – Mental Health is \$421.3 million with funding for 73.50 FTEs and 1.00 TLT.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Contract Monitor Position Reduction – (\$231,887) Expenditure / (1.00) FTE

This proposal removes a mental health contract monitor position as an efficiency reduction. Programs and services are not expected to be impacted. Due to advances in technology that allow contract monitors' work to be accomplished more efficiently, it is possible to reduce staffing for this function with no impact to programs or services.

Direct Service Changes

Medicaid Expansion – \$80,000,000 Expenditure / \$80,000,000 Revenue

This proposal is an increase in mental health Medicaid revenues and expenditures to account for the expansion of Medicaid eligibility under the Affordable Care Act. Beginning in 2014, many more King County residents qualify for Medicaid, and the number of Medicaid-eligible individuals seeking mental health treatment will increase by a similar proportion. The State will pay the King County Regional Support Network (RSN) approximately \$40 million more in Medicaid funding per year. In turn, the RSN will pay its providers a similar additional amount, primarily for more mental health outpatient treatment services.

PACT Proviso – \$2,384,672 Expenditure / \$2,384,672 Revenue

This proposal adds another Program of Assertive Community Treatment (PACT) team to the King County network and the State is providing the funding. PACT is a self-contained mental health program made up of multidisciplinary mental health staff who work as a team to provide the majority of individually-tailored treatment, rehabilitation, and support services participants need to achieve their goals. The PACT Team is mobile and delivers services in community locations rather than expecting the participant to come to the program.

Add 16-bed Non-IMD Evaluation and Treatment Facilities – \$4,600,000 Expenditure / \$4,600,000 Revenue

Currently, all of the inpatient psychiatric bed capacity being added in King County is in facilities larger than 16 beds that are designated as “institutions for mental disease” (IMDs). Medicaid cannot reimburse for services provided in IMDs. This proposal appropriates additional State funding for the RSN to add one or more 16-bed non-IMD Evaluation and Treatment facilities in 2015. These facilities will increase Medicaid-reimbursable inpatient psychiatric bed capacity in King County. This proposal is linked to the Evaluation and Treatment facility proposal under the Mental Illness Drug Dependency fund.

Transition Support Program – \$1,000,000 Expenditure / \$1,000,000 Revenue

When County Designated Mental Health Professionals (DMHPs) detain individuals at a time when no inpatient Evaluation and Treatment beds are available, they obtain authorization for a “single bed certification” to keep (“board”) the person where they are (e.g. a hospital emergency room or a bed in a non-psychiatric hospital setting) until an appropriate placement is available. The Washington Supreme Court has called for an end to the practice of boarding. The Transition Support Program (TSP), which is funded by a separate State allocation, is a program whose goal is to assist individuals who have been involuntarily detained or hospitalized to successfully transition from hospitalization to the community. The Transition Support Program provides a mobile, multi-disciplinary team of staff to assist community hospitals with designing and implementing a viable discharge and a community based transition plan.

Shift Services to Medicaid – (\$7,499,300) Expenditure / (\$11,327,084) Revenue

This proposal is a combination of strategies to address the expansion of Medicaid eligibility under the Affordable Care Act and the transition of clients previously covered by non-Medicaid revenue to being Medicaid eligible. The State is cutting non-Medicaid funding to the County in response to this shift to Medicaid so a range of strategies will be implemented to address this loss of funds. Strategies included in this proposal include shifting service costs to Medicaid for newly eligible clients, expanding Medicaid-eligible 16-bed Evaluation and Treatment facilities, and other administrative cost cuts.

Crisis and Commitment Services Staffing Changes – (\$515,183) Expenditure / (2.00) FTE

This proposal removes a Crisis and Commitment Services Supervisor position and an Administrator I position. 0.25 FTE of the 1.0 FTE Administrator I position is being transferred to the DCHS Director’s Office for the Executive shared policy position, and the remaining 1.75 FTE are being removed.

Adjustments to Match ITA Court Budget – (\$204,339) Expenditure / (1.00) FTE

This proposal adjusts the Mental Health budget to align with involuntary treatment court 2015/2016 budgets. Included in these changes is the removal of a court scheduler position, whose duties are now carried out by the involuntary treatment courts.

Technical Adjustments

Net Zero Adjustments – \$0 Expenditure

Net zero adjustments were made to shift expenditure authority between accounts to improve transparency and better align the budget with actual expenditures.

Cost of Living Adjustment (COLA) – \$20,473 Expenditure

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit – \$168,888 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustments – \$226,426 Revenue

This is a technical adjustment aligning projected revenues for the 2015/2016 biennium.

Central Rates

Central Rate Adjustments – (\$1,388,476) Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Mental Health Fund / 000001120**

Category	2013/2014 Budget	2013/2014 BTD Actuals ¹	2013/2014 Estimated ²	2015/2016 Proposed	2017/2018 Projected ³	2019/2020 Projected ³
Beginning Fund Balance	23,992,266	35,670,045	35,670,045	38,218,671	34,883,043	30,405,124
Revenues						
Federal Grants	5,665,504	2,940,473	5,367,344	5,665,504	5,665,504	5,665,504
State Grants-Medicaid ⁹	279,328,669	190,791,072	275,081,480	319,556,730	322,063,440	325,055,900
State Grants-Non-Medicaid	65,272,146	47,767,546	65,123,638	54,153,984	54,153,984	54,153,984
State-Others (DCFS, DMIO, SSB, JTS, PACT)	14,380,394	9,641,834	13,615,489	22,434,244	15,241,994	15,241,994
Local (Tax)	5,997,653	4,586,333	6,002,195	6,277,696	6,822,769	7,522,102
General Fund	-	-	-	-	-	-
Intergovernmental (City, Other RSNs)	560,192	1,387,842	2,010,128	223,892	223,892	223,892
Interfund Transfers	6,911,100	3,522,949	6,361,629	6,911,100	6,911,100	6,911,100
Other (interest, United Way, CHP)	2,971,708	1,049,384	2,284,393	2,721,800	2,385,500	2,385,500
Total Revenues	381,087,366	261,687,433	375,846,295	417,944,950	413,468,183	417,159,976
Expenditures						
Wages and Benefits (51000)	(18,734,430)	(12,756,549)	(18,095,939)	(18,768,110)	(19,531,388)	(19,954,072)
Supplies (52000)	(251,066)	(85,829)	(181,923)	(251,066)	(251,066)	(251,066)
Services (53000) ⁹	(345,753,814)	(235,424,014)	(336,924,635)	(385,116,336)	(379,325,243)	(381,629,331)
Intergovernmental Services (55000)	(17,088,730)	(11,424,431)	(17,881,073)	(17,125,065)	(18,818,406)	(19,719,182)
Capital (56000)	(20,000)	-	(10,000)	(20,000)	(20,000)	(20,000)
Total Expenditures	(381,848,040)	(259,690,823)	(373,093,570)	(421,280,578)	(417,946,103)	(421,573,651)
Estimated Underexpenditures						
Other Fund Transactions						
GAAP Adjustments		(204,100)	(204,100)			
Ending Fund Balance	23,231,592	37,462,554	38,218,671	34,883,043	30,405,124	25,991,449
Reserves						
Medicaid Risk & Inpatient Reserve ⁴	(8,863,599)	(8,607,267)	(11,806,722)	(11,823,599)	(11,933,224)	(12,043,945)
Non-Medicaid Inpatient Reserve ⁵	(1,206,327)	(1,209,020)	(1,206,327)	(1,001,849)	(1,001,849)	(1,001,849)
Medicaid Operating Reserve ⁶	(5,988,918)	(8,723,582)	(16,232,901)	(15,421,904)	(10,893,520)	(9,587,403)
Non-Medicaid Operating Reserve ⁷	(4,681,896)	(4,672,699)	(4,681,896)	(2,285,629)	(2,519,761)	(1,353,850)
Rainy Day Reserve ⁸	(3,946,277)	(3,707,299)	(4,290,825)	(4,350,062)	(4,056,770)	(2,004,402)
Total Reserves	(24,687,017)	(26,919,867)	(38,218,671)	(34,883,043)	(30,405,124)	(25,991,449)
Reserve Shortfall	1,455,425	-	-	-	-	-
Ending Undesignated Fund Balance	-	10,542,687	-	-	-	-

Financial Plan Notes:

- ¹ 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014.
- ² 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 (June EBS GL_030 & PA_10) and estimated revenues and expenditures for the remainder of 2014.
- ³ Outyear projections are based on historical trends for the Mental Health fund, netted against cuts in expenditure areas funded by non-Medicaid.
- ⁴ Medicaid Risk & Inpatient Reserve (7.4% of Medicaid revenues). Amount is set by State actuarial analysis and required by State contract.
- ⁵ Non-Medicaid Inpatient Reserve (3.7% of Non-Medicaid Revenues). Amount is set by State actuarial analysis and required by State contract.
- ⁶ Medicaid Operating Reserve is to set aside funds to offset fluctuations in revenue/expenditures related to Medicaid operations. (Not to Exceed 14.2% of Medicaid Revenues).
- ⁷ Non-Medicaid Operating Reserve is to set aside funds to offset fluctuations in revenue/expenditures related to Non-Medicaid operation. (Not to exceed 14.3% of Non-Medicaid Revenues). In 2015, \$3.1 million of non-Medicaid operating reserves is being used to mitigate non-Medicaid cuts.
- ⁸ The Rainy Day Reserve will be established in 2013 to prepare for a future drop in revenue or eventual closeout of the Mental Health fund, in accordance with emerging King County Reserves policy. The Rainy Day Reserve represents 30 days of revenues less the Medicaid Risk and Inpatient Reserves and Non-Medicaid Inpatient Reserve.
- ⁹ The 2013/2014 Budget and 2013/2014 Estimated columns include a \$40,000,000 adjustment to State Grants-Medicaid and Services expenditures to account for the expansion of Medicaid eligibility in 2014. This adjustment is included in the 2014 2nd Omnibus Supplemental.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
MIDD (EN_A99000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$74,359,900	\$94,142,655	13.00	0.00
Adjustments to 2013/2014 Adopted Budget	(7,698,614)	1,809,001	0.00	0.00
Administrative Service Changes				
AC_001 Realign MIDD Staffing	0	0	0.00	0.00
Direct Service Changes				
DS_001 Additional Evaluation and Treatment Facilities	1,200,000	0	0.00	0.00
Technical Adjustments				
TA_012 Step/Merit	29,279	0	0.00	0.00
TA_021 Proforma Adjustment for Mid-biennial Administrative Expenditure Reduction	(940,000)	0	0.00	0.00
TA_022 Proforma Adjustment for Mid-biennial Reduction due to Medicaid Expansion	(1,730,000)	0	0.00	0.00
TA_035 Proforma Removal of One-time Expenditure Contra	15,800,002	0	0.00	0.00
TA_050 Revenue Adjustments	0	15,269,759	0.00	0.00
Central Rates	1,206,770	0	0.00	0.00
Total Decision Package	15,566,052	15,269,759	0.00	0.00
Ending Biennium FTE Count	\$82,227,337	\$111,221,415	13.00	0.00
Executive Proposed Budget	\$82,228,000	\$111,222,000	13.00	0.00
Percent Change over 2013/2014 Adopted Budget	10.6%	18.1%	0.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Mental Illness and Drug Dependency

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Mental Illness and Drug Dependency (MIDD) is \$82.2 million with funding for 13.00 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Realign MIDD Staffing – \$0 Expenditure

This proposal moves two direct service positions from MIDD administration to the individual MIDD strategies they support. This administrative change will not affect programs or services.

Direct Service Changes

Additional Evaluation and Treatment Facilities – \$1,200,000 Expenditure

This proposal is to use MIDD fund balance to provide start-up operational funds for the development of a 16-bed psychiatric Evaluation and Treatment facility. The funds will be utilized for site development, architectural design, licenses and certifications, equipment purchases, and recruitment, hiring and training of staff. This proposal is linked to the Evaluation and Treatment facility proposal under the Mental Health fund.

Technical Adjustments

Step/Merit – \$29,279 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Proforma Adjustment for Mid-biennial Administrative Expenditure Reduction – (\$940,000) Expenditure

This is a technical adjustment to continue an administrative expenditure change adopted in the 2014 Mid-biennial Budget.

Proforma Adjustment for Mid-biennial Reduction due to Medicaid Expansion – (\$1,730,000)

Expenditure

This is a technical adjustment to continue a Medicaid expansion-related expenditure change adopted in the 2014 Mid-biennial Budget.

Proforma Removal of One-time Expenditure Contra – \$15,800,002 Expenditure

This is a technical adjustment to remove a one-time expenditure contra.

Revenue Adjustments – \$15,269,759 Revenue

This is a technical adjustment aligning projected revenues for the 2015/2016 biennium.

Central Rates

Central Rate Adjustments – \$1,206,770 Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Mental Illness & Drug Dependency / 000001135**

Category	2013/2014 Budget	2013/2014 BTD Actuals ¹	2013/2014 Estimated ²	2015/2016 Proposed	2017/2018 Projected ³	2019/2020 Projected ³
Beginning Fund Balance	\$ 23,962,347	\$ 23,962,347	\$ 23,962,347	11,655,784	9,491,796	18,462,857
Revenues						
Federal Grants	-	-	-	-	-	-
State Grants	-	-	-	-	-	-
State-Others	-	-	-	-	-	-
Local	99,778,701	72,970,281	100,070,025	111,109,079	116,664,533	121,797,772
General Fund						
Intergovernmental (City, Other)						-
Interfund Transfers						
Other			143,000	112,336	117,953	123,143
Total Revenues	99,778,701	72,970,281	100,213,025	111,221,415	116,782,486	121,920,915
Expenditures						
Wages and Benefits (51000)	(20,967,873)	(14,537,507)	(21,878,006)	(23,437,231)	(24,960,651)	(26,608,054)
Supplies & Capital	(100,000)	(64,202)	(105,585)	(107,668)	(107,668)	(107,668)
Services (53000) ⁴	(92,523,116)	(52,061,551)	(85,596,629)	(86,233,258)	(90,286,221)	(94,619,960)
Intergovernmental Services (55000)	(2,194,760)	(3,887,697)	(4,939,368)	(3,584,465)	(3,856,884)	(4,150,008)
Other Fund Transactions		(3,843,267)		(22,781)		
Supplantation Rampdown in 2017 ⁵					11,400,000	11,947,200
Total Expenditures	(115,785,749)	(74,394,224)	(112,519,588)	(113,385,403)	(107,811,424)	(113,538,489)
Estimated Underexpenditures						
Other Fund Transactions						
GAAP Adjustments		-	-			
Ending Fund Balance	7,955,299	22,538,403	11,655,784	9,491,796	18,462,857	26,845,283
Reserves						
Revenue Stabilization Reserve ⁶	(5,238,382)	(5,238,382)	(5,253,676)	(5,833,227)	(6,124,888)	(6,394,383)
Rainy Day Reserve						
Expenditure Reserve(s) ⁷		-		(3,658,569)		
Total Reserves	(5,238,382)	(5,238,382)	(5,253,676)	(9,491,796)	(6,124,888)	(6,394,383)
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	2,716,917	17,300,021	6,402,107	-	12,337,969	20,450,900

Financial Plan Notes:

¹ 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014.

Data were generated using June EBS report: GL_033

² 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 (GL 033).

Revenues and expenditures are estimated for the remainder of 2014.

³ Outyear projections are based on PSB 2015/2016 outyear assumptions for biennial budgeting and an assumption that MIDD funding continues.

⁴ The 2013/2014 Budget and 2013/2014 Estimated for Services includes \$2.5 million in additional appropriation to address the need for increased inpatient bed capacity due to the recent State Supreme Court ruling on hospital boarding. This proposal utilizes existing fund balance to pay for the expenditures and has been submitted as part of the 2014 2nd Supplemental Omnibus.

⁵ In 2017 General Fund supplantation will rampdown completely and an estimated \$5.7 million per year in programs will move back to the General Fund. At that time, currently unfunded MIDD programs and priorities will be able to be supported by the MIDD fund.

⁶ Revenue Stabilization Reserve of 5.25% of MIDD tax receipts.

⁷ Expenditure reserve is \$1.0 million for an IT project to integrate behavioral health IT systems and \$2.7 million to address uncertainties about the need for additional inpatient psychiatric bed capacity and funding.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
MENTAL HEALTH AND SUBSTANCE ABUSE MIDD (EN_A98700_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$9,898,709	\$0	3.75	0.00
Adjustments to 2013/2014 Adopted Budget	251,987	0	0.00	0.00
Technical Adjustments				
TA_011 COLA	10,280	0	0.00	0.00
TA_012 Step/Merit	8,326	0	0.00	0.00
Central Rates	(178,835)	0	0.00	0.00
Total Decision Package	(160,229)	0	0.00	0.00
Ending Biennium FTE Count	\$9,990,467	\$0	3.75	0.00
Executive Proposed Budget	\$9,991,000	\$0	3.75	0.00
Percent Change over 2013/2014 Adopted Budget	0.9%	0.0%	0.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Mental Health and Substance Abuse MIDD

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Mental Health and Substance Abuse MIDD is \$10.0 million with funding for 3.75 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Technical Adjustments

Cost of Living Adjustment (COLA) – \$10,280 Expenditure

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit – \$8,326 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Central Rates

Central Rate Adjustments – (\$178,835) Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
VETERANS SERVICES (EN_A48000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$6,363,312	\$5,742,735	7.00	0.00
Adjustments to 2013/2014 Adopted Budget	92,057	47,781	0.00	0.00
Administrative Service Changes				
AC_001 Transfer 2 FTEs from EER	17,667	0	2.00	0.00
AC_002 Transfer from Veterans and Family Levy Fund	0	100,000	0.00	0.00
Technical Adjustments				
TA_001 Adjustment to Align Budget to Expenditures	(235,760)	0	0.00	0.00
TA_012 Step/Merit	18,164	0	0.00	0.00
TA_050 Revenue Adjustments	0	201,782	0.00	0.00
Central Rates	86,197	0	0.00	0.00
Total Decision Package	(113,733)	301,782	2.00	0.00
Ending Biennium FTE Count	\$6,341,637	\$6,092,298	9.00	0.00
Executive Proposed Budget	\$6,342,000	\$6,093,000	9.00	0.00
Percent Change over 2013/2014 Adopted Budget	-0.3%	6.1%	28.6%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Veterans' Services

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Veterans' Services is \$6.3 million with funding for 9.00 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Transfer 2 FTEs from EER – \$17,667 Expenditure / 2.00 FTE

This proposal moves two FTEs based in the Employment and Education Resources Fund to Veterans' Services. These positions were already being paid for by Veterans' Services through loan-out/loan-in labor transfers so this change is aligning these positions in a more appropriate home fund.

Transfer from Veterans and Family Levy Fund – \$100,000 Revenue

This proposal is for a one-time transfer of revenue from the Veterans and Family Levy Fund.

Technical Adjustments

Adjustment to Align Budget to Expenditures – (\$235,760) Expenditure

This proposal decreases expenditure authority to align the budget with current operations of the King County Veterans Program. This change will improve transparency and allow for more accurate financial monitoring.

Step/Merit – \$18,164 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustments – \$201,782 Revenue

This is a technical adjustment aligning projected revenues for the 2015/2016 biennium.

Central Rates

Central Rate Adjustments – \$86,197 Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Veteran's Relief Fund / 00001060**

Category	2013/2014 Adopted Budget¹	2013/2014 BTD Actuals²	2013/2014 Estimated³	2015/2016 Proposed	2017/2018 Projected⁴	2019/2020 Projected⁴
Beginning Fund Balance	\$ 658,050	\$ 960,896	\$ 960,896	311,010	61,671	98,741
Revenues						
Federal						
State						
Local	5,344,839	4,086,231	5,355,226	5,594,402	5,846,306	6,099,808
General Fund						
Intergovernmental	393,696		196,848	493,696	493,696	493,696
Interfund Transfers						
Other	4,200	4,550	4,550	4,200	4,200	4,200
Total Revenues	5,742,735	4,090,781	5,556,624	6,092,298	6,344,202	6,597,704
Expenditures						
Salaries, Wages & benefits (51000)	(1,630,948)	(1,158,003)	(1,632,960)	(1,728,311)	(1,840,651)	(1,962,134)
Supplies and Other (52000)	(23,785)	(86,802)	(89,653)	(38,686)	(38,686)	(38,686)
Other Service Charges (53000)	(77,548)	(42,782)	(42,782)	199,443	199,443	199,443
Contracted Services (53180)	(1,842,853)	(1,105,649)	(1,866,576)	(1,819,130)	(1,819,130)	(1,819,130)
Participant Costs (52000&53000)	(993,712)	(703,891)	(994,863)	(993,711)	(993,711)	(993,711)
Central Rates (55000/56000/58000/59000)	(1,794,466)	(971,400)	(1,579,677)	(1,961,242)	(1,814,397)	(1,952,291)
Total Expenditures	(6,363,312)	(4,068,527)	(6,206,510)	(6,341,637)	(6,307,132)	(6,566,509)
Estimated Underexpenditures						
Other Fund Transactions						
Ending Fund Balance	37,473	983,151	311,010	61,671	98,741	129,936
Reserves						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve ⁵	(268,225)	(254,283)	(258,605)	(264,235)	(262,797)	(273,605)
Total Reserves	(268,225)	(254,283)	(258,605)	(264,235)	(262,797)	(273,605)
Reserve Shortfall	230,752	-	-	202,564	164,056	143,668
Ending Undesignated Fund Balance	-	728,868	52,406	-	-	-

Financial Plan Notes:

¹ 2013/2014 Adopted Budget is based on Ordinance 17476.

² 2013/2014 BTD Actuals reflect actual revenues and expenditures for 2013 and through June 30, 2014, using EBS report GL_010.

³ 2013/2014 Estimated reflects 2013 actual revenues and expenditures and 2014 estimated revenues and expenditures.

⁴ Revenue projections are based on the August 2014 OEFA projection of revenues. Expenditure projections based on standard PSB outyear budget assumptions, excluding Risk Management special assessments that are planned to end in 2016.

⁵ The Rainy Day Reserve is based 30 days of the fund's annual expenditures. This fund plans to build up to the full reserve amount after 2016, upon completion of its Risk Management special assessments.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
VETERAN AND FAMILY LEVY (EN_A11700_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$19,360,630	\$16,710,168	11.00	1.00
Adjustments to 2013/2014 Adopted Budget	248,593	235,126	0.00	0.00
Administrative Service Changes				
AC_001 SIP Admin Adjustment based on 5% Revenue	50,000	0	0.00	0.00
AC_002 Transfer to Veterans' Services Fund	100,000	0	0.00	0.00
Direct Service Changes				
DS_001 HERO Funding Using FY13 Unspent	100,000	0	0.00	0.00
DS_002 RVI Funding Using FY13 Unspent	62,000	0	0.00	0.00
Technical Adjustments				
TA_001 Align Budget to Service Improvement Plan	(523,702)	0	0.00	0.00
TA_010 Net Zero Adjustments	0	0	0.00	0.00
TA_012 Step/Merit	28,616	0	0.00	0.00
TA_026 Regional Veterans Initiative - Supplies and Other Budget	10,000	0	0.00	0.00
TA_027 Regional Veterans Initiative - Training	25,000	0	0.00	0.00
TA_028 Regional Veterans Initiative - Advertising	20,000	0	0.00	0.00
TA_033 Proforma Removal of 2014 SIP I Rollover Expenditures	(1,788,378)	0	0.00	0.00
TA_050 Revenue Adjustments	0	847,662	0.00	0.00
Central Rates	26,370	0	0.00	0.00
Total Decision Package	(1,890,094)	847,662	0.00	0.00
Ending Biennium FTE Count	\$17,719,129	\$17,792,956	11.00	1.00
Executive Proposed Budget	\$17,720,000	\$17,793,000	13.00	3.00
Percent Change over 2013/2014 Adopted Budget	-8.5%	6.5%	18.2%	200.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Veterans and Family Levy

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Veterans and Family Levy is \$17.7 million with funding for 13.00 FTEs and 3.00 TLTs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

SIP Admin Adjustment based on 5% Revenue – \$50,000 Expenditure

This proposal adjusts the appropriation for administrative costs, which are capped at 5% of actual revenues collected for this fund. This change adjusts the appropriation to align with revenue increases projected in the latest OEFA revenue forecasts.

Transfer to Veterans' Services Fund – \$100,000 Expenditure

This proposal is for a one-time transfer of funds to the Veterans' Services Fund.

Direct Service Changes

HERO Funding Using FY13 Unspent – \$100,000 Expenditure

This proposal is to use fund balance available through 2013 unspent funds to continue the Veterans Internship program, HERO, administered by the Human Resources Division. This program places veterans who wish to explore public sector employment into internships within King County government.

RVI Funding Using FY13 Unspent – \$62,000 Expenditure

This proposal is to use fund balance available through 2013 unspent funds to support the remainder of a two year commitment (2014-2015) for the Regional Veterans Initiative (RVI) in 2015. This proposal will continue to fund the current TLT staff for RVI. The program will continue to provide community outreach to providers to improve information and referral collaboration. The RVI is also working with state, VA and community providers implementing the Five Year Plan to End Homelessness Among Veterans with a particular focus on housing, information, and referral and employment services.

Technical Adjustments

Align Budget to Service Improvement Plan – (\$523,702) Expenditure

This proposal adjusts expenditure authority to align the budget with the Council-approved Service Improvement Plan (SIP) for 2015 and 2016.

Net Zero Adjustments – \$0 Expenditure

Net zero adjustments were made to shift expenditure authority between accounts to improve transparency and better align the budget with actual expenditures.

Step/Merit – \$28,616 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Regional Veterans Initiative - Supplies and Other Budget – \$10,000 Expenditure

This is a technical adjustment to continue 2015 Regional Veterans Initiative expenditures adopted in the 2014 Mid-biennial Budget.

Regional Veterans Initiative - Training – \$25,000 Expenditure

This is a technical adjustment to continue 2015 Regional Veterans Initiative expenditures adopted in the 2014 Mid-biennial Budget.

Regional Veterans Initiative - Advertising – \$20,000 Expenditure

This is a technical adjustment to continue 2015 Regional Veterans Initiative expenditures adopted in the 2014 Mid-biennial Budget.

Proforma Removal of 2014 SIP I Rollover Expenditures – (\$1,788,378) Expenditure

This is a technical adjustment to remove expenditures supported by rollover revenue from the previous levy period and first Service Improvement Plan (SIP I).

Revenue Adjustments – \$847,662 Revenue

This is a technical adjustment aligning projected revenues for the 2015/2016 biennium.

Central Rates

Central Rate Adjustments – \$26,370 Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Veterans and Family Levy Fund / 000001141**

Category	2013/2014 Budget ¹	2013/2014 BTD Actuals ²	2013/2014 Estimated ³	2015/2016 Proposed	2017/2018 Projected ⁴	2019/2020 Projected ⁴
Beginning Fund Balance	\$ 3,262,160	\$ 3,898,587	\$ 3,898,587	1,765,400	1,839,228	1,892,874
Revenues						
Federal						
State						
Local	16,596,863	12,662,970	16,602,189	17,679,651	18,591,437	18,591,437
General Fund						
Intergovernmental	90,698	-	45,349	90,698	90,698	90,698
Interfund Transfers						
Other	22,608	76,771	76,771	22,608	22,608	22,608
Total Revenues	16,710,169	12,739,741	16,724,309	17,792,957	18,704,743	18,704,743
Expenditures						
Salaries, Wages & Benefits	(3,060,945)	(2,109,568)	(3,020,793)	(3,635,538)	(3,699,318)	(3,943,473)
Supplies	(56,006)	(13,920)	(50,355)	(44,920)	(44,920)	(44,920)
Other Operating Charges	(310,341)	(178,466)	(287,295)	(206,648)	(206,648)	(206,648)
Contracted Services	(13,338,481)	(7,581,720)	(12,624,801)	(11,133,717)	(11,959,264)	(11,959,264)
Participant Costs	(1,227,106)	(969,125)	(1,195,778)	(1,165,762)	(1,227,106)	(1,227,106)
Central Rates/OH	(1,756,198)	(1,008,177)	(1,678,474)	(1,532,544)	(1,513,842)	(1,628,894)
Contra Expenditures						
Total Expenditures	(19,749,077)	(11,860,976)	(18,857,496)	(17,719,129)	(18,651,097)	(19,010,304)
Estimated Underexpenditures						
Other Fund Transactions						
Ending Fund Balance	223,252	4,777,352	1,765,400	1,839,228	1,892,874	1,587,312
Reserves						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve ⁵	(1,645,756)	(1,482,622)	(1,571,458)	(1,476,594)	(1,554,258)	(1,584,192)
Total Reserves	(1,645,756)	(1,482,622)	(1,571,458)	(1,476,594)	(1,554,258)	(1,584,192)
Reserve Shortfall	1,422,504	-	-	-	-	-
Ending Undesignated Fund Balance	-	3,294,730	193,942	362,634	338,616	3,120

Financial Plan Notes:

¹ 2013/2014 Adopted Budget is based on Ordinance 17476, Ordinance 17619 (2013 1st Omnibus Supplemental) and Ordinance 17676 (2013-14 Mid-Biennial Update)

² 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014, using EBS report GL_010 on July 31, 2014.

³ 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and estimated revenues and expenditures for 2014.

⁴ Expenditure projections are based on the 2017 SIP plan plus standard PSB outyear budget assumptions on salaries & benefits and central rates. Revenue projections are based on the August 2014 OEFA revenue projection, and the assumption that the Veterans and Human Services Levy is renewed in 2017 for additional years from 2018 to 2023.

⁵ Per agreement with PSB, the rainy day reserve is 60 days of total annual expenditures, which is an exception to the standard 90-day reserve for voter-approved levy funds.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
HUMAN SERVICES LEVY (EN_A11800_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$18,540,410	\$16,608,440	4.50	0.00
Adjustments to 2013/2014 Adopted Budget	(829,772)	235,126	0.00	0.00
Administrative Service Changes				
AC_001 SIP Admin Adjustment based on 5% Revenue	50,000	0	0.00	0.00
AC_002 Transfer in 0.5 FTE for BFO I position from EER	3,164	0	0.50	0.00
Direct Service Changes				
DS_001 Transfer for Clear Path to Employment	250,000	0	0.00	0.00
Technical Adjustments				
TA_001 Align Budget to Service Improvement Plan	516,286	0	0.00	0.00
TA_010 Net Zero Adjustments	0	0	0.00	0.00
TA_012 Step/Merit	11,776	0	0.00	0.00
TA_034 Proforma Removal of 2014 SIP I Rollover Expenditures	(556,348)	0	0.00	0.00
TA_050 Revenue Adjustments	0	847,662	0.00	0.00
Central Rates	(278,389)	0	0.00	0.00
Total Decision Package	(3,511)	847,662	0.50	0.00
Ending Biennium FTE Count	\$17,707,127	\$17,691,228	5.00	0.00
Executive Proposed Budget	\$17,708,000	\$17,692,000	5.00	0.00
Percent Change over 2013/2014 Adopted Budget	-4.5%	6.5%	11.1%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Human Services Levy

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Human Services Levy is \$17.7 million with funding for 5.00 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

SIP Admin Adjustment based on 5% Revenue – \$50,000 Expenditure

This proposal adjusts the appropriation for administrative costs, which are capped at 5% of actual revenues collected for this fund. This change adjusts the appropriation to align with revenue increases projected in the latest OEFA revenue forecasts.

Transfer in 0.5 FTE for BFO I position from EER – \$3,164 Expenditure / 0.50 FTE

This proposal moves 0.50 FTE based in the Employment and Education Resources Fund to the Human Services Levy. This 0.50 FTE was already being paid for by the Human Services Levy through loan-in/loan-out labor transfers so this change is aligning the FTE in a more appropriate home fund.

Direct Service Changes

Transfer for Clear Path to Employment – \$250,000 Expenditure

This proposal is to transfer fund balance to the Employment and Education Resources Fund to support the Clear Path to Employment program, which is part of the Homeless Youth and Young Adult Initiative. Funded in 2014 through a one-time appropriation, this program provides paid work experience and employment services for homeless youth and young adults. The program currently serves over 100 homeless youth and is the only employment program serving homeless youth and young adults in East King County.

Technical Adjustments

Align Budget to Service Improvement Plan – \$516,286 Expenditure

This proposal adjusts expenditure authority to align the budget with the Council-approved Service Improvement Plan (SIP) for 2015 and 2016.

Net Zero Adjustments – \$0 Expenditure

Net zero adjustments were made to shift expenditure authority between accounts to improve transparency and better align the budget with actual expenditures.

Step/Merit – \$11,776 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Proforma Removal of 2014 SIP I Rollover Expenditures – (\$556,348) Expenditure

This is a technical adjustment to remove expenditures supported by rollover revenue from the previous levy period and first Service Improvement Plan (SIP I).

Revenue Adjustments – \$847,662 Revenue

This is a technical adjustment aligning projected revenues for the 2015/2016 biennium.

Central Rates

Central Rate Adjustments – (\$278,389)

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Human Services Levy Fund / 000001142**

Category	2013/2014 Budget¹	2013/2014 BTD Actuals²	2013/2014 Estimated³	2015/2016 Proposed	2017/2018 Projected⁴	2019/2020 Projected⁴
Beginning Fund Balance	\$ 2,452,883	\$ 2,546,724	\$ 2,546,724	1,423,244	1,407,345	1,506,589
Revenues						
Federal						
State						
Local	16,596,862	12,662,970	16,602,189	17,679,650	18,591,437	18,591,437
General Fund						
Intergovernmental						
Interfund Transfers						
Other	11,578	81,188	81,188	11,578	11,578	11,578
Total Revenues	16,608,440	12,744,158	16,683,377	17,691,228	18,603,015	18,603,015
Expenditures						
Salaries, Wages & Benefits	(1,226,172)	(655,300)	(1,042,033)	(1,129,586)	(1,203,010)	(1,282,408)
Supplies	(31,713)	(7,673)	(21,513)	(30,384)	(30,384)	(30,384)
Other Operating Charges	(305,148)	(28,212)	(167,361)	(138,362)	(138,362)	(138,362)
Contracted Services	(15,915,214)	(10,320,885)	(15,878,279)	(15,654,846)	(16,254,846)	(16,254,846)
Participant Costs			-	-	-	-
Central Rates	(1,143,163)	(483,746)	(697,671)	(753,948)	(877,170)	(943,835)
Contra Expenditures			-	-	-	-
Total Expenditures	(18,621,410)	(11,495,816)	(17,806,857)	(17,707,127)	(18,503,772)	(18,649,835)
Estimated Underexpenditures						
Other Fund Transactions						
Ending Fund Balance	439,913	3,795,066	1,423,244	1,407,345	1,506,589	1,459,768
Reserves						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve ⁵	(1,474,564)	(1,436,977)	(1,483,905)	(1,475,594)	(1,541,981)	(1,554,153)
Total Reserves	(1,474,564)	(1,436,977)	(1,483,905)	(1,475,594)	(1,541,981)	(1,554,153)
Reserve Shortfall	1,034,651	-	60,661	68,248	35,392	94,385
Ending Undesignated Fund Balance	-	2,358,089	-	-	-	-

Financial Plan Notes:

¹ 2013/2014 Adopted Budget is based on Ordinance 17476 and Ordinance 17696 (2013-14 Mid-Biennial Update).

² 2013/2014 BTD Actuals reflects actual revenues and expenditures for 2013 and through June 30, 2014, using EBS report GL_010.

³ 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and estimated revenues and expenditures for 2014.

⁴ Expenditure projections are based on the 2017 SIP plan plus standard PSB outyear budget assumptions on salaries & benefits and central rates. Revenue projections are based on the August 2014 OEFA revenue projection, and the assumption that the Veterans and Human Services Levy is renewed in 2017 for additional years from 2018 to 2023.

⁵ Per agreement with PSB, the rainy day reserve is 60 days of total annual expenditures, which is an exception to the standard 90-day reserve for voter-approved levy funds.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
FEDERAL H AND CD (EN_A35000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$38,230,343	\$37,920,878	37.50	1.50
Adjustments to 2013/2014 Adopted Budget	390,231	0	(1.00)	-1.50
Administrative Service Changes				
AC_001 Government Relations Officer Reorganization	(266,198)	0	(0.75)	0.00
AC_002 Transfer of Committee to End Homelessness FTEs to Director's Office	0	0	(7.00)	0.00
Direct Service Changes				
DS_001 Adjustment to Match Current Funding Level for Emergency Solutions Grant	432,096	432,096	0.00	0.00
DS_002 Adjustment to Remove Expired Neighborhood Stabilization Program Grant	(3,200,000)	(3,200,000)	0.00	0.00
Technical Adjustments				
TA_001 Loan-In/Loan-Out Labor Adjustments	(2,085,448)	0	0.00	0.00
TA_002 Contracted Service Adjustment	1,870,215	0	0.00	0.00
TA_012 Step/Merit	61,768	0	0.00	0.00
Central Rates	(280,032)	0	0.00	0.00
Total Decision Package	(3,467,599)	(2,767,904)	(7.75)	0.00
Ending Biennium FTE Count	\$35,152,975	\$35,152,974	28.75	0.00
Executive Proposed Budget	\$35,153,000	\$35,153,000	28.75	0.00
Percent Change over 2013/2014 Adopted Budget	-8.0%	-7.3%	-23.3%	-100.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Federal Housing and Community Development

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Federal Housing and Community Development is \$35.2 million with funding for 28.75 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Government Relations Officer Reorganization – (\$266,198) Expenditure / (0.75) FTE

This proposal transfers 0.75 FTE to DCHS Administration for a portion of the DCHS Government Relations Officer position. This proposal aligns the FTE in a more appropriate home fund.

Transfer of Committee to End Homelessness FTEs to Director's Office – (7.00) FTE

This proposal transfers 7.00 FTEs associated with the Committee to End Homelessness (CEH) to the DCHS Administration fund to be overseen by the department director. These positions were already being loaned out to the Housing Opportunity Fund in the 2013/2014 biennium so offsetting adjustments in loan-in/loan-out labor accounts make this essentially a net zero expenditure change.

Direct Service Changes

Adjustment to Match Current Funding Level for Emergency Solutions Grant – \$432,096 Expenditure / \$432,096 Revenue

This proposal aligns the 2015-2016 budget to the current federal funding level for the Emergency Solutions Grant (ESG). The ESG program maintains emergency shelters for homeless families and funds new rapid-rehousing and prevention programs for homeless families and individuals. This proposal will allow DCHS to pass through all ESG funding to community-based organizations serving these vulnerable populations.

Adjustment to Remove Expired Neighborhood Stabilization Program Grant – (\$3,200,000) Expenditure / (\$3,200,000) Revenue

This proposal reduces revenue and expenditure for the Neighborhood Stabilization Program (NSP) grant, which was part of the American Recovery and Reinvestment Act (ARRA) and expired in 2013.

Technical Adjustments

Loan-In/Loan-Out Labor Adjustments – (\$2,085,448) Expenditure

This proposal is a technical adjustment to reduce the loan-in/loan-out labor expenditures to align with actual loan-in/loan-out expenses to the fund.

Contracted Service Adjustment – \$1,870,215 Expenditure

This proposal adjusts the base budget for contracted services to reflect estimated federal revenue available for contracted services.

Step/Merit – \$61,768 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Central Rates

Central Rate Adjustments – (\$280,032) Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Federal Housing and Community Development Fund / 000002460**

Category	2013/2014 Budget¹	2013/2014 Actuals²	2013/2014 Estimated³	2015/2016 Proposed	2017/2018 Projected⁴	2019/2020 Projected⁴
Beginning Fund Balance	\$ 1,214,925	\$ 1,753,627	\$ 1,753,627	1,443,567	1,443,566	1,226,838
Revenues						
Federal	34,537,720	21,139,465	34,537,720	34,369,816	34,369,816	34,369,816
State (Federal Indirect)	3,200,000	258,891	3,200,000	-	-	-
Other	183,158	73,388	183,158	783,158	783,158	783,158
2012 Carryover revenue	11,403,080		11,403,080			
Total Revenues	49,323,958	21,471,744	49,323,958	35,152,974	35,152,974	35,152,974
Expenditures						
Salaries, Wages & benefits	(2,935,926)	(2,191,749)	(2,935,926)	(2,083,572)	(2,219,004)	(2,365,458)
Supplies & Other Expenses	(10,392)	(10,987)	(10,987)	(62,726)	(62,726)	(62,726)
Central Rates	(1,437,858)	(1,202,307)	(1,437,858)	(1,069,668)	(1,150,963)	(1,238,436)
Contracted Services	(33,846,167)	(18,623,106)	(33,846,167)	(31,883,599)	(31,883,599)	(31,845,460)
Capital Outlay				(39,700)	(39,700)	(39,700)
Intergovernmental Contribution				(13,710)	(13,710)	(13,710)
2012 carry over committed to Projects	(11,403,080)		(11,403,080)			
Total Expenditures	(49,633,423)	(22,028,149)	(49,634,018)	(35,152,975)	(35,369,702)	(35,565,490)
Estimated Underexpenditures						
Other Fund Transactions						
Ending Fund Balance	905,460	1,197,222	1,443,567	1,443,566	1,226,838	814,322
Reserves						
Reserve for Encumbrances/Committed Projects ⁵	(905,460)	(1,197,222)	(1,443,567)	(1,443,566)	(1,226,838)	(814,322)
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve ⁶	-	-	-	-	-	-
Total Reserves	(905,460)	(1,197,222)	(1,443,567)	(1,443,566)	(1,226,838)	(814,322)
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	-	-	-	-	-	-

Financial Plan Notes:

¹ 2013/2014 Adopted Budget is based on Ordinance 17476 and Ordinance 17707 (2013 2nd Omnibus Supplemental).

² 2013/2014 LTD Actuals reflects actual revenues and expenditures for 2013 and through June 30, 2014, using EBS report GL_010.

³ 2013/2014 Estimated reflects estimated revenues and expenditures per 2013 Second Omnibus Supplemental. Due to timing of federal and state revenue grants administered across annual periods, budget estimates based on awarded amounts are used.

⁴ Revenue projections are equal to the 2015/2016 Proposed Budget with the assumption that all grants will be renewed at current funding levels. Expenditure projections use PSB outyear growth assumptions for salaries and central rates. Should these expenditures exceed the cap on administrative costs mandated by revenue grants, DCHS will need to seek other revenue sources or administrative cost savings to cover the difference.

⁵ Reserve for Encumbrances/Committed Projects reflects capital and service projects awarded and committed but not yet expended.

⁶ The primary revenue stream for fund 2460 comes from the Department of Housing and Urban Development. All unspent contract and administrative support funding are held at the U.S. Treasury and therefore no fund balance is maintained at the local level. Consequently, no rainy day reserve can be maintained. The fund mitigates its expenditure risks by budgeting conservatively only actual awarded revenues and by including provisions in its contracts that the County reserves the right to terminate or reduce its funding support should revenue be reduced or no longer available.

HOUSING STABILIZATION

LINE OF BUSINESS

PURPOSE

Provide affordable housing, homeless prevention and supportive services to ensure a safe and stable home for individuals and families in King County.

OUTCOMES

- Preserve and increase affordable housing and special needs housing units for low to moderate incomes.
- Reduce number of days people stay in emergency shelter and transitional housing (HUD requirement).
- Increase exits to permanent housing (HUD).
- Reduced returns to homelessness after placement in permanent housing (HUD).

PRODUCT FAMILIES

- Housing portfolio management
- Housing support services
- Homeownership programs

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
HOUSING OPPORTUNITY FUND (EN_A35100_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$69,497,049	\$66,697,377	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	(6,826,950)	(4,310,763)	0.00	0.00
Administrative Service Changes				
AC_001 Transfer Committee to End Homelessness to DCHS Administration	(1,965,758)	(1,608,088)	0.00	0.00
AC_002 Reduced Fare Bus Ticket Program	0	161,186	0.00	0.00
Direct Service Changes				
DS_001 Interim Loan Program Set-aside	1,656,418	0	0.00	0.00
DS_002 REDI Acquisition Loan Fund Contribution	1,000,000	0	0.00	0.00
DS_003 DDD Capital Affordable Housing	400,000	400,000	0.00	0.00
DS_004 Transfer for Clear Path to Employment	166,667	0	0.00	0.00
Technical Adjustments				
TA_001 Technical Adjustments to Align Expenditures	350,592	0	0.00	0.00
TA_050 Revenue Adjustments	0	0	0.00	0.00
Central Rates	(281,885)	0	0.00	0.00
Total Decision Package	1,326,034	(1,046,902)	0.00	0.00
Ending Biennium FTE Count	\$63,996,133	\$61,339,712	0.00	0.00
Executive Proposed Budget	\$63,997,000	\$61,340,000	0.00	0.00
Percent Change over 2013/2014 Adopted Budget	-7.9%	-8.0%	0.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Housing Opportunity Fund

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Housing Opportunity Fund is \$64.0 million.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Transfer Committee to End Homelessness to DCHS Administration – (\$1,965,758) Expenditure / (\$1,608,088) Revenue

This proposal supports the transfer of the Committee to End Homelessness (CEH) to the DCHS Administration fund. The proposal removes loan-in/loan-out labor associated with CEH FTEs and transfers CEH contracted services to DCHS Administration to be overseen by the department director.

Reduced Fare Bus Ticket Program – \$161,186 Revenue

This proposal adds revenue for staffing of the Reduced Fare Bus Ticket Program, to coordinate the required RFP, contract, and monitoring processes for non-profit agencies involved in the program.

Direct Service Changes

Interim Loan Program Set-aside – \$1,656,418 Expenditure

The Interim Loan Program uses existing fund balance from committed, multi-year capital and operational projects to provide short-term loans to acquire property for affordable housing. This proposal aligns the total amount of funds available for the Interim Loan Program to the target level of \$6 million.

REDI Acquisition Loan Fund Contribution – \$1,000,000 Expenditure

Similar to the Interim Loan Program, the REDI acquisition loan fund uses existing fund balance from committed, multi-year capital and operational projects to acquire land for affordable workforce and mixed-income housing at transit stations. King County, a partner in the Puget Sound Regional Council (PSRC) REDI Work Group, helped to create this fund for the Puget Sound region, with an initial pilot fund likely to start for the King County Region only. Other partners include the City of Seattle, A Regional Coalition for Housing (ARCH) on the eastside, and the Washington State Housing Finance Commission. The fund will be administered in a regional pool by an entity to be chosen by the funding partners. The County's initial contribution will be leveraged with funding from the other partners and contributed to the REDI regional fund for a period of ten years.

DDD Capital Affordable Housing – \$400,000 Expenditure / \$400,000 Revenue

This proposal uses capital affordable housing funds for units dedicated for persons or families with a developmental disability.

Transfer for Clear Path to Employment – \$166,667 Expenditure

This proposal is to transfer fund balance to the Employment and Education Resources Fund to support the Clear Path to Employment program, which is part of the Homeless Youth and Young Adult Initiative. Funded in 2014 through a one-time appropriation, this program provides paid work experience and employment services for homeless youth and young adults. The program currently serves over 100 homeless youth and is the only employment program serving homeless youth and young adults in East King County.

Technical Adjustments

Technical Adjustments to Align Expenditures – \$350,592 Expenditure

This proposal adjusts the base budget to reflect estimated expenditures for the 2015/2016 biennium.

Revenue Adjustments – \$0 Revenue

This is a technical adjustment aligning projected revenues for the 2015/2016 biennium. This proposal aligns current levels of State funded grant revenues as well as document recording fee projections. The changes have a net-zero impact on HOF revenues.

Central Rates

Central Rate Adjustments – (\$281,885) Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Housing Opportunity Fund / 000002464**

Category	2013/2014 Budget ¹	2013/2014 BTD Actuals ²	2013/2014 Estimated ³	2015/2016 Proposed	2017/2018 Projected ⁴	2019/2020 Projected ⁴
Beginning Fund Balance	\$ 3,071,057	\$ 29,616,839	\$ 29,616,839	604,212	604,210	298,858
Revenues						
State Authorized Recording Fees - 2060,2163,1359,2331,2048	24,831,838	18,778,432	24,831,838	23,731,839	23,731,839	23,731,839
State Grants - HEN and CHG	29,597,452	18,450,577	29,597,452	27,340,000	27,340,000	27,340,000
Other HOF Revenues	12,268,087	12,041,633	12,268,087	10,267,874	10,267,874	10,267,874
Total Revenues	66,697,377	49,270,643	66,697,377	61,339,713	61,339,713	61,339,713
Expenditures						
Salaries, Wages & benefits	(6,596,766)	(3,379,653)	(6,596,766)	(2,619,928)	(2,790,223)	(2,974,378)
Supplies and Other	(2,430,262)	(292,631)	(2,430,262)	(325,448)	(325,448)	(325,448)
Contracted Services	(59,578,100)	(40,459,112)	(59,578,100)	(56,617,306)	(56,617,306)	(56,281,339)
Interim Loan Program- Fund Bal/Repmt				(1,656,418)		
REDI				(1,000,000)		
Intergovernmental Services/Central Rates	(891,921)	(1,082,558)	(1,082,558)	(1,777,033)	(1,912,088)	(2,057,406)
Contracted HOF Expenditures (Auto Carryovers)			(44,943,354)			
Total Expenditures	(69,497,049)	(45,213,954)	(114,631,040)	(63,996,133)	(61,645,065)	(61,638,571)
Estimated Underexpenditures						
Other Fund Transactions						
Receivables for Interim Loan, REDI Program Other Capital Loans			18,921,036	2,656,418		-
Total Other Fund Transactions	-	-	18,921,036	2,656,418	-	-
Ending Fund Balance	271,385	33,673,528	604,212	604,210	298,858	(0)
Reserves						
Reserve for Encumbrances/Committed Projects ⁵						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve @30 days of expenditure ⁶	(2,895,710)	(1,883,915)	(1,806,154)	(1,569,006)	(1,471,043)	(1,470,773)
Total Reserves	(2,895,710)	(1,883,915)	(1,806,154)	(1,569,006)	(1,471,043)	(1,470,773)
Reserve Shortfall	2,624,325	-	1,201,942	964,796	1,172,185	1,470,773
Ending Undesignated Fund Balance	-	31,789,613	-	-	-	-

Financial Plan Notes:

¹ 2013/2014 Adopted Budget is based on Ordinance 17476.

² 2013/2014 BTD Actuals reflects actual revenues and expenditures for 2013 and through Jun 30, 2014, using EBS report GL_010.

³ 2013/2014 Estimated reflects estimated revenues and expenditures per 2013 Second Omnibus Supplemental. Due to timing of federal and state revenue grants administered across annual periods, budget estimates based on awarded amounts are used.

⁴ Outyear revenue projections are equal to the 2015/2016 Proposed Budget with the assumption that all State and local funding will be renewed at current levels. Expenditure projections use PSB outyear growth assumptions for salaries and central rates. Should these expenditures exceed caps on administrative expenditures mandated by HOF revenue sources, DCHS will need to seek other revenue sources or administrative cost savings to cover the difference.

⁵ Reserve for Encumbrances/Committed Projects reflects capital and service projects awarded and committed but not yet expended.

⁶ The Rainy Day Reserve, in accordance with the new County reserve policy, is based on 30 days of the HOF annual adopted budget, excluding various one-time and external grant supported expenditures (from sources such as term limited grant awards from State, County and various private foundations), as well as duplicated spending authorities in its adopted budget for credit enhancement and interim housing development loans. The rainy day reserve will serve to reduce and minimize disruptions to HOF programs and services in the event of unexpected revenue shortfalls.

EMPLOYMENT AND EDUCATION SERVICES

LINE OF BUSINESS

PURPOSE

Provide education, training, job placement and other services and supports that lead to employment in the community.

OUTCOMES

- Increase % of low-income youth, youth of color, and gang and justice involved youth engaged in post-secondary education or employment at program completion.
- Increase number of successful job placements for low-income adults, veterans, persons who are homeless, persons with developmental disabilities, and dislocated workers in living wage jobs.
- 65% of youth with developmental disabilities graduating from high school and enrolled in the School to Work Program exit school with a job.

PRODUCT FAMILIES

- Education services
- Training services
- Employment services
- Employer services

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
EMPLOYMENT EDUCATION RESOURCE (EN_A93600_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$23,431,575	\$23,473,776	55.28	1.00
Adjustments to 2013/2014 Adopted Budget	(1,930,429)	0	(12.00)	-1.00
Administrative Service Changes				
AC_001 Transfer of 0.25 FTE to DCHS Administration and 0.5 FTE to Human Services Levy Fund	(40,681)	0	(0.78)	0.00
AC_002 Transfer of 2.0 FTE to Veterans' Services Fund	(12,995)	0	(2.00)	0.00
Direct Service Changes				
DS_001 Expansion of Revenues	1,385,956	3,031,000	0.00	0.00
DS_002 Resource Optimization	0	611,000	0.00	0.00
DS_003 Rightsizing of Program Staff	(886,458)	(1,915,820)	(4.00)	0.00
DS_004 Clear Path to Employment	416,667	416,667	0.00	0.00
DS_005 COLA increase to YFSA and JJI contracted services	83,352	83,352	0.00	0.00
Technical Adjustments				
TA_001 Technical Adjustment to Align Budget with Current Funding	(94,554)	234,127	0.00	0.00
TA_011 COLA	13,109	0	0.00	0.00
TA_012 Step/Merit	80,521	0	0.00	0.00
TA_050 Revenue Adjustments	0	(3,501,612)	0.00	0.00
Central Rates	234,672	0	0.00	0.00
Total Decision Package	1,179,588	(1,041,286)	(6.78)	0.00
Ending Biennium FTE Count	\$22,680,734	\$22,432,490	36.50	0.00
Executive Proposed Budget	\$22,681,000	\$22,433,000	36.50	0.00
Percent Change over 2013/2014 Adopted Budget	-3.2%	-4.4%	-34.0%	-100.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Employment and Education Resources

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Employment and Education Resources is \$22.7 million with funding for 36.50 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Transfer of 0.25 FTE to DCHS Administration and 0.5 FTE to Human Services Levy Fund – (\$40,681) Expenditure / (0.78) FTE

This proposal includes two transfers of partial FTEs to align positions with the funds where work is being done. The first transfer is 0.25 FTE, for a portion of the DCHS Government Relations Officer position, to the DCHS Administration fund where the work is being performed. The second transfer is 0.50 FTE to the Human Services Levy Fund. This 0.50 FTE was already being paid for by the Human Services Levy through loan-in/loan-out labor transfers so this change is aligning the FTE in a more appropriate home fund. The remaining -0.03 FTE is being removed as a technical adjustment.

Transfer of 2.0 FTE to Veterans' Services Fund – (\$12,995) Expenditure / (2.00) FTE

This proposal moves two FTEs based in the Employment and Education Resources Fund to Veterans' Services. These positions were already being paid for by Veterans' Services through loan-out/loan-in labor transfers so this change is aligning these positions in a more appropriate home fund.

Direct Service Changes

Expansion of Revenues – \$1,385,956 Expenditure / \$3,031,000 Revenue

In an effort to mitigate projected shortfalls to the EER budget in the 2015-2016 biennium, DCHS has taken a multi-strategy approach that includes creating efficiencies and cost reductions as well as revenue generating activities. This proposal includes several potential new revenue streams being pursued or sources that have already been secured. Where possible, DCHS will use existing staff resources to support the work, thus partially mitigating staff layoffs due to other EER revenue reductions. The table below details the additional revenues included in this proposal.

HEALTH AND HUMAN SERVICES

Program	Funder	Amount
Open Doors	United Way of King County	106,000
Open Doors	Renton Technical College	300,000
National Emergency Grant	Workforce Development Council	360,000
Basic Food, Education and Training (BFET)	Department of Education	600,000
Learning Center North	Shoreline Community College	40,000
Homeless Employment Navigator	Building Changes	125,000
Face Forward	Department of Labor	1,500,000
Total Additional Revenue		3,031,000

Resource Optimization – \$611,000 Revenue

This proposal includes an increase in projected revenue as the result of potential new partnership collaborations with other King County agencies to fully utilize all available office and training space at WorkSource and YouthSource Renton. These partnerships will generate additional revenue and enhance services offered to jobseekers in King County. Potential County partnerships include the Development Disabilities Division, MHCADSD, Human Resources, Corrections, as well as the Department of Natural Resources and Parks.

Rightsizing of Program Staff – (\$886,458) Expenditure / (\$1,915,820) Revenue / (4.00) FTE

This proposal accounts for anticipated revenue reductions due to a funding reduction by the Workforce Development Council of Seattle-King County as well as the sunset of the Veteran's Aerospace Manufacturing Pilot project. The proposal also reduces the expenditure appropriation through staff reductions of 4.00 FTEs: one position funded through the Veteran's Aerospace Manufacturing Pilot program, one position funded through the WIA Dislocated Workers program, and two vacant positions. The staffing expenditure reductions are less than total funding cuts, as some staff involved with the Aerospace Manufacturing Pilot project will be shifted to support new grants and programs identified in the Expansion of Revenues proposal listed above. This proposal also includes a one-time revenue transfer from the Children and Family Services Fund.

Clear Path to Employment – \$416,667 Expenditure / \$416,667 Revenue

This proposal is to continue the Clear Path to Employment program, which is part of the Homeless Youth and Young Adult Initiative. Funded in 2014 through a one-time appropriation, this program provides paid work experience and employment services for homeless youth and young adults. The program currently serves over 100 homeless youth and is the only employment program serving homeless youth and young adults in East King County. This program was supported by the General Fund in 2014 but this proposal is for a mix of funds from the Human Services Levy and Housing Opportunity Fund to be used in the 2015/2016 biennium.

COLA increase to YFSA and JJI contracted services – \$83,352 Expenditure / \$83,352 Revenue

This proposal increases funding for all contracted services under the Youth and Family Services Association (YFSA) and Juvenile Justice Initiative (JJI) by incorporating the County COLA increase for 2015 and 2016. This COLA increase will provide YFSA and JJI service agencies the ability to sustain current service levels by aligning their budgets closer to the actual costs of providing these services. This expenditure increase is supported by General Fund revenue.

Technical Adjustments

Technical Adjustment to Align Budget with Current Funding – (\$94,554) Expenditure / \$234,127 Revenue

This technical adjustment proposal adjusts budgeted revenue and expenditure to align the budget to projected funding levels. This change will increase transparency and allow for more accurate financial monitoring.

Cost of Living Adjustment (COLA) – \$13,109 Expenditure

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit – \$80,521 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustments – (\$3,501,612) Revenue

This is a technical adjustment aligning projected revenues for the 2015/2016 biennium.

Central Rates

Central Rate Adjustments – \$234,672 Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Employment and Education Resources Fund /00002240**

Category	2013/2014 Budget¹	2013/2014 BTD Actuals²	2013/2014 Estimated³	2015/2016 Proposed	2017/2018 Projected⁴	2019/2020 Projected⁴
Beginning Fund Balance	\$ 56,069	\$ 977,472	\$ 977,472	534,052	285,808	(898,222)
Revenues						
Federal	7,534,647	5,641,913	7,567,064	8,453,985	8,453,985	8,453,985
State	1,727,292	865,580	1,658,917	1,793,572	1,793,572	1,793,572
Local				-	-	-
General Fund	1,392,500	760,000	1,392,500	6,827,594	7,148,491	7,491,618
Intergovernmental				-	-	-
Interfund Transfers	10,710,849	7,986,372	11,224,649	5,091,707	4,720,091	4,720,091
Other	1,202,181	161,095	340,762	265,632	265,632	265,632
Total Revenues	22,567,469	15,414,960	22,183,892	22,432,490	22,381,771	22,724,898
Expenditures						
Salaries, Wages & benefits	(9,041,928)	(6,751,153)	(8,892,729)	(8,530,525)	(9,085,009)	(9,684,620)
Supplies and Other	(2,269,100)	(1,600,251)	(1,428,988)	(690,828)	(690,828)	(690,828)
Central Rates	(4,199,243)	(1,778,981)	(3,774,206)	(4,349,776)	(4,680,359)	(5,036,066)
Contracted Services	(5,695,974)	(4,526,617)	(7,000,539)	(7,241,381)	(7,241,381)	(7,241,381)
Participant Costs	(1,454,409)	(1,194,864)	(1,530,850)	(1,868,224)	(1,868,224)	(1,868,224)
Total Expenditures	(22,660,654)	(15,851,866)	(22,627,312)	(22,680,734)	(23,565,801)	(24,521,119)
Estimated Underexpenditures						
Other Fund Transactions						
Total Other Fund Transactions			-	-		
Ending Fund Balance	(37,116)	540,566	534,052	285,808	(898,222)	(2,694,443)
Reserves						
Reserve for encumbrances/Committed Projects ⁵				(285,808)		
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve @30 days of expenditures ⁶	(944,194)	(990,742)	(942,805)	(945,031)	(981,908)	(1,021,713)
Total Reserves	(944,194)	(990,742)	(942,805)	(1,230,839)	(981,908)	(1,021,713)
Reserve Shortfall	981,310	450,176	408,753	945,031	1,880,131	3,716,156
Ending Undesignated Fund Balance	-	-	-	-	-	-

Financial Plan Notes:

¹ 2013/2014 Adopted Budget is based on ordinance 17476 and Ordinance 17696 (2013-14 Mid-Biennial Update).

² 2013/2014 BTD Actuals reflects actual revenues and expenditures for 2013 and through June 30, 2014, using EBS report GL_010.

³ 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and the most updated estimated revenues and expenditures as of June 2014.

⁴ Revenue projections are based the 2015/2016 budget, with the assumption that all grant revenues revenues will be renewed at the same level except for a one-time transfer from CSO, and General Fund contributions will grow by CPI. Outyear expenditure projections are based on standard PSB outyear budget assumptions for salaries & benefits and central rates.

⁵ Funding for Dislocated Worker Program has been put out for RFP by the local Workforce Development Council (WDC) in August 2014. The results of the RFP are expected to be announced at the end of September. Should King County not be renewed as the provider of these services, additional resources will be needed to backfill the loss of this funding that is allocated for existing costs associated with the operation of WorkSource Renton.

⁶ Rainy Day Reserve is calculated based on 30 days of total annual expenditures.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
COMMUNITY SERVICES OPERATING (EN_A88800_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$9,549,263	\$3,849,240	12.50	0.00
Adjustments to 2013/2014 Adopted Budget	(1,042,456)	(124,000)	0.00	0.00
Administrative Service Changes				
AC_002 Reduction in Force of Administrative Staff	(171,211)	0	(1.00)	0.00
AC_003 Replacing Revenues with General Fund Transfer	0	6,800,172	0.00	0.00
Direct Service Changes				
DS_001 Domestic Violence Services Funding	178,844	178,844	0.00	0.00
DS_002 Sexual Assault Services Funding	31,582	31,582	0.00	0.00
DS_003 Legal Services Funding	11,298	11,298	0.00	0.00
DS_004 Winter Shelter Service Funding	52,500	52,500	0.00	0.00
DS_005 Senior Services Funding	7,106	7,106	0.00	0.00
DS_007 Transfer to Employment & Education Resources	371,616	0	0.00	0.00
DS_008 Additional Domestic Violence and Legal Services Funding	664,204	0	0.00	0.00
DS_009 Additional Reduction in General Fund Transfer	(238,000)	(238,000)	0.00	0.00
Technical Adjustments				
TA_001 UAC Revenue Correction	0	(659,776)	0.00	0.00
TA_002 Correct Duplicate Entries for Special Projects	158,422	(760,000)	0.00	0.00
TA_010 Net Zero Adjustments	0	0	0.00	0.00
TA_012 Step/Merit	26,131	0	0.00	0.00
TA_023 Proforma Adjustment for DV and SA Programs Added in 2014 Mid-biennial Update	800,818	0	0.00	0.00
TA_024 Proforma Adjustment for Legal Support Programs Added in 2014 Mid-biennial Update	446,182	0	0.00	0.00
TA_029 Proforma Removal of One-time Expenditures	(960,000)	0	0.00	0.00
TA_036 Correction of Obsolete Expenditure Contras	118,352	0	0.00	0.00
Central Rates	(127,997)	0	0.00	0.00
Total Decision Package	1,369,847	5,423,726	(1.00)	0.00
Ending Biennium FTE Count	\$9,876,654	\$9,148,966	11.50	0.00
Executive Proposed Budget	\$9,877,000	\$9,149,000	11.50	0.00
Percent Change over 2013/2014 Adopted Budget	3.4%	137.7%	-8.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Community Services Operating

PROGRAM HIGHLIGHTS

This appropriation unit will become the sole appropriation unit for the Children and Family Services Fund, which will be renamed the Community Services Operating Fund. The restructuring of this fund will consolidate all revenues in this appropriation unit and replace old inter-fund transfers from CFS with direct transfers from the General Fund.

The total 2015/2016 Proposed Budget for Community Services Operating is \$9.9 million with funding for 11.50 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Reduction in Force of Administrative Staff – (\$171,211) Expenditure / (1.00) FTE

This proposal reduces one Administrative Specialist III FTE to better align with workload. The workload for this position will be absorbed by existing staff and there will be no impact to direct services or programs.

Replacing Revenues with General Fund Transfer– \$6,800,172 Revenue

This proposal is one of several administrative changes necessary to restructure the Children and Family Services Fund (to be renamed the Community Services Operating Fund) with a single appropriation unit and a single General Fund transfer. This proposal removes budgeted revenues for marriage and divorce license fees and replaces them with a single General Fund transfer aligned with estimated base budget expenditures.

Direct Service Changes

Domestic Violence Services Funding – \$178,884 Expenditure / \$178,884 Revenue

This proposal increases the base funding for domestic violence services and incorporates a COLA increase for all contracted domestic violence services in 2015 and 2016. This proposal includes funding for two domestic violence programs, previously funded through one-time Council special additions in 2013-14, to be permanently included in the base of domestic violence contracted services. The COLA increase will provide service agencies the ability to sustain current service levels by aligning their budgets closer to the actual costs of providing these services. This expenditure increase is supported by General Fund revenue.

Sexual Assault Services Funding – \$31,582 Expenditure / \$31,582 Revenue

This proposal incorporates a COLA increase for all contracted sexual assault services in 2015 and 2016. The COLA increase will provide service agencies the ability to sustain current service levels by aligning their budgets closer to the actual costs of providing these services. This expenditure increase is supported by General Fund revenue.

Legal Services Funding – \$11,298 Expenditure / \$11,298 Revenue

This proposal incorporates a COLA increase for all contracted legal services in 2015 and 2016. The COLA increase will provide service agencies the ability to sustain current service levels by aligning their budgets closer to the actual costs of providing these services. This expenditure increase is supported by General Fund revenue.

Winter Shelter Service Funding – \$52,500 Expenditure / \$52,500 Revenue

This proposal increases the base appropriation to operate the King County Men’s Winter Shelter Program and incorporates a COLA increase for all contracted winter shelter services in 2015 and 2016. For the past several years one-time supplemental budget requests have been used to increase funding for this program to meet community needs. This request proposes increasing the base budget to provide continuity and consistency for this program. This proposal is based on the estimated cost to run the winter shelter at its current location in the King County Administration Building for 5.5 months per year (November through mid-April) and 9.5 hours per night (8:30pm-6:00am). This request covers the DCHS contracted services portion of winter shelter operations. Additional facility and security costs are incurred by the Facilities Management Division. This expenditure increase is supported by General Fund revenue.

Senior Services Funding – \$7,106 Expenditure / \$7,106 Revenue

This proposal incorporates a COLA increase for all contracted senior services in 2015 and 2016. The COLA increase will provide service agencies the ability to sustain current service levels by aligning their budgets closer to the actual costs of providing these services. This expenditure increase is supported by General Fund revenue.

Transfer to Employment & Education Resources – \$371,616 Expenditure

This proposal transfers a portion of available funds in fund balance to the Employment and Education Resources Fund to offset anticipated reductions in Workforce Investment Act youth funds and other reductions.

Additional Domestic Violence and Legal Services Funding – \$664,204 Expenditure

This proposal uses available fund balance to support additional domestic violence and legal services programs that were previously funded through one-time Council special additions in 2013-14. The specific appropriations are additional funding for the Domestic Abuse Women’s Network (DAWN) and Team Child. This proposal includes COLA increases for 2015 and 2016 and will augment the base contracts for these service providers.

Additional Reduction in General Fund Transfer – (\$238,000) Expenditure / (\$238,000) Revenue

This proposal designates a 3.25% efficiency target reduction in the 2016 General Fund transfer to DCHS. The specific expenditure reductions necessary to address the 2016 reduction in General Fund revenue are yet to be determined, but will be finalized in 2015.

Technical Adjustments

UAC Revenue Correction – (\$659,776) Revenue

This technical adjustment corrects proforma revenue for the Unincorporated Area Council (UAC), which was moved out of the Children and Family Services fund on December 31st 2012.

Correct Duplicate Entries for Special Projects – \$158,422 Expenditure / (\$760,000) Revenue

This technical adjustment corrects revenue and expenditure appropriations to remove several one-time community service contract additions, including Gang Prevention and DAWN, which were duplicated during the 2013-2014 budget process.

Net Zero Adjustments – \$0 Expenditure

Net zero adjustments were made to shift expenditure authority between accounts to improve transparency and better align the budget with actual expenditures.

Step/Merit – \$26,131 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Proforma Adjustment for DV and SA Programs Added in 2014 Mid-biennial Update – \$800,818 Expenditure

This is a technical adjustment adding expenditures for domestic violence and sexual assault programs that were added to the base budget in the 2014 mid-biennial budget update.

Proforma Adjustment for Legal Support Programs Added in 2014 Mid-biennial Update – \$446,182 Expenditure

This is a technical adjustment adding expenditures for legal support programs that were added to the base budget in the 2014 mid-biennial budget update.

Proforma Removal of One-time Expenditures – (\$960,000) Expenditure

This amount reflects an adjustment of one-time budget items added in the 2014 mid-biennial budget update that should not be carried forward into the 2015/2016 biennium.

Correction of Obsolete Expenditure Contras – \$118,352 Expenditure

This is a technical adjustment removing an obsolete expenditure contra account.

Central Rates

Central Rate Adjustments – (\$127,997) Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Community Services Operating Fund⁷ / 000001421**

Category	2013/2014 Budget¹	2013/2014 Actuals²	2013/2014 Estimated³	2015/2016 Proposed	2017/2018 Projected⁴	2019/2020 Projected⁴
Beginning Fund Balance	\$ 1,245,015	\$ 1,281,498	\$ 1,281,498	970,018	242,330	38,302
Revenues						
Sales Tax	7,788,611	6,161,706	8,296,604	-	-	-
Parking Garage Fees	1,325,735	645,517	1,300,385	-	-	-
Marriage License	420,600	362,640	469,065	-	-	-
Divorce License	70,000	50,230	67,389	-	-	-
General Funds Contribution ⁸	5,689,616	2,961,333	5,689,616	6,605,730	6,916,199	7,248,177
Intergovernmental - MIDD	724,000	724,000	724,000	724,000	724,000	724,000
Interfund Transfer - Admin Overhead	1,899,850	1,039,904	2,004,282	1,814,864	1,932,830	2,060,397
Other Misc. & Interest Earnings	42,025	150,773	150,773	4,372	4,372	4,372
Total Revenues	17,960,437	12,096,103	18,702,114	9,148,966	9,577,401	10,036,946
Expenditures						
Salaries, Wages & benefits	(2,691,017)	(1,759,447)	(2,429,452)	(2,615,008)	(2,784,984)	(2,968,792)
Supplies and Other	(773,162)	(283,154)	(454,194)	(245,426)	(245,426)	(245,426)
Central Rates	(1,375,480)	(931,951)	(1,253,814)	(1,326,084)	(1,367,772)	(1,471,723)
Contracted Services	(6,396,917)	(3,528,419)	(6,396,917)	(5,383,248)	(5,383,248)	(5,383,248)
Interfund Transfers - EER	(7,700,740)	(5,397,278)	(7,700,740)	(371,616)	-	-
Interfund Transfers - HOF	(459,962)	(633,962)	(633,962)	-	-	-
2013 Committed Contracts to be paid in 2014 CONTRA EXPENDITURES (59XXX)			(116,212)	64,728		
Total Expenditures	(19,397,278)	(12,534,211)	(18,985,291)	(9,876,654)	(9,781,430)	(10,069,189)
Estimated Underexpenditures						
Other Fund Transactions						
Less unrealized investment gain		(28,303)	(28,303)			
Ending Fund Balance	(191,826)	815,087	970,018	242,330	38,302	6,058
Reserves						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve ⁵	(808,220)	(522,259)	(791,054)			
Contingency for loss of WDC EER funding ⁶			(190,471)	(242,330)		
Total Reserves	(808,220)	(522,259)	(981,525)	(242,330)	-	-
Reserve Shortfall	1,000,046	-	11,507	-	-	-
Ending Undesignated Fund Balance	-	292,829	-	-	38,302	6,058

Financial Plan Notes:

¹ 2013/2014 Adopted Budget is based on Ordinance 17476, Ordinance 17619 (2013 1st Omnibus Supplemental), Ordinance 17696 (2013-14 Mid-Biennial Updates), Ordinance 17707 (2013 2nd Omnibus Supplemental) and 2014 1st Omnibus Supplementals.

² 2013/2014 LTD Actuals reflects actual revenues and expenditures for 2013 and through June 30, 2014, using EBS report GL_010.

³ 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and estimated revenues and expenditures for 2014.

⁴ Expenditure projections are based on standard PSB outyear budget assumptions for salaries & benefits and central rates. For revenues, the General Fund transfer is increased by CPI and interfund transfers for administrative overhead are increased by standard PSB outyear budget assumptions for salaries & benefits.

⁵ Should the proposal to restructure this fund be approved for the 2015/2016 biennium, the Rainy Day Reserve will reside within the County General Fund.

⁶ Funding for the Dislocated Worker Program administered through the EER fund has been put out for RFP by the local Workforce Development Council (WDC) in August 2014. The results of the RFP are expected to be announced at the end of September. Should King County not be renewed as the provider of these services, additional resources will be needed to backfill the loss of this funding that is allocated for existing costs associated with the operation of WorkSource Renton.

⁷ This fund was previously the Children and Family Services Fund. It is being renamed in 2015 as part of a restructure of revenues, transfers, and appropriation units in this fund.

⁸ A portion of the General Fund contribution being derived from marriage license fees is restricted to fund family services (RCW 26.04.160), and a portion of the contribution being derived from divorce filing fees is restricted to fund community-based services for victims of domestic violence (RCW 36.18.016).

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
CHILDREN AND FAMILY SERVICES TRANSFER TO HUMAN SERVICES (EN_A8)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$3,836,202	(\$3,642,000)	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	(50,000)	0	0.00	0.00
Administrative Service Changes				
AC_003 Elimination of CFS Transfer to EER and HOF	(7,428,202)	0	0.00	0.00
Technical Adjustments				
TA_020 Proforma Technical Adjustment to Transfer to EER	3,642,000	0	0.00	0.00
TA_050 Revenue Adjustments	0	3,642,000	0.00	0.00
Total Decision Package	(3,786,202)	3,642,000	0.00	0.00
Executive Proposed Budget	\$0	\$0	0.00	0.00
Percent Change over 2013/2014 Adopted Budget	-100.0%	100.0%	0.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Children and Family Services Transfer to Human Services

PROGRAM HIGHLIGHTS

This appropriation unit is being removed as part of the plan to restructure the Children and Family Services Fund (to be renamed the Community Services Operating Fund) with a single appropriation unit and a single General Fund transfer.

The total 2015/2016 Proposed Budget for Children and Family Services Transfer to Human Services is \$0.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Elimination of CFS Transfer to EER and HOF – (\$7,428,202) Expenditure

This change removes all transfers to the Employment and Education Resources and Housing Opportunity funds. These transfers will be replaced by direct General Fund revenue transfers in the 2015/2016 Proposed Budget.

Technical Adjustments

Proforma Technical Adjustment to Transfer to EER – \$3,642,000 Expenditure

This technical adjustment, made during the proforma budget phase, removed a one-time adjustment to the transfer amount to the Employment and Education Fund.

Revenue Adjustments – \$3,642,000 Revenue

This is a technical adjustment to remove all revenues for this appropriation unit in the 2015/2016 biennium.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
HUMAN SVCS GF TRANSFER (EN_A69400_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$5,091,455	\$0	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	(603,889)	0	0.00	0.00
Direct Service Changes				
DS_001 Domestic Violence, Sexual Assault, Legal, Winter Shelter Expansion, and Senior Services	281,330	0	0.00	0.00
DS_002 EER Contract COLA Adjustments	83,352	0	0.00	0.00
DS_003 Transformation Plan Funding	476,000	0	0.00	0.00
DS_004 2016 General Fund Transfer Reduction	(238,000)	0	0.00	0.00
Technical Adjustments				
TA_001 Adjustment to Base Human Service Transfer	9,279,038	0	0.00	0.00
Total Decision Package	9,881,720	0	0.00	0.00
Ending Biennium FTE Count	\$14,369,286	\$0	0.00	0.00
Executive Proposed Budget	\$14,370,000	\$0	0.00	0.00
Percent Change over 2013/2014 Adopted Budget	182.2%	0.0%	0.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Human Services General Fund Transfers

PROGRAM HIGHLIGHTS

The base General Fund transfer to Human Services has changed significantly in the 2015/2016 Proposed Budget because of an administrative change to restructure and rename the Children and Family Services Fund (CFS). The current CFS Fund receives revenue from a number of sources including a portion of sales tax collections, parking garage revenue, marriage license fees, and divorce filing fees. In 2015/2016, these revenues will be rerouted to the General Fund and replaced by an equivalent direct transfer from the General Fund. CFS currently transfers funds to the Employment and Education Resources Fund (EER) and Housing Opportunity Fund (HOF). These transfers will be replaced with direct transfers from the General Fund. All administrative changes related to the CFS restructure are net zero and result in no change to revenue dedicated to programs in CFS, EER, and HOF funds. The total revenue shift associated with the CFS restructure is an increase of approximately \$9 million in the General Fund transfer to Human Services. The new base General Fund transfer to Human Services is \$13.8 million for 2015/2016.

The 2015/2016 Proposed Budget includes \$602,682 in additional General Fund transfers to DCHS, bringing the total General Fund transfer to Human Services to \$14.4 million. The additional proposed General Fund transfers are to support COLA adjustments for contracted service providers (\$244K), continued support for the Health and Human Services Transformation Plan (\$476K), additional domestic violence services previously funded through one-time Council appropriations (\$120K), and a 3.25% efficiency reduction in the General Fund transfer to Human Services to take effect in 2016 (-\$238K).

Use this page for notes.

Public Health

Use this page for notes.

PUBLIC HEALTH

Mission:

**Public Health –
Seattle & King County**

To identify and promote the conditions under which all people can live within healthy communities and can achieve optimum health.

OVERVIEW

King County Government's mission, through its Executive, County Council, Board of Health and Public Health – Seattle & King County (Public Health), is to identify and promote the conditions under which all people can live within healthy communities and can achieve optimum health.

King County's goal is to protect and improve the health and well-being of people in King County, as defined by per person healthy years lived. In the context of achieving this goal, whenever possible, King County employs strategies, policies and interventions to reduce health disparities across all segments of the population.

Public Health is organized into five operating divisions and two sections. The divisions are Community Health Services, Emergency Medical Services, Environmental Health Services, Jail Health Services, and Prevention Services. The Cross-Cutting and Business Administrative Services sections include essential public health analytic, policy and communications functions, and the department's core business infrastructure. The following is a summary of each division's base functions and services.

The Community Health Services (CHS) Division provides a wide range of public health services delivered directly from public health centers and other community-based facilities to targeted, high risk populations. As such, it is working to build an efficient, responsive clinical care system for a defined population, delivered through a framework of evidence-based medicine. In addition, the division partners and contracts with various community agencies to provide specialized services for high risk populations to effectively meet public health goals and to assure access to affordable, high quality care. CHS programs include Maternity Support Services (MSS), Primary Care/Family Health, Women, Infants & Children supplemental food and nutrition program (WIC), Family Planning, School-Based Health Centers, Oral Health, Nurse/Family Partnership, Community Health Safety Net Partnerships, Pharmacy, Interpretation Services, Health Care Access and Outreach (which enrolls people into expanded Medicaid and health insurance through the Affordable Care Act), Health Care for the Homeless, and Child Profile.

The Prevention Services Division provides the County's disease surveillance and investigation, health promotion, and communicable disease regulatory services to King County residents to prevent disease and injury, improve residents' quality of life and reduce disparities in health status. Programs within the division include the Medical Examiner's Office (MEO – a separate fund); Vital Statistics; Chronic Disease and Injury Prevention; Communicable Disease Control, Epidemiology, and Immunizations; HIV/STD Prevention and Control; Tuberculosis Prevention and Control; and the Public Health Laboratory.

The Cross-Cutting/Business Administration sections ensure the core activities of Public Health are delivered in accordance with the Public Health Operational Master Plan. The sections also include the core business functions of financial management, contracts and procurement, compliance and human

resources necessary for organizational accountability. Additional programs include Preparedness; Assessment, Policy Development and Evaluation (APDE); Policy, Community Partnerships, and Communications (PC2), which includes the Equity and Social Justice Initiative; the Board of Health; and Public Information services.

Note: The Community Health Services Division, Prevention Services Division, and Cross-Cutting/Business Administration Sections are contained within the Public Health Fund.

The Emergency Medical Services (EMS) Division is responsible for coordinating and providing pre-hospital emergency services in King County and providing regional leadership through the formation of partnerships with cities and fire departments providing EMS services in King County. Four primary programs are provided as described in the *Medic One/EMS 2014-2019 Strategic Plan*: 1) Paramedic or Advanced Life Support Services (ALS); 2) Basic Life Support Services (BLS) provided through partnership with local fire departments with partial assistance from the EMS levy; 3) Regional Support Services; and 4) Strategic Initiatives designed to improve the system. These programs are all within the EMS Fund.

The Environmental Health (EH) Division provides fee-based, grant-based and regional services focused on clean water, air, and soils; pest and toxic-free homes and businesses; safe, wholesome foods; adequate waste disposal and safe neighborhoods. EH programs include Food Protection and Living Environment, Solid Waste, Vector/Nuisance Control, Plumbing and Gas Piping, Drinking Water, Chemical Hazards, Wastewater Disposal and On-Site Maintenance, and Zoonotics. These programs are within the Environmental Health Fund.

In addition, Environmental Health administers the Local Hazardous Waste Management Program which has its own stable revenue source and its own fund.

The Jail Health Services Division is required to provide health care services to all incarcerated individuals in the King County Correctional Facility and the Maleng Regional Justice Center, and is discussed in the Criminal Justice portion of the budget.

2015/2016 Key Issues

Public Health is facing considerable financial challenges in 2015/2016. However, as a central entity in the regional health care system, Public Health is the sole County provider of certain health care functions, including Maternity Support Services for low-income women, medical examiner duties, and environmental health protection and monitoring responsibilities. Consequently, through the budget process, Public Health prioritized maintaining a basic level of core services wherever possible. At the same time, Public Health is increasingly turning to partners to help deliver critical health services. This includes innovative partnerships with Neighborcare and Healthpoint for providing primary care and with Planned Parenthood to cover family planning services. In addition, Public Health is pursuing financial partnerships with local cities, including Seattle and Federal Way to help support critical Public Health programs such as MSS, family planning, and access and outreach programs.

Major issues expected to impact Public Health over the 2015/2016 biennium are outlined below.

- **Federal and State Funding** – Public Health relies heavily on Federal and State funds to support programs. However, these sources are expected to remain flat or decline over the biennium while

costs continue to increase, contributing to an expected budget shortfall. A detailed discussion of the financial outlook for Public Health and its implications for the budget are discussed in depth below.

- **Affordable Care Act** – The Affordable Care Act (ACA) represents both risk and opportunity for Public Health. As historically underinsured populations gain access to health care for the first time, the health care sector will shift. What remains unclear, both in King County and around the nation, is what the impact of ACA will have for public health entities. Increasing numbers of insured could result in higher reimbursements for Public Health services. Alternately, it could yield declining demand as King County residents seek out alternate health care providers. Public Health is working with PSB, OEFA, and FBOD to refine its forecasting in response to ACA.
- **Environmental Health** – The Environmental Health program expects increasing demands for services as economic growth in King County continues in 2015/2016. Permits and inspections for hazardous waste, food borne illness inspections, and plumbing and gas piping are all likely to increase with fees likely to rise as well. One specific area of attention for Environmental Health will be the Vashon/Maury Island Marine Recovery Area as Public Health works with local residents to limit septic system pollution onto historic tribal shellfish beds.
- **Emergency Medical Services** -- The 2015/2016 biennium will be midway point of the EMS Levy period. The EMS program continues to work with local jurisdictions to improve services throughout the County while responding to expected population growth.

Public Health Financial Overview and Outlook

As previously discussed, the major issue for Public Health in 2015/2016 is the projected budget shortfall in the Public Health Fund.¹ Although not unexpected, cuts to state and federal funding exacerbated the problem. This includes changes in federal reimbursement policy for Medicaid Administrative Claiming (MAC) which is down from a high of \$14 million annually to less than half that amount.

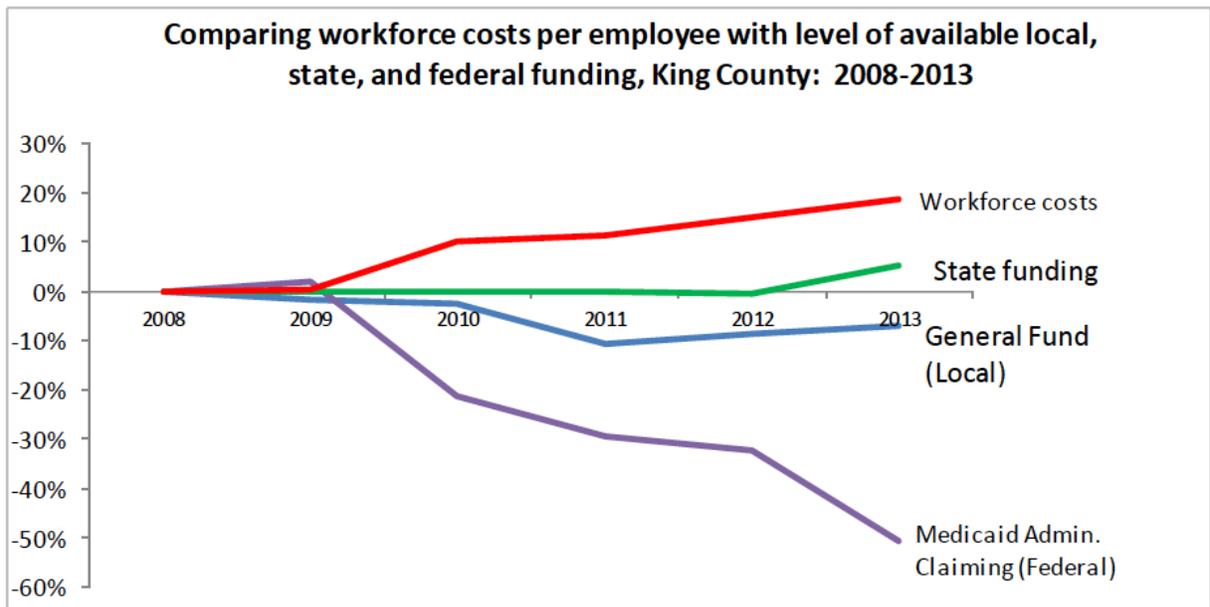
Background

The entire Public Health Department 2015/2016 Executive Proposed budget is approximately \$560 million (excluding Jail Health) and consists of several funds, of which the Public Health Fund (\$335 million) is the largest. The remaining funds are dedicated for specific purposes, such as EMS and Local Hazardous Waste. Of the \$335 million annual Public Health Fund, 17% (\$57 million) is County General Fund. The remainder is primarily federal and state funds, patient generated revenues, grants, and other categorical sources, most of which we have very limited ability to use for any other program or service other than what is dictated by the funders.

Structural Gap

For more than a decade, financing for Public Health has remained flat or decreased relative to inflation, creating an ongoing “structural gap” between the cost of services and the ability to pay for them. The recent recession intensified the problem as fewer new sources of state and federal revenue became available. The following chart compares Public Health workforce costs with funding sources over time.

¹ Note that several parts of Public Health, including Emergency Medical Services and Environmental Health regulatory programs, are not affected, and are limited in contributing to the solution because of independent funding streams restricted to specific purposes.



- Medicaid Administrative Claiming (MAC):** Evolving federal guidance and decisions impacted reimbursements to local health jurisdictions across the state for activities related to Medicaid access, outreach, and linkage services. For Public Health, the result is a severe reduction of funding from a high of \$14 million annually to less than half that amount. Public Health anticipates this reduced level of MAC funds to remain in place for 2015/2016.
- State Flexible Funding:** Historically, Public Health relied heavily on State Motor Vehicle Excise Tax (MVET) as a stable and increasing (indexed to inflation and population growth) source of funding. In 2000, the State replaced MVET with a lesser amount of funding that has remained essentially flat for over a decade.
- General Fund Support:** King County General Fund is a significant source of funding for Public Health, providing \$56 million over the biennium. However, with General Fund revenues growing at less than the rate of inflation plus population growth, Public Health is not able to rely on the General Fund to cover revenue shortfalls in other funding streams.
- Patient Generated Revenue:** With the advent of the Affordable Care Act, (ACA), the possibility exists for increased patient generated revenue. However, with Public Health forced to reduce services, it is likely Public Health will experience some productivity loss due to proposed reductions and cuts in clinical services.

2014 Changes and 2015-2016 Anticipated Shortfall

The 2014 adopted budget anticipated significant shortfall risks in 2015/2016. However, these risks came into being sooner than anticipated. Public Health is now projecting a deficit of approximately \$8.9 million by the end of 2014. This is largely due the structural gap outlined above and a loss of MAC and other revenue.

Public Health is taking steps to mitigate the budget shortfall: holding open positions across the department; shifting staff from scarce flexible funds to grant-funded positions, where possible; implementing efficiencies and increasing productivity throughout the department, with focused efforts in the public health centers; and minimizing travel and training unless paid for by others or required for certification. Some staff reductions have taken place already in the Prevention Division, Community Health Services Division, and Cross-Cutting Sections.

In addition, Public Health is working with PSB and FBOD to strengthen financial management to ensure improved forecasting of future revenues and expenses. Recent financial reviews and audits by Moss Adams, Francis and Company, and the State Auditor's Office provide guidance to this work. This priority project is aimed at improving Public Health's financial management to address the continuing funding challenge that is facing Public Health for the foreseeable future and align with best practices that support the highest standards intended by King County's financial stewardship goal.

However, although significant, these mitigation steps are insufficient to change the trajectory of Public Health's financial situation in the 2015-2016 biennium.

Budget Responses by Division/Program

Over the years, Public Health has used reserves, external grants, efficiencies, and special funding to balance its budget. There have been layoffs and reductions, including a major round in 2009. With these options largely exhausted, the department was left with proposing substantial reductions in Prevention, Community Health Services, and Cross Cutting/Administrative functions to produce a balanced budget. Most of these programs directly serve vulnerable populations. Where possible, Public Health has worked to mitigate the impact of the cuts. Highlights of the proposed reductions are summarized below.

- **Community Health Services Division:** The Community Health Services Division includes ten public health clinics. The clinics are one of the primary access points for low-income and uninsured residents to receive health services, of which MSS and WIC are the most utilized programs. Based on current capacity, 30,000 unduplicated women and infants will receive MSS services in 2014.

Since the budget gap falls most heavily on the client-based services in this division, the proposed service reductions impact five of the ten public health clinics. Overall, two health centers will be closed and three will experience either a reduction in services or a transition of services to a community partner.

The table below summarizes the reductions in the Public Health Centers:

Public Health Center Closures and Service Changes

Public Health Center	Primary Care	Dental	Family Planning	MSS/WIC
Auburn			<i>Proposed to Close</i>	<i>Proposed to Close</i>
Columbia (Rainier Valley)	<i>Shift to Community Provider</i>	No Change	<i>Proposed to Close</i>	No Change
Downtown Seattle	No change	No change		No Change
Eastgate (Bellevue)	No change	No change	No change	No change
Federal Way			No change	No change
Kent			No change	No change
North (Northgate)	<i>Shift to Community Provider</i>	<i>Proposed to remain at Lake City location</i>	<i>Proposed to Close</i>	<i>Public Health to Lease Space at Meridian</i>
Northshore (Bothell)				<i>Proposed to close Satellite operations shift to Eastgate</i>
Renton		No change		No change
Greenbridge (White Center)			<i>Shift to Community Provider</i>	No change

In addition to the clinic closures, regional programs including the Nurse Family Partnership and Family Health Educators are also proposed to be reduced, impact the number of clients receiving these services.

Taken together, these changes will decrease the number of King County residents receiving health care services from King County. The proposed closing of Auburn and Northshore Public Health Centers will reduce MSS and WIC services by 17 percent. The changes to the Nurse Family Partnership and Family Health Educator programs will also negatively impact access to services.

- Prevention Division:** In the Chronic Disease and Injury Prevention Section, proposed reductions include eliminating six positions in programs promoting the reduction of tobacco use and the spread of healthy eating and active living, particularly in underserved communities. However, pending grant applications for federal funds could offset much of these reductions. In the HIV/STD program, the division implemented changes in STD clinic hours that will result in savings without affecting access to services. Staff reductions in the STD/HIV programs (1.5 FTE) are also proposed. Finally, reductions in the Cross-Cutting Programs (below) were used to avoid reductions in the Communicable Disease, Epidemiology, and Immunizations program.
- Cross-Cutting/Business Administration Sections:** To limit the impact of reductions on Prevention and Community Health Services, the department is proposing significant reductions in its cross-cutting services related to assessment, evaluation, policy development, and community partnerships, public information, and business administration functions. In its cross-cutting services, savings occur from consolidating or eliminating management and administrative positions, reducing capacity for supporting community partnerships, and increasing grant and other revenue. Proposed reductions in the department’s central business administration sections – finance, human resources, contracts and purchasing, risk management and training – include eliminating seven positions, reducing capacity to support these functions.

Additional Responses by Division/Program

Beyond the responses to the budget shortfall outlined above, Public Health is continuing to develop and modify programs to respond to needs throughout King County. A few highlights are identified below.

- **Access & Outreach** – In anticipation of the ACA enrollment deadline in 2013, Public Health used its Access and Outreach team to enroll thousands of low income King County residents for health care benefits. Public Health believes this is a core mission of the agency and has worked to maintain as much of the Access and Outreach Teams capacity as possible in the 2015/2016 budget.
- **HHS Transformation Plan --** Public Health is the lead agency for the implementing the Health and Human Services Transformation Plan. The goal of the plan is to create a better performing health and human service system for the residents and communities of King county. The plan focuses both on individual and community outcomes and includes an innovative partnership with the Seattle Foundation. In 2014, the community-level strategy evolved into a co-designed partnership with The Seattle Foundation, called Communities of Opportunity. King County’s \$500,000 Catalyst Fund was instrumental in enabling this partnership, as was The Seattle Foundation’s commitment of \$2.5 million over five years to Communities of Opportunity. In September 2014, The Seattle Foundation and King County will jointly announce the recipients of the first funding round under Communities of Opportunity with additional funding awards expected during the 2015/2016 biennium. Ultimately, the Transformation Plan will lead to an improved health and human services delivery model at a lower cost.
- **Innovative Partnerships: Meridian Center for Health --** The north end of Seattle has a growing population of immigrants and refugees, communities of color, and seniors. Public Health is working with Neighborcare and other community partners to develop a community health and human services campus for this population. The Northend Multi-Service Center will be transformed to a campus of integrated programs. The site will offer an array of medical, dental, behavioral health, public health, and human services that are responsive to community needs and aspirations. As a result, the campus and its partners expect to expand access to services, contribute to improved health and well-being of the north Seattle community, and better manage overall costs.
- **EMS Vashon Merger and BLS Services** – EMS continues to evolve its programs to respond to King County’s diverse and growing population. Vashon Island Fire and Rescue and King County Medic One are proposing a merger to ensure high quality advanced life support services to the rural population of Vashon and Maury Island. In addition, basic life support program partners are proposing an innovative program to improve training and increase access to evolving equipment demands.
- **Environmental Health Transitioning to Online Services --** The Environmental Health Division is increasing efficiencies and improved customer service by continuing transition to online services. Customers will be able to search for, view, and print the most recent inspection status records for plumbing, backflow, gas piping permits. Contractors and owners can print the status PDF form from our website to demonstrate a permit has received final approval or that a scheduled inspection has been completed so construction can move forward. Pool customers are also able to view or print a PDF of their permit status. These enhancements save time and money for both customers and Public Health.
- **Lean in Public Health:** Public Health is continuing to incorporate Lean techniques in evaluating its programs, using them successfully in Environmental Health Services, Community Health Services

and Jail Health Services to improve efficiency, reduce costs, decrease error and better meet customer needs. The department's financial circumstances necessitate streamlining our work and improving the effectiveness of our programs and services. Our aim is to use public resources wisely and build Public Health's long-term financial strength.

Please refer to the decision package discussion for specific budget changes.

Strategies for a 2017/2018 Balanced Budget

The above actions reduced the projected 2015/2016 budget gap substantially and maintained as many core Public Health and client services as possible until a more stable funding source can be identified. However, to avoid even deeper cuts to client services, Public Health is projecting to end 2016 with a negative fund balance in the Public Health Fund of approximately \$2.5M, or 0.75% of the fund. The goal over the next two budget cycles is to develop stable, long term solutions that will achieve a zero or positive fund balance by the end of the 2017/2018 budget period.

As noted earlier, the Public Health Fund faces a structural funding gap, particularly in its clinic operations, where the rate of growth in federal, state, and local funding falls well short of the normal inflationary costs of providing quality services to clients. While Public Health will continue to look for additional opportunities to improve efficiencies and increase savings, these efforts will not alone offset this deficit or resolve the structural funding gap. Consequently, Public Health will work with its partners to pursue strategies that allow it to continue its core responsibilities for preventing disease and injury, improving County residents' quality of life, and reducing disparities in health status. Two potential strategies for achieving fiscal health are outlined below.

- **Stable, consistent revenue source:** Public health needs a stable source of long-term funding with which to support its operations and achieve its overall mission for King County residents. This could be accomplished through one or a combination of approaches at the federal, state, and local levels. While changes at the federal level could result in additional revenue for clinic services, realistically the emphasis will be to work at the state and local levels and with partners to enhance existing funding streams and/or identify new ones.
- **Transition care to community providers:** Absent sufficient revenue, Public Health may be forced to reduce services further, particularly where the structural gap exists in clinic-based services. To accomplish this, the department would seek to transition clients to other providers in the community with the least disruption to their care. Despite best efforts, coverage gaps could emerge, leaving some clients without services.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ) and the continued effort to find efficiencies throughout the government.

Equity and Social Justice: Based on King County's Strategic Plan, the Equity & Social Justice ordinance and the PHOMP (with the principles of "driven by social justice" and "center on community"), equity is central to the mission of the department. Public Health aims to employ strategies, policies and

interventions to reduce health inequities across its functions of health protection, promotion and provision. Equity is woven into budget decision-making, program planning, policy development, grant making and seeking, collaborations and engagement of communities, and organizational practices such as human resources. Public Health also supports the manager of countywide ESJ efforts.

Each Public Health division articulates its own goals for achieving equity and social justice in its operations and impacts. Through its clinics, Public Health serves people who lack health insurance as well low income King County residents that qualify for Medicaid. Clinic clients are disproportionately people of color, recent immigrants, and people with limited English proficiency. Prevention and Preparedness programs focus on populations and areas within King County with the highest needs. Other Public Health services (Environmental Health, Medical Examiner, etc.) proactively pursue service equity through initiatives such as training for staff and partners and building community engagement infrastructure.

The following are some program-specific examples of ESJ efforts.

- The Prevention Division aims to prevent chronic diseases that disproportionately affect low income communities and communities of color, and focuses programmatic efforts on the populations most affected by obesity and tobacco prevention (by race, income, area of the county, and disease rates).
- The Preparedness Division addresses the communities who are most adversely impacted and often overlooked during emergencies via the Vulnerable Populations Action Team.
- Local Hazardous Waste seeks to improve and expand its outreach to traditionally underserved communities, including work to reduce the exposure of low income residents to indoor pesticides.
- The Administrative Division, and Policy, Community Partnerships and Communications incorporates equity and social justice principles in institutional policies and procedures and in the development of federal and state legislative priorities; and leads and contributes to countywide efforts to communicate effectively to vulnerable populations.

While many of the department's ESJ efforts will continue, as discussed, the service reductions proposed in Public Health's 2015/2016 budget will have significant ESJ impacts. The department's client services support primarily low-income and other historically underserved populations. In particular, the service reductions in the clinics will impact Family Planning services, reproductive health education and access services for teens and high risk populations, Maternity Support Services (MSS) and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) for current and future clients served by those public health centers. The loss of these services impacts the following determinants of equity for residents in affected communities:

1. **Access to Health and Human Services:** The proposed changes will reduce access to Maternity Support Services and WIC nutrition services at two centers (Auburn and Northshore) and Family Planning services at three centers (North, Columbia, and Auburn). As a result, there will be increased inequity in access to these critical services in the affected communities.
 - MSS: Public Health provides 94% of all MSS services in King County; the loss of MSS and infant case management (ICM) services may make women at risk for more pre-term and low birth weight births.

- **WIC:** Low-income pregnant women and children will be at higher risk for food insecurity, potentially impacting prematurity and low-birth weight rates and child growth and development.
 - **Family Planning:** Loss of family planning and health education services may result in an increase in unintended pregnancies, teen pregnancies, and prevalence of sexually transmitted infections (STIs).
- 2. Access to Affordable, Healthy, Local Food:** The program reductions will result in reduced access to WIC nutrition services, which provide monthly payments for healthy food to low-income pregnant women and children age five and younger.
- 3. Early Childhood Development**
- Maternity Support Services lay the ground work for long-term health. Infant Case Management helps families access medical, social, educational and other services for high-risk infants. Loss of these services may result in increased infant and child morbidity, mortality and overall quality of life.
 - Family Planning services promote healthier women and families, better birth outcomes, child development and educational and economic opportunity, and helps clients prevent unintended pregnancies. Loss of access to publicly funded services may potentially result in 288 unintended pregnancies per 1,000 women in the first year.

Public Health and King County's key challenge is to limit many of these impacts by working with community partners to transition clients to similar services.

Efficiencies: With the support of the Executive's lead Lean agency, PSB, Public Health is pursuing efficiencies and improved outcomes through the use of Lean across many of its divisions. As an early adopter of Lean, Jail Health Services has implemented Lean practices across the division and in collaboration with Department of Adult and Juvenile Detention (discussed further in criminal justice portion of the budget). In Community Health Services Division (CHS), a broad array of continuous improvement thinking and tools are supporting a focus on creating standard work and standardizing workflows across clinics. One of CHS's aims is to increase the number of patient visits and maintain the quality of services. This improvement work has increased volume of client visits. Last October, CHS achieved 88% of its system target for client visits. At the end of the first quarter of 2014, CHS was at 98% of a higher target. In addition, improved processes now exist for referral management, family planning clinic flow, inventory management, WIC-MSS clinic flow, administrative client processes, charge nurses, Primary Care clinic flow, hiring processes, health insurance enrollment, and other areas. The number of forms required has been reduced to complete a process, resulting in reduced client wait times, eliminated provider interruptions during a visit with a client, and decreased inventory stock among other process improvements.

As these examples illustrate, the department has a strong foundation for using Lean to improve practices, support quality outcomes, and reduce costs. Moreover, increasing the use of Lean is an emphasis of the department, particularly in the areas facing financial challenges in the next biennium.

PROVISION OF HEALTH

LINE OF BUSINESS

PURPOSE

Assure access to health quality health care and essential services for all populations.

OUTCOMES

- Stabilized and sustainable funding for provision LOB
- Reduce toxic stress and adverse childhood experiences
- Increase number of King County residents with health insurance coverage
- Quality and timely health care services that meet the medical needs of individuals detained in KC correctional facilities, PH Centers, and other service locations
- Quality and timely Advanced Life Support (ALS) and Basic Life Support (BLS) responses to emergency medical patients

PRODUCT FAMILIES

- Emergency medical services
- Screening and treatment (medical, dental, and behavioral) for inmates at King County jails
- Health (Primary care, dental, and maternal child health) services provided at PHSKC Health Centers and at other direct service locations
- Outreach, enrollment, and linkage to community services and resources
- Triple Aim Strategies

PROTECTION OF HEALTH

LINE OF BUSINESS

PURPOSE

Track and prevent disease and other threats; regulate dangerous environmental and workplace exposures; and ensure the safety of water, air, and food.

OUTCOMES

- Rapid investigation and coordinated response to all potential health hazards
- Reduce exposure to communicable disease and hazardous materials
- Safe food, air, and water

PRODUCT FAMILIES

- Inspections, permitting, and enforcement
- Disease Surveillance & Control
- Outreach & Education
- Incident Preparedness and Management
- Laboratory Testing

PROMOTION OF HEALTH

LINE OF BUSINESS

PURPOSE

Promote health and prevent chronic conditions and injuries.

OUTCOMES

- Increase number of healthy years lived
 - Decrease rates of tobacco use and obesity
 - Decrease rates of preventable illness
 - Decrease rates of injury related deaths
- Reduce health disparities

PRODUCT FAMILIES

- Cross-sector health improvement strategies, e.g. P/S/E change
- Public Health Education
- Death investigations and authorizations
- Data

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PUBLIC HEALTH (EN_A80000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$481,753,452	\$480,906,558	1,115.57	11.83
Adjustments to 2013/2014 Adopted Budget	23,581,042	(5,878,397)	(16.81)	-6.33
Administrative Service Changes				
AC_001 Health Information Technology (HIT) Implementation Cost	2,017,914	0	6.00	0.00
AC_003 SciQuest Annual Fee	17,000	0	0.00	0.00
AC_004 Increase Costs Associated With ICD-10 Compliance	35,000	0	0.00	0.00
AC_005 DPH/KCIT Administrative Support Reduction	(188,979)	0	(1.00)	0.00
AC_007 Health and Human Services Transformation Plan Implementation	228,483	476,000	0.00	0.00
AC_008 Business Standards and Accountability - Admin Staff Increase	24,502	0	0.20	0.00
AC_010 Eliminate Grants Contingency Reserve	(13,288,964)	(15,869,446)	0.00	0.00
AC_011 Property Sales	0	6,000,000	0.00	0.00
AC_018 Health Information Management Costs for Clinic Closures	362,566	0	2.00	0.00
AC_042 Eliminate Chinook 9th Floor Reception Position	(155,410)	0	(1.00)	0.00
AC_081 Creation of Environmental Health Fund: Staff Positions	(30,383,109)	0	(133.25)	0.00
AC_082 Creation of Environmental Health Fund: Revenue & Expenditures	(13,906,054)	(54,990,683)	0.00	0.00
AC_083 Transfer EMS Grants into EMS Fund in 2016	(1,798,648)	(2,151,041)	(8.35)	0.00
AC_300 Office of the Director Efficiency - Chief of Staff abrogation	(437,496)	0	(1.00)	0.00
AC_301 Public Health Finance Section Efficiencies	(101,223)	0	(0.20)	0.00
AC_302 Staffing Efficiencies in the Provision Assurance Section	(369,257)	0	(1.60)	0.00
AC_303 Pharmacy Chief Efficiencies	(275,476)	0	(0.50)	0.00
AC_304 Assessment and Policy Development, Evaluation (APDE) Section Efficiencies	(410,103)	0	(1.50)	0.00
AC_305 Nursing Professional Services Efficiencies	(96,894)	0	(0.40)	0.00
AC_306 Contract, Procurement and Real Estate Services (CPRES) Section Efficiencies	(626,323)	0	(3.00)	0.00
AC_307 WIC/MSS Rebalancing to Productivity and Utilization	(2,448,941)	0	(10.90)	0.00
AC_309 Reduction/Elimination of Administration Division Non-Labor Accounts	(171,682)	0	0.00	0.00
AC_320 STD Program Efficiencies	(807,324)	0	(0.50)	0.00
AC_321 TB Control Program: Pharmacy Efficiency	(79,852)	0	0.00	0.00
AC_343 Administration Staff Efficiencies	(749,888)	0	(3.50)	0.00

FOOTNOTES:

- The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PUBLIC HEALTH (EN_A80000_Input)**

		Appropriation	Estimated Revenues	Regular FTEs	TLTs
	Title	2015/2016	2015/2016	Dec 2016	Dec 2016
AC_344	Business Standards and Accountability Section Efficiencies	(84,010)	0	(0.40)	0.00
AC_345	Policy Community Partnership Communications (PC2) Section Efficiencies	(1,730,549)	0	(7.00)	0.00
Direct Service Changes					
DS_001	Hepatitis C Virus Test and Cure Project	3,018,550	3,100,000	5.55	1.00
DS_002	Advancing Equity and Social Justice in King County	1,126,052	1,100,000	3.00	0.00
DS_003	Involuntary Separation Costs Related to DPH Employees	2,150,893	1,100,000	0.00	0.00
DS_004	Reduction of General Fund Transfer	0	(488,000)	0.00	0.00
DS_005	WIC Program Changes Related to Current Funding Levels	(523,199)	(1,093,296)	(1.00)	0.00
DS_006	New Family Planning Health Education Grant	0	250,000	0.00	0.00
DS_007	Parent and Child Health Outreach Contract Reductions	(1,931,238)	(1,888,965)	0.00	0.00
DS_010	City of Seattle Partnership	0	800,000	0.00	0.00
DS_011	Federal Way Partnership	0	221,000	0.00	0.00
DS_012	Metro Transit Partnership for Low Income Fare Program	0	800,000	0.00	0.00
DS_017	NAVOS Increase to Full Time Clinic and Revenue Increases	421,408	1,613,214	1.25	0.00
DS_018	Early Intervention Program/Early Family Support Services Rightsizing	(486,668)	(879,921)	(2.00)	0.00
DS_019	Pharmacy Move from North Public Health Center to Eastgate	0	0	0.00	0.00
DS_020	North Closure of Primary Care	(6,846,224)	(3,660,629)	(31.20)	0.00
DS_021	Health Care for the Homeless Funding and Contract Changes	(95,717)	402,977	(2.75)	0.00
DS_023	Auburn PHC Closure	(8,613,807)	(7,082,325)	(37.60)	0.00
DS_024	Columbia Public Health Center - Primary Care and Family Planning Shift to Neighborcare	(9,328,954)	(6,253,512)	(38.20)	0.00
DS_026	Shift of Greenbridge Public Health Center Family Planning Services to Community Partner	(2,497,743)	(1,136,624)	(10.30)	0.00
DS_027	Family Planning New Model	118,157	150,764	0.40	0.00
DS_028	Health Educator Reductions	(726,481)	(180,000)	(3.80)	0.00
DS_029	Access and Outreach Program Changes	168,385	0	0.00	1.00
DS_030	Nurse Family Partnership Reductions	(631,341)	(293,874)	(2.50)	0.00
DS_031	Closure of North Shore Public Health Center	0	(2,100)	0.00	0.00
DS_032	Closure of North Shore Public Health Center	480,000	1	0.00	0.00
DS_033	Closure of North Shore Public Health Center	(981,610)	(444,380)	(4.50)	0.00
DS_034	Closure of North Shore Public Health Center	(1,583,962)	(1,242,098)	(5.50)	0.00

FOOTNOTES:

- The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PUBLIC HEALTH (EN_A80000_Input)**

		Appropriation	Estimated Revenues	Regular FTEs	TLTs
	Title	2015/2016	2015/2016	Dec 2016	Dec 2016
DS_036	Chronic Disease and Injury Prevention section Grant Changes	220,302	324,397	(1.80)	0.00
DS_037	Shift Dept Resources to Preserve Infectious Disease Prevention and Control Programs	0	286,000	0.00	0.00
DS_039	Gun Violence Prevention/Child Death Review	296,147	0	0.00	1.00
DS_040	Lab Service Reductions for STD Testing	(292,216)	(286,922)	(1.00)	0.00
DS_041	Chronic Disease and Injury Prevention Section Reductions	(1,675,293)	(1,100,000)	(4.65)	0.00
DS_043	HIV/STD Grant Changes and Service Reductions	794,650	(536,305)	(1.00)	0.00
DS_083	On-site Septic and Drinking Water Program	235,331	250,000	0.00	1.00
DS_084	Shift Department Resources to support Public Health Veterinarian and Zoonotic Work.	(88,682)	0	(0.25)	0.00
DS_086	Expenditure Contra	(2,000,000)	0	0.00	0.00
Technical Adjustments					
TA_100	Central Rate Reallocation	(4,521,546)	0	0.00	0.00
TA_110	Community Services Area Contribution Update	(3,976)	0	0.00	0.00
TA_001	Elimination of Erroneous Contra Expenditure	20,000	0	0.00	0.00
TA_002	Remove Indirect Cost Expenditure Accounts from Closed Project	395,235	0	0.00	0.00
TA_003	Eliminate Non Labor Expenditure Authority in Closed Preparedness Projects	(1,247,116)	0	0.00	0.00
TA_004	Adjust Preparedness Program Exenditures to Align with Revenue	430,463	(346,726)	0.00	0.00
TA_005	Remove Contra for Consumption of KCIT Services by EMS	1,527,443	0	0.00	0.00
TA_006	Distribute Chiefs' Costs to Operating Divisions	30,407	0	0.00	0.00
TA_009	Remove Double Budgeting Associated with Overhead	(68,717,066)	(68,717,067)	0.00	0.00
TA_010	Miscellaneous Net-zero Adjustments	(36,763)	3,398,578	0.00	0.00
TA_011	COLA	92,016	0	0.00	0.00
TA_013	Vacancy Rate Adjustment	(10,126,000)	0	0.00	0.00
TA_016	Merge North Family Planning into Primary Care for 2015-16	(15,288)	(10,797)	0.00	0.00
TA_017	2014 Relocations (Renton, Kent, and NFP moves)	0	(30,000)	0.00	0.00
TA_018	True Up Position FTEs to Current (2014) FTE Levels	(519,323)	0	(0.30)	0.00
TA_019	Community and School Based Programs Grant/Contract True-up	(1,520,626)	(1,591,894)	0.00	0.00
TA_020	Access and Outreach Grant/Contract True-up	688,000	1,580,280	0.00	0.00
TA_021	PHC Program and Center Expenditure and Revenue True up	(1,175,578)	(961,065)	(1.00)	0.00
TA_025	Elimination of Screening, Brief Intervention, and Referral to Treatment grant at North and Downtown	0	(427,962)	0.00	0.00

FOOTNOTES:

- The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PUBLIC HEALTH (EN_A80000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
TA_027 True Up Longevity to Projected Costs and Reallocate to Correct Projects	(69,498)	0	0.00	0.00
TA_029 Patient Generated Revenue Updated Projection	0	(1,493,166)	0.00	0.00
TA_033 Direct Distributed Reallocation	7,895	0	0.00	0.00
TA_035 Child Profile Contract True up	(226,015)	(192,200)	(1.00)	0.00
TA_036 CDIP Tech Adjustments - Accounting Structure Re-org	120,834	0	0.00	0.00
TA_037 Communicable Disease Technical Adjustments	(57,464)	146,216	0.00	0.00
TA_038 HIV Technical Adjustments	313,319	237,257	(0.25)	0.00
TA_039 STD Technical Adjustments	(921,344)	(80,310)	0.00	0.00
TA_040 TB Control Technical Adjustments	(38,779)	(27,320)	0.00	0.00
TA_041 Lab Technical Adjustments	72,987	260,644	0.00	0.00
TA_042 CDIP Cleanup/Prev Admin Technical Adjustments	239,226	72,000	0.00	0.00
TA_043 Vital Stats Technical Adjustments	(74,443)	(154,046)	0.00	0.00
TA_044 Technical Adjustments to Allocate Direct Distributed Costs for Prevention Division	(310,677)	0	0.00	0.00
TA_050 Revenue Adjustment	0	(2,462,489)	0.00	0.00
TA_061 EMS Online Adjustments	260,064	893,500	0.00	0.00
TA_062 Grants - CEEMS adjustments	(239,717)	91,162	0.00	0.00
TA_063 EMS Miscellaneous Grants Update	50,000	50,000	0.00	0.00
TA_081 Tacoma Smelter Plume Update	370,000	900,000	0.00	0.00
TA_082 Pollution Identification and Control Grant Update	250,000	250,000	0.00	0.00
TA_083 Pollution Identification and Control & Local Hazardous Waste Program Grant renewal	0	375,000	0.00	0.00
TA_096 Vehicle Lease and Garage Cost Allocation	(1,817,848)	0	0.00	0.00
TA_097 Cola, Step/Merit, and Vacancy Redistribution	0	0	0.00	0.00
TA_098 General Fund Redistribution to Medical Examiner's Office	0	(420,687)	0.00	0.00
TA_099 Overhead and Indirect Allocations	(8,274,353)	0	0.00	0.00
Central Rates	1,411,368	0	0.00	0.00
Total Decision Package	(188,332,139)	(151,366,861)	(306.30)	4.00
Ending Biennium FTE Count	\$317,002,355	\$323,661,301	792.46	9.50
Executive Proposed Budget	\$317,003,000	\$323,662,000	812.13	9.50
Percent Change over 2013/2014 Adopted Budget	-34.2%	-32.7%	-27.2%	-19.7%

FOOTNOTES:

- The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Public Health

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Public Health is \$317.0 million with funding for 793.13 FTEs and 9.5 TLTs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Health Information Technology (HIT) Implementation Cost -- \$2,017,913 Expenditure / 6.0 FTE

This reflects the ongoing implementation costs for HIT and its distribution to the various Public Health programs.

SciQuest Annual Fee -- \$17,000 Expenditure

This decision package represents the annual fee for records management software provided by SciQuest. Public Health uses this software to maintain records on all contracts with outside entities.

Increase Costs Associated With ICD-10 Compliance -- \$35,000 Expenditure

This decision package reflects the expected increased costs related to compliance with recent revisions to the International Statistical Classification of Disease and Related Health Problems (ICD-10). Public Health is required to comply with the changes by Oct 2015 and is increasing staff costs and consultant budgets to ensure compliance

DPH/KCIT Administrative Support Reduction – (\$188,979) Expenditure / (1.0) FTE

This proposal reduces administrative support to the Public Health CFO and KCIT Service Delivery Manager. The CFO and SDM will rely on support from other areas within Public Health and KCIT.

HHS Services Transformation Plan Implementation – \$228,482 Expenditure / \$476,000 Revenue

The Health and Human Services Transformation Plan is a three year effort to improve delivery of services across the health and human services spectrum. This represents ongoing support to Transformation Plan staff (also supported by DCHS). The staff is housed within Public Health

Business Standards and Accountability - Admin Staff Increase - \$24,502 Expenditure / 0.20 FTE

This decision package increases the staffing level from a 0.60 FTE to a 0.80 FTE for the administrative position charged with processing medical records releases. This 0.20 FTE increase aligns the workload with the FTE capacity.

Eliminate Grants Contingency Reserve – (\$13,288,964) Expenditure / (\$15,869,446) Revenue

This decision package eliminates Public Health's grants contingency reserve. Rather than drawing on the reserve when new grants are received, Public Health will now submit supplemental requests for new grants. This change increases financial transparency within Public Health.

Property Sales -- \$6,000,000 Revenue

This decision package represents the projected revenue from the sales of the Auburn, Renton, and North Shore Public Health centers.

Health Information Management Costs for Clinic Closures - \$362,565 Expenditure / 2.0 FTE

Public Health will be closing health clinics as part of balancing the budget. This proposal represents the estimated costs associated with properly managing the medical records for the clinics being closed

Eliminate Chinook 9th Floor Reception Position – (\$155,410) Expenditure / (1.0) FTE

This decision package revises the Public Health budget to reflect the elimination of an administrative position that occurred in July 2014. This elimination was made to address the 2014 deficit.

Creation of EH Fund: Staff Positions – (\$30,383,109) Expenditure / (133.25) FTE

This reflects the decision to move the Environmental Health Division out of the Public Health fund and into its own fund. This decision package moves the staff positions to the new fund

Creation of EH Fund: Revenue and Expenditure – (\$13,906,054) Expenditure / (\$54,990,683) Revenue

This reflects the decision to move the Environmental Health Division out of the Public Health fund and into its own fund. This decision package moves the revenue and expenditure to the new fund.

Transfer EMS Grants to EMS Fund in 2016 – (\$1,798,648) Expenditure / (\$2,151,041) Revenue / (8.35) FTE

This decision package transfers EMS grant and other revenue to the EMS fund beginning in 2016. This should increase transparency and improve management of the Public Health Fund.

Office of the Director Efficiency - Chief of Staff Abrogation – (\$437,495) Expenditure / (1.0) FTE

This decision reflects an efficiency achieved through abrogating the existing Chief of Staff position and shifting responsibilities to the Medical Chief position

Public Health Finance Section Efficiencies – (\$101,223) Expenditure / (0.20) FTE

This change reflects efficiencies in the Public Health Financial Services Section from an evaluation of existing position and improved matching of job skills with job classifications

Staffing Efficiencies in the Provision Assurance Section – (\$369,257) Expenditure / (1.60) FTE

This change reflects a 1.60 FTE reduction in the Provision Assurance Section following an evaluation of ways to maintain existing services at reduced costs. The positions eliminated are a 1.0 FTE Administrative Staff Assistant and a 0.60 advanced practical nurse focused on implementing quality improvement measures in the Provision Assurance Section

Pharmacy Chief Efficiencies – (\$275,476) Expenditure / (0.50) FTE

This decision package reallocates work that must be completed by licensed pharmacy personnel to existing pharmacy supervisors. The Pharmacy Chief position will be abrogated as an efficiency

Assessment and Policy Development, Evaluation Section Efficiencies – (\$410,103) Expenditure / (1.50) FTE

This proposal is a cost saving measure achieved by reducing two staff positions who work department wide (1.0 FTE working on quality improvement and 0.50 librarian assistant). Responsibilities will now be handled within individual Public Health divisions.

Nursing Professional Services Efficiencies – (\$96,894) Expenditure / (0.40) FTE

This decision package reduces two 1.0 FTE positions in the Nursing Professional Services program to 0.80 FTE. The two positions are a Nurse Recruiter and an Advanced Practical Nurse Specialist. The body of work of these two positions can be accomplished with lower FTE authority resulting in savings.

CPRES Section Efficiencies – (\$626,323) Expenditure / (3.0) FTE

This decision package abrogates three positions within the Contract, Procurement and Real Estate Services (CPRES) section yielding Public Health savings. The three positions eliminated include two administrative positions and a truck driver

WIC/MSS Rebalancing to Productivity and Utilization – (\$2,448,941) Expenditure / (10.90) FTE

This decision package adjusts staffing at Public Health clinics to reflect actual utilization of WIC/MSS services. Staff changes include nurse and dietician positions. Seven of these positions are vacant.

Reduction/Elimination of Admin Division Non-Labor Accounts – (\$171,682) Expenditure

This decision package reduces or eliminates non-labor accounts in the Administration Division that are no longer needed due to cost reductions or excess expenditure authority

STD Program Efficiencies – (\$807,324) Expenditure / (0.50) FTE

This decision package generates cost savings for Public Health by changing operating hours for the STD clinic at Harborview Medical Center and reducing staffing. These changes are not expected to impact service delivery.

TB Control Program: Pharmacy Efficiency – (\$79,852) Expenditure

This proposal shifts prescription medication purchases for the TB Control Program from Harborview Medical Center to the downtown Public Health pharmacy. This shift was made as a mid-year efficiency in 2014 and will be continued in 2015/16.

Administration Staff Efficiencies – (\$749,888) Expenditure / (3.50) FTE

This proposed efficiency yields cost savings by reducing 3.50 FTE from general Public Health administrative support. The specific positions being reduced include a Communication Specialist being reduced to 0.50 FTE from 1.0 FTE and abrogating two 1.0 FTE human resource positions.

Business Standards and Accountability Section Efficiencies – (\$84,010) Expenditure / (0.40) FTE

This decision package reduces two 1.0 FTE positions (a training coordinator and a risk manager) in the Business Standards and Accountability Section to part time in order to provide cost savings to Public Health.

PC2 Section Efficiencies – (\$1,730,549) Expenditure / (7.0) FTE

This proposal reduces staffing in the Policy Community Partnership Communications (PC2) program to match anticipated 2015/16 revenues. The reduction includes a Regional Health Administrator and a Grants Manager.

Direct Service Change

Hepatitis C Virus Test and Cure Project -- \$3,018,550 Expenditure / \$3,100,000 Revenue / 5.55 FTE / 1.00 TLT

This decision package implements a 4-year, \$6.2M federal grant from the Center for Disease Control (CDC) to coordinate the Hepatitis C Virus (HCV) Test and Cure (HCV-TAC) project. The grant, which begins September 30, 2014, will provide funding to find, treat and cure King County residents living with hepatitis C. The funds will support 5.55 new FTE and 1.0 TLT

Advancing Equity and Social Justice in King County -- \$1,126,052 Expenditure / \$1,100,000 Revenue / 3.0 FTE

This decision package provides funding for Equity and Social Justice and Limited English Proficiency efforts to better include marginalized communities in county decision making and to increase their access to county services. The funds will be used to cover staff costs and costs associated with outreach and training efforts.

Involuntary Separation Costs Related to DPH Employees – \$2,150,893 Expenditure / \$1,100,000 Revenue

This decision package reflects the aggregated costs associated with the various staff reductions outlined in the Public Health budget.

Reduction of General Fund Transfer – (\$488,000) Revenue

This decision package reflects the County-wide mandated reduction in General Fund by all agencies. The Public Health Fund (outside of CFS) will contribute the 3.25% reduction in 2016 only.

WIC Changes to Current Funding – (\$523,199) Expenditure / (\$1,093,296) Revenue / (1.0) FTE

This decision package reflects reductions to the Women, Infant, and Children (WIC) program revenue and expenditures from expected decreased case loads and reduced state funding.

New Family Planning Health Education Grant – \$250,000 Revenue

This proposal adds \$250,000 from a grant to support expansion of Public Health's FLASH sexual health curriculum. Two 1.0 FTE health educators will be reclassified to carry out this work.

Parent and Child Health Outreach Reductions – (\$1,931,238) Expenditure / (\$1,888,965) Revenue

This decision package reflects that Public Health will not renew its contract with United Way for Parent and Child Health Outreach, which serves as a pass through to Neurodevelopment Centers. United Way will enter into contracts directly with the Neurodevelopment Centers.

City of Seattle Partnership – \$800,000 Revenue

This decision package reflects additional revenue over the 2015/2016 biennium to support specific Seattle-based programs. These include the Greenbridge Public Health Center, the Gun Violence Prevention program, the HIV/STD program, and the Access and Outreach program.

Federal Way Partnership – \$221,000 Revenue

This decision package reflects additional revenue from the City of Federal Way over the 2015/2016 biennium to support the Federal Way Public Health Center

Metro Transit Partnership for Low Income Fare Program -- \$800,000 Revenue

This proposal reflects a partnership between Transit and Public Health where Public Health Access and Outreach workers will assist in the administration and outreach for Transit's Low Income Fare program

NAVOS Increase to Full Time Clinic -- \$421,408 Expenditure / \$1,613,214 Revenue / 1.25 FTE

This decision package reflects increase demand at the Public Health Navos Primary Care Clinic following the integration of behavioral health and primary care services. This decision package includes increased revenue and expenditure assumptions as well as staff increases to meet increased demand.

Early Intervention Program/Early Family Support Services Rightsizing – (\$486,668) Expenditure / (\$879,921) Revenue / (2.0) FTE

This decision package reflects staff reductions made in 2014 to reduce the budget gap in the Early Intervention Project contract for families involved in Child Protective Services. It also adds revenue and expenditures for a new Promoting First Relationships contract with Washington State.

Pharmacy Move from North Public Health Center to Eastgate - \$0

This decision package shifts the onsite pharmacy currently at the North Public Health Center to the Eastgate Public Health Center. This reflects the transition of primary care at the North Public Health Center to Healthpoint in early 2015.

North Closure of Primary Care – (\$3,993,480) Expenditure / (\$2,272,557) Revenue / (29.20) FTE

Together with DP_025, this proposal shifts primary care at the North Public Health Center to Neighborcare beginning January 1, 2015. This shift allows Public Health to focus on its core competencies while ensuring that clients continue to receive primary care services.

HCH Funding and Contract Changes – (\$95,717) Expenditure / \$402,977 Revenue / (2.75) FTE

This decision package modifies several changes in the Health Care for the Homeless (HCH) program. These include increased revenues from the Veterans and Human Services Levy, decreased revenues from federal sources, and staff reductions to balance the program budget.

Auburn PHC Closure – (\$8,613,807) Expenditure / (\$7,082,325) Revenue / (37.60) FTE

This proposal closes the Auburn Public Health Center. It is the result of the decreased revenues (MAC, State, and Patient Generated) in the CHS division.

Columbia Public Health Center - Primary Care and Family Planning Shift to Neighborcare – (\$9,328,954) Expenditure / (\$6,253,512) Revenue / (38.20) FTE

This decision package shifts primary care and family planning to Neighborcare. Public Health will continue to provide Dental, WIC/MSS and Nurse Family Partnership services at this site.

North Closure of Primary Care – (\$2,932,774) Expenditure / (\$1,388,071) Revenue / (2.00) FTE

Together with DP_020, this proposal shifts primary care at the North Public Health Center to Neighborcare beginning January 1, 2015. This shift allows Public Health to focus on its core competencies while ensuring that clients continue to receive primary care services.

Shift of Greenbridge Public Health Center Family Planning Services to Community Partner – (\$2,497,743) Expenditure / (\$1,136,624) Revenue / (10.30) FTE

This proposal reflects the shift of family planning services to Planned Parenthood. Public Health will continue to provide MSS/WIC services at Greenbridge Public Health Center.

Family Planning New Model - \$118,157 Expenditure / \$150,764 Revenue / 0.40 FTE

This decision package transfers federal and state family planning funds to Eastgate and Kent Public Health Centers from centers that are proposed for closure.

Health Educator Reductions – (\$726,480) Expenditure / (\$180,000) Revenue / (3.80) FTE

This decision package reflects the impact of the CHS Division's financial distress on the Health Educator program. The Program will reduce health educators from 8 to 4, with two of the remaining four working on the FLASH sexual health curriculum and the other two providing direct health education services.

Access and Outreach Program Changes – \$168,385 Expenditure / 1.0 FTE / 1.0 TLT

This proposal reflects a partnership between Transit and Public Health where Public Health Access and Outreach workers will assist in the administration and outreach for Transit's Low Income Fare program

Nurse Family Partnership Reductions – (\$631,341) Expenditure / (\$293,874) Revenue / (2.50) FTE

This decision package reflects a reduction in the Nurse Family Partnership program based on reduced program revenue. The program will be reduced by 2.5 FTE.

Closure of North Shore Public Health Center – (\$2,085,573) Expenditure / (\$1,688,578) Revenue / (10.0) FTE

Decision Packages DS 31 - DS 34 collectively close the Northshore Public Health Center. This reflects the impact of reduced federal, state, and other revenue on the CHS Division. The Bothell and Redmond satellites will continue to offer WIC/MSS services to a reduced client base.

CDIP Section Grant Changes -- \$220,301 Expenditure / \$324,397 Revenue / (1.80) FTE

This decision package combines all grant changes for the Prevention Division's Chronic Disease and Injury Prevention (CDIP) section. These changes include reductions in federal and state grants and adding a new 3 year grant awarded in 2014.

Shift Department Resources to Preserve ID Prevention and Control Programs -- \$286,000 Revenue

This decision package mitigates federal cuts that impact communicable disease control. Public Health is shifting funds from cross-cutting services and reimbursements from Environmental Health fees to the Communicable Disease-Immunizations Section.

Gun Violence Prevention/Child Death Review -- \$296,147 Expenditure / 1.00 TLT

This decision package reflects additional fund to continue the Gun Violence Prevention/Child Death Review programs. The programs are managed collectively. The City of Seattle is providing additional support for this program (previously discussed).

Lab Service Reductions for STD Testing – (\$292,215) Expenditure / (\$286,922) Revenue / (1.0) FTE

This decision package reduces a 1.0 FTE microbiologist at the Public Health Laboratory in response to the end of a State grant program in the Infertility Prevention Program. This affects gonorrhea and chlamydia testing for uninsured clients.

CDIP Section Reductions – (\$1,675,292) Expenditure / (\$1,100,000) Reductions / (4.65) FTE

This decision package reduces revenue, expenditure, and FTEs in response to decreased revenue expectations and the end of a federal Community Transformation Grant in 2014. This change affects the Tobacco Prevention Program and Healthy Eating/Active Living unit. Public Health is actively pursuing new grant revenue to support these programs.

HIV/STD Grant Changes and Reductions -- \$794,650 Expenditure / (\$536,304) Revenue / (1.0) FTE

This decision package reduces revenue and FTEs for the HIV/STD Section in response to decreased federal, state, and patient generated revenue expectations. Public Health is actively pursuing new grant revenue to support the HIV/STD program.

On-site Septic and Drinking Water Program -- \$235,330 Expenditure / \$250,000 Revenue / 1.0 TLT)

This decision package adds a 1.0 TLT to the On-site Septic and Drinking Water Program specifically targeted to the Marine Recovery Area on Vashon and Maury Islands

Shift Department Resources to Support Public Health Veterinarian and Zoonotic Work – (\$88,682) Expenditure / (0.25) FTE

This decision package shifts general fund from Environmental Health to the Prevention Division to more accurately support zoonotic and veterinarian work. In addition, 0.25 FTE of Environmental Health's veterinarian position will move to the new Environmental Health fund and be fully fee supported.

Expenditure Contra – (\$2,000,000) Expenditure

This decision package represents a contra expenditure within the Public Health fund in recognition of the need for additional revenue sources in 2016 to cover program costs. While continuously identifying new ways to streamline processes and reduce the cost of operations throughout the biennium, efficiencies alone are not expected to fulfil the goals of the contra. Accordingly, Public Health will also work with its partners to actively pursue new funding options in 2015. Realization of these sources will result in a reduction in the contra expenditure. If Public Health is unable to secure additional revenue sources, the department will be forced to reduce programs in 2016.

Technical Adjustments

Central Rate Reallocation / (\$4,521,545)

This decision package reallocates select central rate charges from the Public Health appropriation unit to the Jail Health, Environmental Health and Emergency Medical Services appropriation units based on estimates of each division's use of these services.

Community Services Area (CSA) Contribution Update – (\$3,976) Expenditure

This decision package accounts for an update in the CSA's cost allocation model. Reflected in this update is both the change in methodology approved by Council in 2013 in response to an FY 2013/14 budget proviso and the reprogramming of one of the CSA's FTE's to be the program manager for the Executive's Local Food Policy Initiative.

Elimination of Erroneous Contra Expenditure – \$20,000 Expenditure

This decision package zeros out an erroneous contra account

Remove Indirect Cost Expenditure Accounts from Closed Project – \$395,235 Expenditure

This proposal closes Public Health's Consolidated Contract Oversight project in accordance with direction provided by the King County Auditor's Office. As part of the closure, Public Health is eliminating expenditure budget for salary and wage distribution accounts.

Eliminate Non Labor Expense Authority in Closed Preparedness Projects – (\$1,247,116) Expenditure

This decision package eliminates non labor accounts and expenditure authority for programs that are either discontinued or no longer active. These include the Seattle CAT Grant, UW SMS Texting, EM-NACCHO Project Management, and PREP LCDF Grant.

Adjust Preparedness Program Expense to Align with Revenue -- \$430,462 Expenditure / (\$346,726) Revenue

This proposal adjusts the 2015/2016 Preparedness Program budget to reflect changes in program structure due to the separation of the NW Healthcare Response Network from the County. Funding sources are being reduced and/or eliminated the budget altered to reflect this change.

Remove Contra for Consumption of KCIT Services by EMS -- \$1,547,442 Expenditure

This decision package removes a proxy account used in 2014 to allocate the cost of IT services to EMS. For 2015/2016 these costs are now reflected in the KCIT internal service fund costs.

Distribute Chiefs' Costs to Operating Divisions – \$30,406 Expenditure

This decision package distributes the cost of the Chiefs of Medicine, Nursing, Dentistry, and Infolinx and support staff to the operating sections that use these professional services

Remove Overhead Double Budgeting – (\$68,717,066) Expenditure / (\$68,717,066) Revenue

This decision package removes the double budgeting of overhead to increase transparency

Miscellaneous Net-zero Adjustments – (\$36,762) Expenditure / \$3,398,578 Revenue

This decision package represents various technical changes which net to zero at the Department level. Additionally, this decision package includes the inflationary increase to the General Fund transfer.

Cost of Living Adjustment (COLA) -- \$92,016

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Vacancy Rate Adjustment – (\$10,126,000) Expenditure

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Merge North Family Planning into Primary Care for 2015-16 – (\$15,288) Expenditure / (\$10,797) Revenue

This decision package reflects reductions to family planning services at the North Public Health Center. As of July 1, 2014, an existing family planning provider ceased working at North Public Health Center. Existing clients will continue to receive services but there are no plans to replace the provider and family planning services will no longer be provided at the North Public Health Center. Expenditures and revenues are adjusted accordingly.

2014 Relocations (Renton, Kent, and NFP moves) – (\$30,000) Revenue

This decision package is a technical adjustment reflecting three program moves in 2013 and 2014. NFP moved from North Public Health center to Downtown Public Health Center in 2013; NFP moved from Renton Public Health Center to Columbia Public Health Center in 2014; and Family Planning moved from Renton to Kent Public Health Center in 2014. No service impacts are expected from the NFP moves and the Family Planning shift was approved w/ the 2011 budget.

True Up Position FTEs to Current (2014) FTE Levels – (\$519,323) Expenditure / (0.30) FTE

This technical adjustment corrects FTE levels and job classifications for three positions. These include a physician working in the mobile van showing as a 1.0 FTE but working as a 0.60 FTE; a reclassification of a PPM3 and physician positions at Eastgate and Program Quality programs; reclassification of an

Administrative Staff Assistant (ASA) in CHS finance to a Public Health Nurse (PHN) and a vacant PHN to ASA; and elimination of \$65,000 of short term temp expense in Healthcare for the Homeless and Mobile Van.

Community and School Based Programs Grant/Contract True-up – (\$1,520,625) Expenditure / (\$1,591,893) Revenue

This decision package modifies the budgets in the Community Partnerships, School Based Health Partnerships, and Child Care budgets because of their similarities. Changes include grant additions, decreases in MAC, and decreases in the Screening, Brief Intervention, and Referral to Treatment (SBIRT).

Access and Outreach Grant/Contract True-up -- \$688,000 Expenditure / \$1,580,280 Revenue

This proposal trues up revenue sources to current contracts for the Access & Outreach program. The programs include Basic Food Outreach, Breast Cervical Colon Health Program, Health Care reform Lean In-Person Assister Organization, and Children's Health Initiative. The total result of the adjustments is a net revenue increase.

PHC Program and Center Expenditure and Revenue True up – (\$1,175,577) Expenditure / (\$961,065) Revenue / (1.0) FTE

This proposed decision package is a result of through analyses by the PH centers to true up expenditures, and smaller revenue accounts, to anticipated levels. This proposal also includes elimination of an 1.0 FTE position that was added in the 2014 budget, but is not needed. The adjustments in this decision package do not increase or reduce services.

Elimination of SBIRT Grant at North and Downtown – (\$427,962) Revenue

This decision package eliminates revenues from the SBIRT grant at the North and Downtown Public Health Center which ended in 2013. Public Health continues to provide substance abuse screening services at both clinics through existing medical providers.

True Up Longevity to Projected Costs and Reallocate to Correct Projects – (\$69,498) Expenditure

This proposal includes recalculation of longevity pay for Washington State Nurses Association (WSNA) staff, as well as redistribution of longevity to the cost centers and projects where the WSNA staff are budgeted. The calculation of longevity was based on current staff and their projected longevity in 2015.

Patient Generated Revenue Updated Projection – (\$1,493,165) Revenue

This proposed decision package is a technical change adjusting patient generated revenue (PGR) in the Public Health Center programs to projected levels for 2015/2016. Adjustments are based on the following factors: visits; patient mix; and payor mix.

Direct Distributed Reallocation – (\$7,895)

This change moves budget for Public Health's Contracts, Procurement, and Real Estate Services Unit, Accounting Services unit, and Budgeting/Finance unit from the collection of cost centers spread agency-wide and charges only consumers of these services.

Child Profile Contract True up – (\$226,014) Expenditure / (\$192,200) Revenue / (1.0) FTE

This decision package eliminates a vacant PPM III position due to reduced funding and makes minor adjustments to true up budget and expenditures.

CDIP Tech Adjustments - Accounting Structure Re-org - \$120,834 Expenditure

This decision package implements a technical adjustment to align the Prevention Division's Chronic Disease and Injury Prevention Section's budget with its accounting structure. Six costs centers that had been used in

2012 and 2013 were consolidated into a single cost center to reduce the administrative burden associated with managing the projects within these cost centers. The small increase in expenditures zeroes out errant negative budget in the old cost centers.

Communicable Disease Technical Adjustments – (\$57,464) Expenditure / \$146,216 Revenue

This decision package implements technical adjustments to the Communicable Disease Epidemiology and Immunization Section's budget. The expenditure adjustments correct budget line items based on prior year actuals, correct errors and remove expenditures from projects that closed in 2013 and 2014. The revenue increase is driven by technical correction adding back an Adult Viral Hepatitis grant that was removed from the budget during Pro Forma in error. In addition, this technical adjustment removes grant revenue from a project that ended in 2014, and adds grant revenue for an additional year on an existing grant.

HIV Technical Adjustments -- \$313,318 Expenditure / \$237,257 Revenue / (0.25) FTE

This decision package adjusts revenue and expenditure for the HIV section of the Prevention Division to reflect the correct grant amounts.

STD Technical Adjustments – (\$921,343) Expenditure / (\$80,310) Revenue

This decision package implements technical adjustments to the Prevention Division's HIV/STD section. The largest portion of the adjustment reflects the contract with Harborview Medical Center to operate the STD clinic. This contract is negotiated annually and changes to correctly reflect the amount of service provided by both Harborview and Public Health staff.

TB Control Technical Adjustments – (\$38,779) Expenditure / (\$27,320) Revenue

This decision package implements technical adjustments to the TB Control Program's Budget. Expenditures are adjusted based on prior year actuals and correct budget errors. The revenue adjustments updated existing grant budgets with current grant award information, and moves patient generated revenues to the accounts where they are received.

Lab Technical Adjustments - \$72,987 Expenditure / \$260,643 Revenue

This technical adjustment increases projected fee revenues based on 2015/2016 lab test volume projections and also adjusts projected expenditures based on adjustments in lab supplies, repair and maintenance, lease expenditures, etc. There will be no impact to other programs or services.

CDIP Cleanup/Prevention Administration Technical Adjustments - \$239,226 Expenditure / \$72,000 Revenue

This decision package implements technical adjustments to budgets within the Prevention Division's Chronic Disease and Injury Prevention (CDIP) Section and Prevention Administration. The revenue adjustments reflect updated grant revenue for a Traffic Safety/Injury Prevention project. The expenditure adjustments align budget line items to prior year actual expenditures and removes costs from projects that were closed in 2013. In addition, the vacancy rate factor for Prevention Admin is increased to account for savings from re-classing the Division Manager position and a negative contra in a direct distributed account was zeroed out.

Vital Stats Technical Adjustments – (\$74,443) Expenditure / (\$154,046) Revenue

This decision package aligns budgeted expenditures and revenues to anticipated levels for the 2015-2016 biennium based on prior year actuals. The overall revenue budget was lowered to reflect actual collections over the past 5 years. This decision package also moves budget from old closed projects in the accounting system to the correct, active project.

Technical Adjustments to Allocate Direct Distributed Costs for Prevention Division – (\$310,677) Expenditure

This proposal re-allocates direct distributed costs across the Prevention Division based on salary and wages. There is a net shift in expenditures to the Medical Examiner’s Office (MEO) because MEO receives leadership support from the Prevention Division.

Revenue Adjustment – (2,462,488) Revenue

This decision package adjusts expected revenue from Medicaid Administrative Claiming, the State of Washington and other sources.

EMS Online Adjustments -- \$260,064 Expenditure / \$893,500 Revenue

This decision package increases revenues from three EMS entrepreneurial projects (EMS Emergency Medical Technician (EMT) online; (2) EMS Dispatch online; and (3) EMS CBD Software Tool) due to the projected increase in subscriptions to the EMS Online training, Dispatch online, and sales of software. Revenue in this decision package covers the increases

Grants - CEEMS Adjustments – (\$239,717) Expenditure / \$91,162 Revenue

This proposal reflects annual updates in grant awards and carryover of grant funds by grantors. The upcoming biennium is a transition as a large grant from Medtronic will end while a few smaller grants are beginning. During this transition period flexible funding from patent revenue and Laerdal will be used to continue supporting staff to continue research related to cardiac resuscitation.

EMS Miscellaneous Grants Update -- \$50,000 Expenditure / \$50,000 Revenue

This decision package increases planned spending in the Miscellaneous Grants program. The spending relates to public donations to the South King County Medic One Advanced Life Support provider.

Tacoma Smelter Plume Update -- \$370,000 Expenditure / \$900,000 Revenue

This decision package aligns budgeted expenditures and revenues to anticipated levels for the 2015-2016 biennium based on prior year actuals. This decision package also moves budget from one cost center to another cost center to provide greater transparency and to better reflect the type of services provided by this grant work.

Pollution Identification and Control Grant Update -- \$250,000 Expenditure / \$250,000 Revenue

This decision package is a technical adjustment that aligns budgeted expenditures and revenues to anticipated levels for the 2015-2016 biennium based on prior year actuals for the Pollution Identification and Control Grant

Pollution Identification and Control & Local Hazardous Waste Program Grant Renewal -- \$375,000 Revenue

This decision package is a technical adjustment that aligns budgeted revenues to anticipated levels based on prior year actuals. It also adjusts for known factors that will impact the 2015-2016 biennium budget for a multi-year Pollution Identification and Control Grant and a Local Hazardous Waste Program Grant.

Vehicle Lease and Garage Cost Allocation – (\$1,817,848) Expenditure

This technical adjustment allocates the cost of vehicles in the Public Health fleet to projects. It also includes a technical budget adjustment to consolidate unused spending authority for vehicles into a single account to more accurately reflect departmental operations.

COLA, Step/Merit, and Vacancy Redistribution

This decision package redistributes COLA, Step/Merit, and Vacancy to other program areas within the Public Health Department.

General Fund Redistribution to Medical Examiner's Office– (\$420,687) Revenue

This decision package redistributes General Fund from the Public Health Fund to the Medical Examiner's Office to account for the inflationary increase to the General Fund transfer to the Public Health Department.

Overhead and Indirect Allocations – (\$8,274,353) Expenditure

This decision package represents Public Health central overhead expenses that are charged to other programs, including MEO, EMS and Environmental Health.

Central Rates

Central Rate Adjustments – \$1,411,368 Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
Public Health Operating Fund / 000001800**

Category	2013/2014 Budget	2013/2014 BTD Actuals ¹	2013/2014 Estimated ²	2015/2016 Proposed ³	2017/2018 Projected ⁴	2019/2020 Projected ⁴
Beginning Fund Balance	\$ 8,379,048	\$ 8,379,048	\$ 8,379,048	\$ (8,936,880)	\$ (2,483,447)	\$ (11,065,721)
Revenues						
City of Seattle	40,418,052	22,344,750	41,934,800	43,522,115	46,432,958	49,658,466
Double Budgeting OH ⁵	70,410,302	3,469,500	40,448,546	0	0	0
Fees for Services ³	55,033,752	43,377,471	54,505,140	13,652,658	13,652,658	13,652,658
Grants ⁶	97,392,330	61,055,031	97,112,979	90,428,823	96,476,876	103,178,731
Intragovernmental	10,741,572	6,358,209	10,860,544	11,001,766	11,511,411	12,074,122
Medicaid Administration ⁷	19,630,982	(84,348)	10,750,170	9,859,412	9,859,412	9,859,412
Other Revenues	33,279,733	1,143,184	2,906,372	6,068,102	6,349,200	6,659,568
Patient Generated Revenue ⁸	86,457,944	59,643,374	82,657,818	70,853,797	71,991,993	73,148,472
State Flexible ⁹	26,642,904	17,401,300	24,580,789	24,983,311	24,983,311	24,983,311
KC General Fund Flexible	52,822,744	38,963,164	52,391,724	57,230,715	59,881,866	62,809,066
One time Revenues ¹⁰	5,500,000	12,900,000	12,900,000	7,100,000	-	-
Total Revenues	\$ 498,330,315	\$ 266,571,633	\$ 431,048,882	\$ 334,700,699	\$ 341,139,685	\$ 356,023,807
Expenditures						
Wages and Benefits	(242,817,476)	(175,795,164)	(234,787,799)	(182,969,400)	(195,206,745)	(208,262,547)
Supplies	(10,229,896)	(6,411,841)	(8,972,971)	(7,985,654)	(8,355,581)	(8,742,644)
Services - Other Charges	(104,686,662)	(65,326,105)	(97,266,373)	(94,893,492)	(101,240,151)	(108,011,287)
Intragovernmental Services ⁵	(122,219,651)	(42,476,505)	(90,643,116)	(39,945,862)	(42,617,518)	(45,467,859)
Capital Outlay	(496,224)	(818,655)	(900,652)	(474,076)	(474,076)	(474,076)
Debt Service	(80,472)	(53,510)	(66,584)	(80,478)	(80,478)	(80,478)
Intragovernmental Contributions	(1,691,325)	(136,382)	(971,574)	(425,138)	(425,138)	(425,138)
Contingencies	(16,271,559)	-	-	(1,441,955)	(1,441,955)	(1,441,955)
Contra Expenditures	4,388,152	(1,014)	(1,014)	(131,073)	(131,073)	(131,073)
Applied Overhead	(693,558)	376,346	(74,543)	250,756	250,756	250,756
One Time Expenses ¹¹	(6,450,000)	(6,100,000)	(6,100,000)	(2,150,893)	-	-
Special Budgetary Account ¹²	-	-	-	2,000,000	-	-
Total Expenditures	\$ (501,248,671)	\$ (296,742,831)	\$ (439,784,625)	\$ (328,247,266)	\$ (349,721,959)	\$ (372,786,301)
Estimated Underexpenditures						
Other Fund Transactions						
Journal Entry Errors	4,957	4,957	4,957			
Planned Use of Fund Balance	(1,093,333)	(812,000)	(812,000)			
Ending Fund Balance	4,372,316	(22,599,192)	(1,163,738)	(2,483,447)	(11,065,721)	(27,828,215)
Reserves						
Expenditure Reserves						
Environmental Health Fee Future Expenditures ³	(4,069,847)	(4,069,847)	(4,069,847)			
Clinical Relocation and Remodel Reserve	(5,000,000)	(4,368,582)	(4,368,582)			
Health Information Technology	(2,000,000)					
Cash Flow Reserve(s)						
Revenue Fluctuation Reserve - State and Federal Grants	(2,000,000)					
Rainy Day Reserve						
Environmental Health Rainy Day Reserve (30 day) ³	(4,255,848)	(3,703,295)	(3,703,295)			
Other PH Operations Rainy Day Reserve (30 day) ¹³	(6,060,035)	-	-	(11,202,736)	(12,076,671)	(12,915,718)
Total Reserves	\$ (23,385,730)	\$ (12,141,724)	\$ (12,141,724)	\$ (11,202,736)	\$ (12,076,671)	\$ (12,915,718)
Reserve Shortfall	19,013,414	34,740,916	13,305,462	13,686,182	23,142,391	40,743,933
Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Financial Plan Notes:

- ¹ 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and 2014 through June 30, 2014. Data were generated using EBS report GL10 on July
- ² 2013/2014 Estimated reflects actual revenues and expenditures for 2013, and estimated expenditures and revenues based on 2nd Quarter Forecast for 2014.
- ³ The 2015/2016 Proposed Budget reflects the removal of all Appropriations and Reserves associated with the Environmental Health Division into a separate, designated Environmental Health Fund. This change will result in a projected deficit for Public Health Fund starting in 2015/2016 of almost \$9 million and the 2015/2016 Proposed Fee for Service Revenue to be reduced from the 2013/2014 Estimated by over \$40 million.
- ⁴ Out year projections were based on OEFA projections of CPI-W for Expenditures and Revenues, with adjustments for Historical Trends. Out year projections for revenue include total revenue increases of approximately 4.1%-4.3% biennially while expenditures are projected to grow at 6.6%-7.2% biennially.
- ⁵ DPH is adjusting the Department's Accounting practices regarding distribution of overhead costs. Beginning in 2015/2016, after working with PSB on financial accounting Best Practices, DPH will no longer double budget Revenue and Expenditures of overhead costs.
- ⁶ Reduction in program operations included reductions in programs that were partially grant funded, for example the Women Infant Children (WIC) program in the impacted Community Health Services clinic operations.
- ⁷ The 2013/2014 Estimated and 2015/2016 Proposed Medicaid Administration Revenue has been right sized to account for the anticipated changes in the claiming for allowable expenditures as agreed between the Centers for Medicare & Medicaid Services (CMS); the Washington State HCA, and other Washington State Local Health Jurisdictions.
- ⁸ Patient generated revenue (PGR) was adjusted in 2015/2016 Proposed due to PH center and/or program closures and forecast adjustments based on the following factors:
- Visits:** based on provider FTE level, provider type, and productivity expectations. There is a 4% decrease projected in visits across all of the programs.
 - Patient mix:** ratio of adult clients to pediatric clients. In both the dental and family health programs the proportion of adult clients is projected to increase (dental: from 32% adults to 44%), (family health: from 44% adults to 48%). The patient mix in family planning and MSS/ICM will not change, and will not impact visit level or payor mix.
 - Payor mix:** percentage of compensated visits. There are no changes projected to the payor mix in any of the programs except Family Planning which projects a 25% decrease in compensated visits
 - Billing changes:** dental revenue was reduced to account for a rule change by the state related to FQHC no longer being paid for visits only containing sealants and/or fluoride treatments
 - Risk:** Assumptions related to visits, patient mix, and payor mix were based on historical experience. The implementation of healthcare reform in 2014 has great impact on these assumptions, but because the implementation is so new, there is very little data to inform these assumptions. The impact of budget changes will also have an impact on revenues. Staff morale after PH center / program closures and layoff/bumping will most likely impact productivity. In addition, staff bumping into roles for which they are less familiar will impact productivity and may impact total visits.
- ⁹ State Flexible revenues in the 2013/2014 Forecast and the 2015/2016 Proposed were adjusted to reflect the most recent award letters from Washington State.
- ¹⁰ One time revenues includes the following adjustments:
2013/2014 Budget: 2012 CAFR / Fin Plan Starting Balance Adjustment of \$6.4M
- 2013/2014 Estimated: 2012 CAFR / Fin Plan Starting Balance Adjustment of \$6.4M, \$2.5M of 2013 MAM Recognized in 2014, \$1M in State Flexible Funds Previously sent to the wrong County, \$2M of KC General Fund in 2014 for Facility Renovation and move cost, and \$1M of 2014 KC General Funds from KC MAC Reserve.
- 2015/2016 Proposed: \$6M in anticipated property sales, and \$1.1M in additional General Fund for employee separation costs.
- ¹¹ One time expenditures includes the following adjustments:
2013/2014 Budget: \$2.4M Health Information Technology; \$4.1M for Clinic Remodel and Relocation Costs
2013/2014 Estimated: \$2.0M Health Information Technology; \$4.1M for Clinic Remodel and Relocation Costs
2015/2016 Proposed: \$2.2M in clinic closure and employee separation costs.
- ¹² DPH is reviewing all options to increase baseline revenue beginning in 2016. Without additional Revenue, DPH will be forced to look at additional baseline expenditure reductions to meet appropriation levels.
- ¹³ The Rainy day reserve was calculated at 24 months expenditures less One Time Expenses and KC General Fund.

SUMMARY OF THE PUBLIC HEALTH FUND FINANCIAL PLAN

This section provides a synopsis of the Public Health Fund financial plan including a review of structural changes to the fund, revenue and expenditure trends, reserves and fund balance levels, the long term outlook, and the approach to financial management. For additional detail, consult the financial plan on the following page as well as the footnotes detailing the underlying policies and assumptions. A memo outlining the Office of Economic and Financial Analysis (OEFA) review is included with the fin plan.

Structural Changes to the Public Health Fund

To support enhanced financial monitoring and simplified fund management, there are a number of changes to the overall Public Health Fund structure resulting in a smaller and simpler Public Health. The changes include:

- Moving the Environmental Health Fund operations into a standalone fund, as recommended by the King County Auditor's office;
- Moving the Emergency Management Services (EMS) grants and entrepreneurial activities into the EMS Fund in 2016;
- Eliminating the revenues and expenditures of the Grants Contingency; and
- Eliminating the double budgeting of overhead costs within the Public Health Fund.

These changes improve transparency and are consistent with recommendations by auditors and independent reviews.

Forecasting and Modeling Changes to the Public Health Fund

In addition to simplifying the underlying data, the financial plan format now reflects revenue and expenditure categories that are more meaningful and easier to track and forecast centrally. Public Health is now forecasting revenue and expenditures using two distinct methods. One is a central forecast that utilizes data aggregated across multiple programs. The second method requires program staff first to forecast revenues and expenditures at the program level, with central staff then aggregating the results into a fund wide forecast. Where the resulting forecasts are different, the financial plan uses the more conservative result.

Public Health and PSB also requested an independent review of the overall forecasting model from the OEFA. OEFA identified 13 areas of revenue and expenditure risks and assigned assessments of high, medium, and low. The highest risk areas were in the revenue categories of Patient Generated Revenue (PGR) and Grants. In addition, OEFA suggested five intermediate model improvements and three longer-term considerations. The forecasting model incorporates some of these recommendations with the intent to incorporate all the suggestions by the end of 2014.

Approach to Biennial Budget

The Public Health Fund faces fiscal sustainability challenges in both the short and long term. A fiscally sustainable Public Health Fund will take multiple years to develop and implement and ultimately may require significant program reductions or new sources of revenue.

HEALTH AND HUMAN SERVICES

Based on current projections, the Public Health Fund will begin the 2015/2016 biennium with a deficit of \$8.9 million. This is the result of revenue reductions from state and federal (MAC) partners, as well as lowered expectations for patient generated revenue from clinics. These three revenue sources will generate over \$14.7 million less than assumed in the 2013 and 2014 budgets. Also, it is important to note that the beginning 2015/2016 fund balance reflects Environmental Health Services moving to a new fund. The inclusion of Environmental Health fund balance in the Public Health Fund masked the true financial condition of the Public Health Fund.

The 2015/2016 budget goals include balancing ongoing revenue and expenditure over the biennium, using one-time revenues to fund one-time expenses, and reducing the 2016 ending fund balance to a deficit under 1% of the total expenditure budget. The proposed budget meets these goals. Biennial revenues total \$335 million (\$328 when one-time revenues are excluded); biennial expenditures total \$328 million (\$326 million when one-time expenditures are excluded). The 2015/2016 biennium will close with an estimated deficit of \$2.4 million.

Revenues

The Public Health Fund revenue forecast for 2015/2016 is \$335 million. The largest revenue categories are Grants, Patient Generated Revenue, King County General Fund, City of Seattle, and State Flexible Funding, which make up approximately 80% of the revenue.

Of these, Patient Generated Revenue is the most uncertain. Changes to the overall health care market changed both the number of patient visits and the payments per visit. Public Health and PSB staffs are closely monitoring these two factors and developing a robust forecasting model.

The other high-risk revenue area identified by OEFA is grant revenue. The proposed budget only includes grant revenue if there is a confirmed award. The budget also removes the Grants Contingency account.

The State Flexible Funding, King County General Fund contributions, and MAC are the most flexible revenue sources and help fund general Public Health activities and specific programs. These revenue sources also support both the central Public Health functions and King County overhead costs. With the exception of the County's General Fund contribution, these revenue sources probably will not increase in the future and there is considerable risk that both State funding and MAC will decrease in the future.

Excluding the impact of one-time revenues, total Public Health Fund revenues are expected to grow by 4.5% in 2017/2018 and 4.7% in 2019/2020. These are biennial growth rates.

Expenditures

For 2015/2016, forecasted Public Health Fund expenditures are approximately \$330 million. This reflects the increasing cost of service delivery and the proposed program reductions in the Public Health budget. The largest categories are labor costs, contracts, and County internal services. In addition, a budgeted expenditure reduction of \$2.0 million in 2016 will need to be programmed. It is anticipated that this reduction would not affect Public Health clinics; however, it will likely result in other program and service reductions. Public Health is actively pursuing alternate revenue sources.

Excluding the impact of one-time expenditures, total Public Health Fund expenditures are expected to grow by 6.0% in 2017/2018 and 6.7% in 2019/2020.

Reserves and Fund Balance

The 2015/2016 proposed budget results in an ending fund balance of negative \$2.4 million in 2016. To be consistent with county policy, the Public Health Fund should have a rainy day reserve of approximately \$11.3 million. Having this reserve would help relieve pressure on the fund and allow the space to implement better financial management practices, specifically in the area of revenue forecasting. However, as there are no other reserves in the financial plan, there is no way to fund the Rainy Day Reserve at this time.

Financial Outlook

Despite balanced expenditures in the 2015/2016 biennium, the Public Health Fund will carry a negative fund balance into the 2017/2018 biennium of around \$2.4 million. However, there is an ongoing imbalance between revenues and expenditures of 1.5% to 2.0% per biennium. This structural gap will require efficiencies, new revenue, program reductions, or a combination of all three in order to balance in subsequent biennia.



King County

Office of Economic and Financial Analysis

500 Fourth Avenue

Seattle, WA 98104

206.477.3413

MEMORANDUM

DATE: September 12, 2014

TO: Dwight Dively, Budget Director, PSB
Patty Hayes, Interim Director, PH

CC: Jonathan Swift, PSB
Mark Ellerbrook, PSB
Michael Gedeon, PH
Eben Sutton, PH

FROM: Dave Reich, OEFA *DR*

RE: Public Health Forecast Model

OEFA has completed its review of the public health revenue and expenditure forecasting model. The model was created to provide insight into the state of Public Health's finances and to support budgeting and tracking for the 2015-2016 biennium. OEFA was asked by PSB to provide a cursory review of the model, and highlight potential improvements and sources of risk.

We find that generally the model is well-constructed and provides a useful planning tool for forecasting revenues and expenditures for Public Health. The model provides historical actual revenues and expenditures for 2013 and budgeted values for 2014. A tab with an "assumptions" table provides a compact way to quickly understand assumptions used in the 2015-2016 forecasts.

To understand the model we reviewed the tabs and links and the assumptions page and how this affected forecasted revenues and expenditures. We then considered the level of uncertainty and revenue risk associated with these forecasts. The following table includes a summary of our assessment of the major revenues and expenditures:

Item	Forecast Approach	Risk
Revenue		
General fund transfer	Forecast uses the 2014 value incremented by CPI+1% annually	<u>Low risk</u> ; policy decision during budget balancing, GF revenues relatively stable
State flexible funding	Forecast calls for no growth in 2015-2016 after 8% increase in 2014 457	<u>Moderate risk</u> ; revenue made up of three sources, but only one had growth in 2014, not enough data to evaluate how uncertain source is

Patient generated revenue (PGR)	Assumes a 27% increase in 2014, then 0.8% growth annually	<u>High risk</u> ; many changes affecting service including expanded health insurance, changes in service mix and reimbursement rates
Grants	Uses 2014 value and assumes annual growth of CPI-W	<u>High risk</u> ; little detail on grant life, history or uncertainty around the grant amount
Fee for services	Uses 2014 value and assumes growth of CPI-W, flat growth for EH fees	<u>Moderate risk</u> ; Increased by 4.4% between 2013 actuals and 2014 forecast-details indicate variable growth rate
MAM	Based on cost reimbursement but uses CPI-W +1%	<u>Low risk</u> ; reimbursement nature and 2014 draft agreement imply revenue should be relatively stable going forward
Seattle	Uses 2014 value and assumes annual growth of CPI-W+1%	<u>Low risk</u> ; staff indicate it is very stable and based on a long term agreement-not enough data in the model to verify
Intergovernmental/Other	Various	<u>Low risk</u> ; relatively small revenue source, property tax component is stable
Expenditures		
Personnel costs	Uses 2014 value growing at KC blended rate	<u>Moderate risk</u> ; growth rate affected by salaries/wages/benefits and FTEs but FTE's not modeled
Supplies	Uses 2014 value and assumes growth at the rate of inflation	<u>Low risk</u> ; No model of supplies and demands but relatively small expenditure item
Services & contracts	Uses 2014 value and assumes growth at the rate of inflation	<u>Moderate risk</u> ; no examination of costs escalators, contract expirations or new contracts
Other	Uses 2014 value and assumes growth at a 3.75% annual rate	<u>Moderate risk</u> ; Increased 182% between 2013 and 2014 and it's unclear why it is so variable
App O/H	Assumes no growth	<u>Low Risk</u> ; Small expenditure item

Suggested Model Improvements

The above table highlights methodologies and potential risks associated with forecasting with the model. Based on this analysis we have several suggestions for improving the model:

1. There are several locations in the model that use acronyms, abbreviations, etc. that may be well known to those within the public health field but unfamiliar to those who are not. Depending on the audience of the model, a short glossary may be useful for users

and consumers of the model information and perhaps summary information about PH (e.g. operating divisions), revenue sources (e.g. define “Seattle”), etc. that will help explain the categories used in the summary forecast.

2. One of the more significant risks of the model is due to the lack of detail provided on individual revenue sources. For example state funding and grants are forecasted based on multipliers applied to the 2014 aggregate values for those funding sources without detail around changes, expirations, multipliers, etc. This has the potential to cause forecast error if a significant change occurs that was not accounted for in the forecast. A potential solution to this issue would be to create a new worksheet that would show revenue items by account for the larger revenue sources. A forecast for each line item could then be created and perhaps a text column explaining assumptions for each. This could include a threshold of significance of perhaps \$100,000 annually. This will require additional analysis but will likely improve the accuracy of the forecast, and provide for better tracking and future forecasting. In the 2014 budget there were 358 revenue accounts but only 194 were greater than zero. If a threshold of \$100,000 was set then about 108 sources would need to be evaluated. Doing this work would address some of the uncertainty around state revenues, grants (e.g. when do they expire?) and assumptions around fees. A higher threshold could be set if resources are limited but that will likely reduce the accuracy of the model.
3. It would likely be worthwhile to create a separate model (on a separate worksheet) for patient generated revenue. Based on conversations with staff, this revenue source is being affected by multiple factors including increased insurance coverage, changing reimbursement rates, potential service changes at clinics and other factors. In some cases it is not known how new policy changes are going to affect service delivery (e.g. utilization, etc.) Creating a separate model that explicitly requires assumptions about these changes will force a more rigorous evaluation of PGR and is more likely to result in an accurate forecast. It will allow sensitivity analysis around the risks in the assumptions and will increase transparency about how forecast values were obtained. Moreover, this model can be updated as data arrives to help inform future forecasts during the biennium and beyond.
4. It would be useful to project personnel costs based on a projection of FTEs and average salary/wage and benefit values. Though the current model was created to model the status quo and therefore the multiplier was likely an acceptable method, using the multiplier on 2014 might be off significantly for future projections as staffing levels are likely to change due to facility closures and other changes in staffing.
5. It would be useful to analyze more closely expenditures labeled “Other” in the model. These increased 182% between 2013 actuals and 2014 budgeted and the model does not clearly explain why this occurred. Moreover 2015-2016 growth rates are forecast to be 3.75% but it is not clear if that is a good assumption based on this history.

Longer-Term Considerations

If this model is to be used to track and forecast during the 2015-2016 period and beyond then some additional work should be considered. This is lower risk work that is likely not as essential to be done prior to the biennial budget submittal but would help Public Health's financial management.

1. Develop an expenditure analysis and forecasting tab. The 2013 EBS data sheet in the model yielded about 31936 lines of items labeled "Expense". These include many different types of expenses and creating a framework where the information can periodically be obtained, summarized and compared with forecasted amounts will provide for better budgeting and management. The detailed work could be managed in a separate tool (e.g. workbook) and then a summary at an appropriate level of detail could be provided in this forecasting workbook.
2. Develop a similar tab for revenues in order that revenues can be tracked and analyzed as described above.
3. The model would benefit from a longer time series of historical data. In several cases the assumption is made that revenues or expenditures grow at relatively constant rates, but it is not clear from the data provided that these are good assumptions. Providing additional historical data would allow for these claims to be better supported.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
MEDICAL EXAMINER (EN_A81000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$12,972,953	\$12,947,860	27.99	0.00
Adjustments to 2013/2014 Adopted Budget	816,650	254,852	0.41	0.00
Direct Service Changes				
DS_001 General Fund Request for Support of MEO Mandated Services	0	480,000	0.00	0.00
Technical Adjustments				
TA_001 MEO Project Accounting Consolidation	3,000	(1)	0.00	0.00
TA_002 MEO Autopsy Services Revenue & Expenditure Adjustment	(38,780)	(276,000)	0.00	0.00
TA_003 Technical Adjustments to MEO Division for Direct Distributed Costs	0	0	0.00	0.00
TA_006 Adjustment to MEO Allocation of Medical Chief Costs	(1,890)	0	0.00	0.00
TA_009 Technical Adjustment to Remove Overhead Double Budgeting	(2,788,000)	(2,788,000)	0.00	0.00
TA_011 Cost of Living Adjustment (COLA)	11,704	0	0.00	0.00
TA_012 Step/Merit	74,700	0	0.00	0.00
TA_013 Vacancy Factor	(64,000)	0	0.00	0.00
TA_044 Prevention Division Direct Distributed Allocation	(109,544)	0	0.00	0.00
TA_096 Vehicle Lease and Garage Expenses	580	0	0.00	0.00
TA_097 Allocation of Incremental Salary and Wage Costs	0	0	0.00	0.00
TA_098 General Fund Inflation Distributino from Public Health	0	420,687	0.00	0.00
TA_099 MEO Direct Distributed Costs	369,049	0	0.00	0.00
Central Rates	(1,510)	0	0.00	0.00
Total Decision Package	(2,544,692)	(2,163,314)	0.00	0.00
Ending Biennium FTE Count	\$11,244,911	\$11,039,399	28.40	0.00
Executive Proposed Budget	\$11,245,000	\$11,040,000	28.40	0.00
Percent Change over 2013/2014 Adopted Budget	-13.3%	-14.7%	1.5%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Medical Examiner

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Medical Examiner is \$11.2 million with funding for 28.4 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Direct Service Changes

General Fund Request for Support of MEO Mandated Services – \$480,000 Revenue

This decision package requests \$480,000 to balance the MEO's 2015/2016 biennial budget and continue to provide required MEO services. The funds will offset increased expenditures related to rising service demand due to population growth as well as revenue shortfall from the 2013/2014 pilot for fee-based services for out-of-County autopsies.

Technical Adjustment

MEO Project Accounting Consolidation -- \$3,000 Expenditure

This decision package makes an accounting related technical adjustment by combining two project budgets into a single budget.

MEO Autopsy Services Rev. & Exp. Adjustment – (\$38,780) Expenditure / (\$276,000) Revenue

This decision package adjusts revenue and expenditures for autopsy services to align with anticipated levels.

Technical Adjustments to MEO Division for Direct Distributed Costs

This decision package adjusts direct distributed costs between projects in the MEO Division.

Adjustment to MEO Allocation of Medical Chief Costs – (\$1,890) Expenditure

This decision package reduces the MEO's portion of the Office of the Medical Chief costs, which have been reduced across the department.

Technical Adjustment to Remove Double Budgeting – (\$2,788,000) Expenditure / (\$2,788,000) Revenue

This technical adjustment removes the double budgeting for overhead from the MEO Division. This change is being made throughout the department.

Cost of Living Adjustment (COLA) -- \$11,704 Expenditure

This amount reflects the 2015/2016 COLA increase.

Merit Pay -- \$74,700 Expenditure

This amount reflects expected merit pay for the MEO Division in 2015/2016.

Vacancy Factor – (\$64,000) Expenditure

This decision package allocates to the MEO a portion of the anticipated vacancy savings calculated for Public Health by PSB

Prevention Division Direct Distributed Allocation – (\$109,544) Expenditure

This proposal reallocates direct distributed overhead costs across the Prevention Division based on salary and wages resulting in a net shift in expenditures to the MEO.

Vehicle Lease and Garage Expenses -- \$580 Expenditure

This decision package increase vehicle lease and garage expenses for MEO for 2015/2016 based on Fleet projections.

Allocation of Incremental Salary and Wage Costs

This decision package allocates incremental salary and wage assumptions to various cost centers.

General Fund Inflation Distribution from Public Health -- \$420,687 Revenue

This decision package allocates to the MEO a portion of the 2015/2016 inflation of the General Fund transfer to Public Health.

MEO Direct Distributed Costs -- \$369,049 Expenditure

This decision package moves budget for Public Health's Contracts, Procurement, and Real Estate Services unit, Accounting Services unit, and Budgeting/Finance unit from the collection of cost centers spread agency-wide and charges only consumers of these services for the units' costs. It also allocates the remaining overhead costs over the department's salaries and wages.

Central Rates

Central Rate Adjustments – (\$1,510) Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
EMERGENCY MEDICAL SVCS (EN_A83000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$145,455,165	\$144,161,438	124.25	0.00
Adjustments to 2013/2014 Adopted Budget	(1,808,582)	(1,344,563)	(0.55)	0.00
Administrative Service Changes				
AC_001 RSS/SI Rebalancing Work load and Products	66,558	0	0.00	0.00
AC_002 ALS Optimal Provider Study	100,000	0	0.00	0.00
AC_003 KC Audit (balance DPR to 90K in 2015 only)	(109,644)	0	0.00	0.00
AC_004 Transfer of EMS Grants into EMS fund in 2016	1,548,922	2,151,041	8.35	0.00
Direct Service Changes				
DS_001 BLS Lead Agency Strategic Initiative (SI)	266,428	0	0.00	0.00
DS_002 Regional Medical Technician Units (CMT)	1,461,890	0	0.00	0.00
DS_003 KCM1/Vashon ALS Merger	14,309	0	10.00	0.00
Technical Adjustments				
TA_100 Central Rate Reallocation	1,367,629	0	0.00	0.00
TA_006 EMS Levy – Pharmaceutical OH Adjustment	(24,527)	0	0.00	0.00
TA_009 Direct Distributed	(1,067,698)	(4,249,384)	0.00	0.00
TA_010 Mixcellaneous Net-zero Adjustments	26,434	0	0.00	0.00
TA_011 COLA	144,993	0	0.00	0.00
TA_012 Step/Merit	327,693	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(1,090,000)	0	0.00	0.00
TA_050 Revenue Adjustment	0	7,263,273	0.00	0.00
TA_055 Emergency Medical Dispatch QI Software (KCIT CIP)	66,943	0	0.00	0.00
TA_056 Regional Support Services Allocation Increase	(3,782,518)	0	0.00	0.00
TA_057 Cashflows Adjustments for existing Strategic Initiatives	464,076	0	0.00	0.00
TA_058 BLS Allocation Increase	3,026,535	0	0.00	0.00
TA_059 KCM1 Allocation Increase and Use of Program Balances	(74,945)	0	0.00	0.00
TA_060 ALS Providers allocation increase	2,886,698	0	0.00	0.00
TA_096 Vehicle Lease and County Garage Adjustment	(37,162)	0	0.00	0.00
TA_099 Overhead and Direct Distributed Charges	771,728	0	0.00	0.00
Central Rates	(385,657)	0	0.00	0.00
Total Decision Package	5,968,684	5,164,930	18.35	0.00

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
EMERGENCY MEDICAL SVCS (EN_A83000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
Ending Biennium FTE Count	\$149,615,267	\$147,981,805	142.05	0.00
Executive Proposed Budget	\$149,616,000	\$147,982,000	142.05	0.00
Percent Change over 2013/2014 Adopted Budget	2.9%	2.7%	14.3%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Emergency Medical Services

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Emergency Medical Services is \$149.6 million with funding for 142.05 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Adjustments

Regional Support Services (RSS)/Strategic Initiative Program Balancing -- \$66,558 Expenditure

This proposal balances projected workload shifts to meet the demands of the 2014-2019 EMS Strategic Plans. A new 1.0 FTE research assistant is added (split between a 0.5 FTE for cardiac case review and 0.5 FTE for BLS Lead Agency Strategic Initiative) and a manager focused on EMS planning issues is eliminated.

ALS Optimal Provider Study -- \$100,000 Expenditure

This decision package reflects the expected costs associated with the Independent Study of the Provisions of ALS Medic One Services as called for in the EMS Strategic Plan. Funds from the EMS Levy will be used to hire a consultant to carry out the analysis.

King County Auditor EMS Finance and Program Review – (\$109,644) Expenditure

This proposal responds to the EMS Strategic Plan's call for a financial and program audit of EMS services. The audit will be completed by the King County Auditor in 2015. This expenditure reflects the expected cost of the audit.

Transfer of EMS Grants to EMS Fund in 2016 -- \$1,548,922 Expenditure / \$2,151,041 Revenue / 8.35 FTE

This decision package transfers EMS grant revenue from the Public Health Fund to the EMS Fund. This will increase transparency in both the Public Health Fund and the EMS Fund.

Direct Service Changes

BLS Lead Agency Strategic Initiative – \$266,428 Expenditure

This decision package supports the BLS Lead Agency Strategic Initiative, which is designed to identify a limited number of BLS lead agencies to develop ways to adapt the regional ALS approach to BLS services. The funds (from the EMS levy) will be used to hire a consultant to carry out the work.

Regional Medical Technician Units (CMT) – \$1,461,890 Expenditure

This decision package creates a limited number of CMT units (one in 2015, up to 3 by the end of 2016) to respond to lower acuity medical 911 calls. The development of a CMT Program is identified in the EMS Strategic Plan as a six-year program. This proposal accelerates the deployment of the units and is fully paid for with EMS Levy funds.

KCM1/Vashon ALS Merger -- \$14,309 Expenditure / 10.0 FTE

This proposal merges ALS services currently provided by Vashon Island Fire and Rescue (VIFR) with King County Medic One (KCM1). VIFR is currently a contractor with KCM1 to provide services on Vashon Island. Under the proposal, current VIFR employees would become King County employees. This change will improve paramedic readiness and emergency backup.

Technical Adjustments

Central Rate Reallocation – \$1,367,629 Expenditure

This decision package reallocates select central rate charges from the Public Health appropriation unit to the Jail Health, Environmental Health and Emergency Medical Services appropriation units based on estimates of each division's use of these services.

EMS Levy – Pharmaceutical OH Adjustment – (\$24,527) Expenditure

This decision package reflects the fact that the EMS Levy no longer uses the King County pharmacy.

Direct Distributed – (\$1,067,698) Expenditure / (\$4,249,384) Revenue

This decision package removes double budgeting for direct distributed costs and is in line with changes made elsewhere in the Public Health budget.

Miscellaneous Net-zero Adjustments - \$26,434 Expenditure

This decision package represents various technical changes which net to zero at the Department level.

Cost of Living Adjustment (COLA) -- \$144,993 Expenditure

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit -- \$327,693 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Vacancy Rate Adjustment – (\$1,090,000) Expenditure

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Revenue Adjustment – \$7,263,273 Revenue

This decision package adjusts revenues consistent with the EMS Strategic Plan using recent figures from the King County Office of Economic and Financial Analysis.

Emergency Medical Dispatch QI Software (KCIT CIP) – \$66,943 Expenditure

This proposal includes the purchase and implementation of commercially available software designed to optimally support the EMS Division’s Quality Improvement Program. The project was reviewed and approved by KCIT and is paid for with EMS Levy funds.

RSS Allocation Increase – (\$3,782,518) Expenditure

This decision package reflects continued support for RSS called for in the EMS Strategic Plan. RSS programs include providing uniform regional medial direction, standardized emergency medical training and emergency dispatch training, paramedic continuing education, centralized data collection, paramedic services planning and analysis, and administrative support and financial management of the EMS levy Fund.

Cash Flow Adjustments for Existing Strategic Initiatives – \$464,076 Expenditure

This decision package adjusts the cash flow for the Strategic Initiatives called for in the EMS Levy. The majority of Strategic Initiatives are in the BLS programs although ALS, fire districts, and dispatch agencies are also included. EMS Levy funds are used to fund these changes.

BLS Allocation Increase – \$3,026,535 Expenditure

This proposal reflects an increase in the allocation of funding for BLS programs based on the EMS financial polices included in the EMS Strategic Plan. The BLS allocation covers a portion of the Emergency Medical Technician/Fire Fighter first-on-scene cost. The remainder of the cost is covered by individual agencies and departments. Included in this is \$1,500,000 for the new BLS Core Services Support Program, which will provide additional training and equipment to BLS agencies to maintain service levels in the face of changing equipment and medical protocols.

KCM1 Allocation Increase and Use of Program Balances – (\$74,945) Expenditure

This proposal reflects an increase in the allocation of funding for KCM1 based on the EMS Financial Polices included in the EMS Strategic Plan.

ALS Providers allocation increase -- \$2,886,698 Expenditure

This proposal reflects continued funding of countywide ALS services by EMS partners as described in the 2014-2019 EMS Strategic Plan

Vehicle Lease and County Garage Adjustment – (\$37,162) Expenditure

This decision package is a technical adjustment to allocate the cost of vehicles in the EMS fleet to specific projects. This also includes consolidation of unused spending authority for vehicles into a single account, resulting in a net cost decrease across the agency.

Overhead & Direct Distributed Charges -- \$771,728 Expenditure

This decision package adjusts budget for five inter- and intra-departmental charges including King County Overhead, Public Health Overhead, King County Financial and Accounting Services, Public Health Financial Services, and Public Health Contracting Services.

Central Rates

Central Rate Adjustments – (\$385,657) Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan
EMS Levy Operating Fund / 000001190**

Category	2013/2014 Budget	2013/2014 BTD Actuals ¹	2013/2014 Estimated ²	2015/2016 Proposed	2017/2018 Projected ³	2019/2020 Projected ³
Beginning Fund Balance	\$ 33,568,566	\$ 39,955,361	\$ 39,955,361	\$ 37,721,683	36,088,221	32,134,978
Revenues						
Property Taxes	126,297,595	95,644,077	128,468,786	144,765,742	151,426,067	156,448,782
EMS Levy Grants ⁴	2,858	2,681	2,635	2,854	2,854	2,854
Intergovernmental Payment	0	0		-	-	-
Charges for Services	385,880	127,050	319,280	295,767	288,563	289,232
Interest Earnings/Miscellaneous Revenue	547,400	339,223	804,524	742,400	1,393,400	1,906,400
Direct Distributed/Usages ⁵	4,160,122		-			
Other Financing Sources ⁶	108,000	123,770	131,124	24,000	24,000	24,000
EMS Grants & Entrepreneurial ¹⁶				2,151,041	4,179,236	4,179,236
Transfer from Current Expense Subfund	0					-
Total Revenues	131,501,855	96,236,801	129,726,349	147,981,804	157,314,120	162,850,504
Expenditures						
Advanced Life Support Services ⁷	(81,842,273)	(52,969,216)	(80,809,403)	(84,972,863)	(90,838,916)	(96,026,111)
Basic Life Support Services	(31,522,916)	(22,211,709)	(31,742,060)	(32,830,307)	(34,960,062)	(36,707,270)
Regional Services	(16,178,587)	(11,168,936)	(16,140,616)	(19,485,373)	(20,387,975)	(21,316,952)
Direct Distributed/Useages ²⁵	(4,160,122)	0		-		
Strategic Initiatives	(1,776,004)	(1,064,861)	(1,588,151)	(2,186,407)	(2,613,484)	(2,541,180)
Regional CMT Units	-		-	(1,461,890)	(1,677,690)	(1,607,508)
Use of Designations/Program Balances	(2,909,142)		(600,000)	(2,118,764)	(2,000,000)	(2,000,000)
Disaster Response Contingency	(3,750,000)		-			
Use of Reserves ⁷	(3,145,000)		(792,000)	(2,880,000)	(2,880,000)	(2,880,000)
BLS Core Service Support				(1,500,000)	(1,500,000)	(1,500,000)
King County Auditor's Office	(99,822)	(66,986)	(66,986)	(90,000)	(230,000)	-
EMS Grants & Entrepreneurial ¹⁶				(2,089,663)	(4,179,236)	(4,179,236)
Total Expenditures	(145,383,866)	(87,481,708)	(131,739,216)	(149,615,267)	(161,267,363)	(168,758,257)
Estimated Underexpenditures						
Other Fund Transactions						
GAAP Adjustments						
Unrealized loss/gain		(220,811)	(220,811)			
Ending Fund Balance	19,686,555	48,489,643	\$ 37,721,683	\$ 36,088,221	32,134,978	26,227,225
Reserves & Designations⁸						
Designations⁹						
Expenditure Designations						
Unbudgeted Provider/Program Balances ¹⁰	(2,979,344)	(8,646,501)	(6,794,501)	(4,167,539)	(2,167,536)	(1,167,539)
KCM1 Equipment Replacement ¹¹	(1,238,020)	(1,015,437)	(1,015,437)	(1,015,437)	(1,015,437)	(1,015,437)
Designations from 2002-2007 Levy	(230,842)	(230,842)	(11,698)	(11,698)	(11,698)	(11,698)
Reserves⁸						
Expenditure Reserves						
Operations ²⁰	(981,900)	(981,900)	(981,900)	(981,900)	(981,900)	(981,900)
Equipment/Capital ¹⁰	(488,900)	(488,900)	(488,900)	(488,900)	(488,900)	(488,900)
Regional CMT Unit Expansion				(382,987)	(1,494,771)	(1,519,484)
Rainy Day Reserves						
Risk Abatement ¹⁴	(1,510,000)	(1,510,000)	(1,510,000)	(1,510,000)	(1,510,000)	(1,510,000)
ALS Capacity Reserves ¹²	(1,067,700)	(1,067,700)	(1,067,700)	(1,067,700)	(1,985,700)	(3,358,700)
Mandated & Rate Stabilization Reserves						
Millage Reduction ¹³		(4,686,243)	(4,686,243)	(4,686,243)	(4,686,243)	(4,686,243)
Cash Flow Reserves						
Cash Flow Reserves ¹⁴		(8,668,735)	(8,668,735)	(6,875,120)	(5,119,694)	
KC Assessed Value Reserve ¹⁵	(1,545,305)			-	-	-
Total Reserves & Designations	(10,042,011)	(27,296,258)	(25,225,114)	(21,187,524)	(19,461,879)	(14,739,901)
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	9,644,544	21,193,386	12,496,569	14,900,696	12,673,099	11,487,323

Financial Plan Notes:

¹ 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through May 30, 2014. Data were generated using EBS report GL10 on July 9th, 2014.

² 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through May 2014 and estimated revenues and expenditures for the remainder of 2014.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
ENVIRONMENTAL HEALTH SERVICES (EN_A85000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$0	\$0	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	0	0	0.00	0.00
Administrative Service Changes				
AC_001 Creation of Environmental Health Fund: Staff Positions	30,383,109	0	133.25	0.00
AC_002 Creation of Environmental Health Fund: Revenue & Expenditures	14,169,907	54,990,683	0.00	0.00
Direct Service Changes				
DS_001 Food and Water Recreation Program	1,048,700	475,000	5.00	0.00
DS_002 Add Plumbing and Gas Piping Inspectors	324,265	300,000	3.00	0.00
DS_003 Add 1.0 FTE Solid Waste Inspector	235,331	0	1.00	0.00
DS_004 Add Division Administrative Positions to meet Increased Program Demand	735,417	710,000	3.00	0.00
DS_005 Add Performance Manager to Environmental Health Local Hazardous Waste Management Program	280,340	0	1.00	0.00
DS_037 Reallocate Department Resources Supporting Food Borne Illness Investigations, Zoonotic Work and Veterinarian.	494,682	0	0.25	0.00
DS_083 On-site Septic and Drinking Water Program Enhancements	485,331	0	1.00	0.00
Technical Adjustments				
TA_100 Central Rate Reallocation Placeholder	2,844,957	0	0.00	0.00
TA_110 Community Services Area Contribution Update	13,856	0	0.00	0.00
TA_009 Direct Distributed Environmental Health Services Redistribution	(9,405,468)	(9,405,468)	0.00	0.00
TA_012 Step/Merit	302,363	0	0.00	0.00
TA_050 Revenue Adjustment	0	339,606	0.00	0.00
TA_082 Pollution Identification and Control Grant Update	(250,000)	(250,000)	0.00	0.00
TA_083 Food and Plumbing Program Adjustments	76,000	0	0.00	0.00
TA_084 Miscellaneous Services - One Time Expenditure Removal	(270,000)	0	0.00	0.00
TA_085 Local hazardous Wate Adjustment	1,037,260	1,077,219	0.00	0.00
TA_099 Overhead and Direct Distributed Charges	4,475,453	0	0.00	0.00
Central Rates	609,990	0	0.00	0.00
Total Decision Package	47,591,494	48,237,040	147.50	0.00
Ending Biennium FTE Count	\$47,591,494	\$48,237,040	147.50	0.00

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
ENVIRONMENTAL HEALTH SERVICES (EN_A85000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
Executive Proposed Budget	\$47,592,000	\$48,238,000	145.50	0.00
Percent Change over 2013/2014 Adopted Budget	0.0%	0.0%	0.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Environmental Health

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Environmental Health is \$47.6 million with funding for 145.5 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Creation of EH Fund: Staff Positions – \$30,383,109 Expenditure / 133.25 FTE

This reflects the decision to move the Environmental Health Division out of the Public Health Fund and into its own fund. This decision package moves the staff positions to the new fund

Creation of EH Fund: Revenue & Expense - \$14,169,907 Expenditure / \$54,990,683 Revenue

This reflects the decision to move the Environmental Health Division out of the Public Health Fund and into its own fund. This decision package moves the revenue and expenditure to the new fund.

Direct Service Changes

Food and Water Recreation Program -- \$1,048,700 Expenditure / \$475,000 Revenue / 5.0 FTE

This decision package adds FTEs to the Food and Water Recreation Program to respond to increased demand on food and pool inspectors and for plan review. The additional FTEs respond to a comprehensive review of the Food Protection program, Environmental Health's largest program. These additions are fully supported by existing fees.

Add Plumbing and Gas Piping Inspectors -- \$324,265 Expenditure / \$300,000 Revenue / 3.0 FTE

This decision package adds plumbing and gas piping inspectors to the Plumbing and Gas Piping Program. This responds to a projected increase in building permits of 18% in 2015 and 10% in 2016. These additions are fully supported by plumbing and gas piping permits

Add 1.0 FTE Solid Waste Inspector -- \$235,331 Expenditure / 1.0 FTE

This decision package adds a 1.0 FTE solid waste inspector to the Solid Waste Program. This will address the backlog of inspections and is fully supported by fee-related revenue.

Add Div. Admin. Positions to Meet Demand -- \$735,417 Expenditure / \$710,000 Revenue / 3.0 FTE

This decision package increase Environmental Health Services administrative support positions to respond to increased construction permit demand and code enforcement. Increased enforcement will include the On-site Septic Program.

Add Performance Manager to EH LHW Management Program -- \$280,340 Expenditure / 1.0 FTE

This decision package proposes to add a 1.0 FTE performance manager to better manage the inter-jurisdictional Local Hazardous Waste program. This position, which is supported by solid waste collection rates and fees, will monitor and assist the inter-jurisdictional agencies including Public Health, DNRP Water and Land Resources, DNRP Solid Waste, Seattle Public Utilities, and the Sound Cities Association.

Reallocate Resources Supporting Food Borne Illness Investigations and Vet -- \$494,682 Expenditure / 0.25 FTE

This decision package shifts Environmental Health resources to better align with costs associated with restaurant inspections. This proposal also shifts general fund revenue from Environmental Health to compensate the Prevention Division for zoonotic and veterinarian work.

On-site Septic and Drinking Water Program Enhancements - \$485,331 Expenditure / 1.0 FTE

This decision package responds to a recent program assessment and revised State recommendations regarding On-Site Septic and Drinking Water Program site assessments and inspections. One 1.0 FTE inspector is added to the general program to increase site assessment and inspections. The proposal is fully fee supported.

Technical Adjustments

Central Rate Reallocation – \$2,844,957 Expenditure

This decision package reallocates select central rate charges from the Public Health appropriation unit to the Jail Health, Environmental Health and Emergency Medical Services appropriation units based on estimates of each division's use of these services.

Community Services Area Contribution Update -- \$13,856 Expenditure

This decision package accounts for an update in the CSA's cost allocation model. Reflected in this update is both the change in methodology approved by Council in 2013 in response to an FY 2013/14 budget proviso and the reprogramming of one of the CSA's FTE's to be the program manager for the Executive's Local Food Policy Initiative.

Direct Distributed EH Services Redistribution – (\$9,405,468) Expenditure / (\$9,405,468) Revenue

This technical adjustment removes the double budgeting for direct distributed costs implemented in 2013,

Step/Merit -- \$302,363 Expenditure

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustment – \$339,606 Revenue

This decision package is a technical adjustment that aligns budgeted expenditures and revenues to anticipated levels for the 2015/2016 biennium based on prior year actuals,

Pollution Identification and Control Grant Update – (\$250,000) Expenditure / (\$250,000) Revenue

This decision package adjusts budgeted expenditures to anticipated levels for the 2015/2016 biennium based on prior year actuals for the Food and Plumbing Programs.

HEALTH AND HUMAN SERVICES

Food and Plumbing Program Adjustments – \$76,000

This decision package removes one-time expenditures for the 2015/2016 budget that were added to Miscellaneous Services in 2014,

Miscellaneous Services - One Time Expenditure Removal – (\$270,000) Expenditure

This decision package adjusts budgeted expenditures to anticipated levels for the 2015/2016 biennium based on prior year actuals for the Food and Plumbing Programs,

Local Hazardous Waste Adjustment -- \$1,037,260 Expenditure / \$1,077,219 Revenue

This decision package increases revenues and expenditures in the Local Hazardous Waste program in line with the recommendations from the Management Coordinating Committee.

Overhead and Direct Distributed Charges -- \$4,475,453 Expenditure

This decision package adjusts budget for five inter- and intra-departmental charges including King County Overhead, Public Health Overhead, King County Financial and Accounting Services, Public Health Financial Services, and Public Health Contracting Services,

Central Rates

Central Rate Adjustments – \$609,990 Expenditure

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Environmental Health Operating Fund / 000001850

Category	2013/2014 Budget	2013/2014 BTD Actuals ¹	2013/2014 Estimated ¹	2015/2016 Proposed ²	2017/2018 Projected ³	2019/2020 Projected ³
Beginning Fund Balance				7,773,142	8,418,686	8,613,828
Revenues						
Licenses & Permits				31,237,224	32,486,713	33,786,181
Federal Grants Indirect				328,000	656,000	656,000
State Grants				758,025	1,587,304	1,663,495
State Entitlements				387,731	811,909	850,880
Intergovernmental Payments				940,400	984,599	1,031,860
Charges for Services				13,631,715	14,176,984	14,744,063
Fines and Forfeits				25,000	26,175	27,431
Non Revenue Receipts/(Contingency)				557,860	557,860	557,860
Miscellaneous Revenue				135,000	141,345	148,130
KC General Fund Flexible				236,085	494,362	518,091
				-	-	-
Total Revenues	-	-	-	48,237,040	51,923,250	53,983,992
Expenditures						
Wages and Benefits ⁴				(32,899,324)	(35,458,343)	(37,160,344)
Supplies ⁵				(592,653)	(620,508)	(650,292)
Services - Other Charges ⁵				(3,088,558)	(3,233,720)	(3,388,939)
Intragovernmental Services ⁵				(10,508,607)	(11,539,573)	(12,093,472)
Capital Outlay/Contingencies/Contra Expenditures				(502,354)	(875,965)	(726,467)
				-	-	-
Total Expenditures	-	-	-	(47,591,496)	(51,728,109)	(54,019,514)
Estimated Underexpenditures						
Other Fund Transactions						
Ending Fund Balance	-	-	7,773,142	8,418,686	8,613,828	8,578,305
Reserves						
Expenditure Reserves			(4,069,847)			
Capital & IT Project Reserve				(1,000,000)	(700,000)	(500,000)
Client Reserve ⁶				(3,303,556)	(3,435,698)	(3,573,126)
Cash Flow Reserve						
Rate Stabilization Reserve ⁷						
Rainy Day Reserve (60 Days) ⁸			(3,703,295)	(3,904,421)	(4,196,482)	(4,397,913)
Total Reserves	-	-	(7,773,142)	(8,207,977)	(8,332,180)	(8,471,039)
Reserve Shortfall	-	-				
Ending Undesignated Fund Balance	-	-	-	210,709	281,648	107,266

Financial Plan Notes:

¹ 2013/2014 BTD Actuals and 2013/2014 Estimated are \$0 because this is the establishment of a new fund.

² The fund balance brought forward is from the Public Health Fund. (\$4,069,847 Expenditure reserves and \$3,703,295 Rainy Day Reserve.)
The 2015/2016 budget includes only one year of grant revenue and expenditures. Grant R&E are included in the Public Health fund in 2015.

³ Outyear projections were based on the following assumptions for expenditures and revenues:

Services and permit/fee revenues are forecasted with a 4% biennium increase, the amount EH is allowed to raise fees without board approval.

All other revenue categories are forecasted at a biennium increase of 4.7% and 4.8% respectively except Federal funding which is projected to be flat.

Grant revenue and expenditures are forecasted for both years in the outyear biennium budget.

⁴ Salaries are adjusted in 2017/2018 to reflect a second year of grant staff salaries (2015-16 only included 1 year) and then a biennium increase of 4.7% and then 4.8%. EH is implementing efficiencies that may eventually result in salary cost savings.

Due to the large number of staff eligible for retirement, EH may show a higher than average savings due to turnover.

⁵ Supplies, Services and intragovernmental are forecasted at the biennium rate of 4.7% and 4.8% respectively.

As many expenditures including overhead are tied to salary and wages, EH anticipates that efficiency in staffing will generate savings in salary and other expenditures.

⁶ Client Reserve sets asides funds collected from clients in one year for multi-year permit fees where services are expected to still be performed in the following year.

⁷ EH is currently working with a Board of Health Advisory Committee to review the establishment of a rate stabilization reserve.

⁸ The Rainy Day Reserve goal is 2 month operating funds. This does not include KC General Fund Revenue, Capital Outlay, Contingencies or Contra Expenditures.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
LOCAL HAZARDOUS WASTE (EN_A86000_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$33,822,357	\$30,872,504	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	298,597	65,544	0.00	0.00
Administrative Service Changes				
AC_001 Updating Local Hazardous Waste Management Program Expenses	1,767,752	0	0.00	0.00
AC_002 Management Transition/Retirement Buyout	25,000	0	0.00	0.00
Direct Service Changes				
DS_001 Market Research/Customer Surveys	150,000	0	0.00	0.00
DS_002 Hazardous Waste Commercial Rate Structure Technical Assistance	50,000	0	0.00	0.00
Technical Adjustments				
TA_001 Medicine Return Drop Boxes	285,000	0	0.00	0.00
TA_050 Local Hazardous Waste Management Program Revenue Adjustment	0	(30,464)	0.00	0.00
Total Decision Package	2,277,752	(30,464)	0.00	0.00
Ending Biennium FTE Count	\$36,398,706	\$30,907,584	0.00	0.00
Executive Proposed Budget	\$36,399,000	\$30,908,000	0.00	0.00
Percent Change over 2013/2014 Adopted Budget	7.6%	0.1%	0.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Local Hazardous Waste

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Local Hazardous Waste is \$36.4 million with funding for 0 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Updating Local Hazardous Waste Management Program Expenses – \$1,767,752 Expenditure

This increases expected expenditures in the Local Hazardous Waste Management Program to maintain status quo service levels. Costs will be fully reimbursed by hazardous waste fees.

Management Transition/Retirement Buyout – \$25,000 Expenditure

This decision package covers the payout of accrued leave resulting from the retirement of a management level position in the Local Hazardous Waste Program. This arrangement will allow for dually-staffed transition period. Costs will be reimbursed by the Local Hazardous Waste Management Program.

Direct Service Changes

Market Research/Customer Surveys – \$150,000 Expenditure

This proposal funds a market research/customer satisfaction survey for the Local Hazardous Waste Management Program. These studies are completed approximately every 2 to 3 years. The Local Hazardous Waste Management Program will cover the costs through hazardous waste fees.

Hazardous Waste Commercial Rate Structure Technical Assistance – \$50,000 Expenditure

This decision package supports the Local Hazardous Waste Management Program's implement a revised commercial rate structure. The funds will cover technical and financial assistance to the program for adjusting billing practices.

Technical Adjustments

Medicine Return Drop Boxes – \$285,000 Expenditure

This decision package supports a decision made by the King County Board of Health to fund up to 400 secure medicine return drop boxes. Legal challenges have delayed implementation. The Local Hazardous Waste Management Program intends to move forward with the program if the legal issues are resolved during the 2015/2016 biennium.

Local Hazardous Waste Management Program Revenue Adjustment – (\$30,464) Revenue

This decision package adjusts 2015/2016 revenue projections for the Local Hazardous Waste Fund based on 2014 usage data.

**2015/2016 Proposed Financial Plan
Local Hazardous Waste Operating Fund / 000001280**

Category	2013/2014 Budget	2013/2014 BTD Actuals ¹	2013/2014 Estimated ²	2015/2016 Proposed	2017/2018 Projected ³	2019/2020 Projected ³
Beginning Fund Balance	\$ 7,551,012	\$ 10,350,935	\$ 10,350,935	\$ 10,641,568	\$ 5,150,445	\$ 6,386,728
Revenues						
State Grants	390,484	841,388	1,631,548	493,726	-	-
Intergovernmental Payment	19,068,045	12,809,271	19,383,528	19,008,943	24,978,892	24,978,892
Charges for Services	11,366,803	7,302,732	11,507,312	11,318,230	14,713,699	14,713,699
Miscellaneous Revenue	47,172	81,488	88,518	86,684	179,601	340,518
Total Revenues	30,872,504	21,034,879	32,610,906	30,907,583	39,872,192	40,033,109
Expenditures						
Services & Other Charges	(7,372,694)	(4,453,297)	(7,044,957)	(7,769,564)	(8,256,689)	(8,895,151)
Intragovernmental Service	(26,449,663)	(13,380,924)	(25,233,772)	(28,629,142)	(30,379,220)	(33,088,538)
Total Expenditures	(33,822,357)	(17,834,221)	(32,278,729)	(36,398,706)	(38,635,909)	(41,983,689)
Estimated Underexpenditures						
Other Fund Transactions						
GAAP Adjustment		(35,873)	(41,544)			
Ending Fund Balance	\$ 4,601,159	\$ 13,515,720	\$ 10,641,568	\$ 5,150,445	\$ 6,386,728	\$ 4,436,148
Reserves						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve ⁴	(2,818,530)	(1,486,185)	(2,689,894)	(3,033,226)	(3,219,659)	(3,498,641)
Total Reserves	(2,818,530)	(1,486,185)	(2,689,894)	(3,033,226)	(3,219,659)	(3,498,641)
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	\$ 1,782,629	\$ 12,029,535	\$ 7,951,674	\$ 2,117,220	\$ 3,167,069	\$ 937,507

Financial Plan Notes:

¹ 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data was generated using EBS report GL10 on 7/09/14.

² 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and budgeted 2014 revenues and expenditures.

³ 2017-2020 projections were based on the following assumptions for expenditures and revenues: Interest assumption uses King County's Pool Rate of Return Interest as of 3/31/2014. Services and Other Charges inflated by 6.3% over the biennium to cover labor, overhead, and other costs. Intragovernmental services have been inflated at 6.1% over the biennium. A biennial revenue increase of 30% is projected to balance 2017 to 2020.

⁴ Per Local Hazardous Waste Management Financial Policy to maintain a 2-month operating target fund balance.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PUB HEALTH AND EMERG SERVICES (EN_A69600_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$52,283,068	\$0	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	998,548	0	0.00	0.00
Direct Service Changes				
DS_001 One-Time Separation Costs	1,100,000	0	0.00	0.00
DS_003 HHS Transformation Plan	476,000	0	0.00	0.00
DS_004 Medical Examiner Overhead	480,000	0	0.00	0.00
DS_008 Equity and Social Justice Initiative Funding	810,000	0	0.00	0.00
DS_009 Limited English Proficiency	300,000	0	0.00	0.00
DS_010 2016 General Fund Transfer Reduction	(488,000)	0	0.00	0.00
Technical Adjustments				
TA_001 Inflation and Technical Adjustments to Public Health Transfer	2,855,182	0	0.00	0.00
Total Decision Package	5,533,182	0	0.00	0.00
Ending Biennium FTE Count	\$58,814,798	\$0	0.00	0.00
Executive Proposed Budget	\$58,815,000	\$0	0.00	0.00
Percent Change over 2013/2014 Adopted Budget	12.5%	0.0%	0.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Public Health General Fund Transfers

HIGHLIGHTS

The General Fund Transfer to Public Health is increased in 2015/2016 by approximately \$6.5 million. The largest increase, accounting for over 44% of the increase, is for inflation and technical adjustments to the 2013/2014 General Fund Transfer. In addition, there are one time separation and closure costs associated with the clinic closures (\$700,000) and \$480,000 for the Medical Examiner Office's rising overhead expenses. The General Fund is also continuing to cover the Health and Human Services Transformation Plan (\$476,000) and the new ESJ and LEP programs. Finally, as with other County agencies, Public Health is taking a reduction to its General Fund transfer (outside of CFS, in 2016 only) of \$488,000, which is 3.25%.