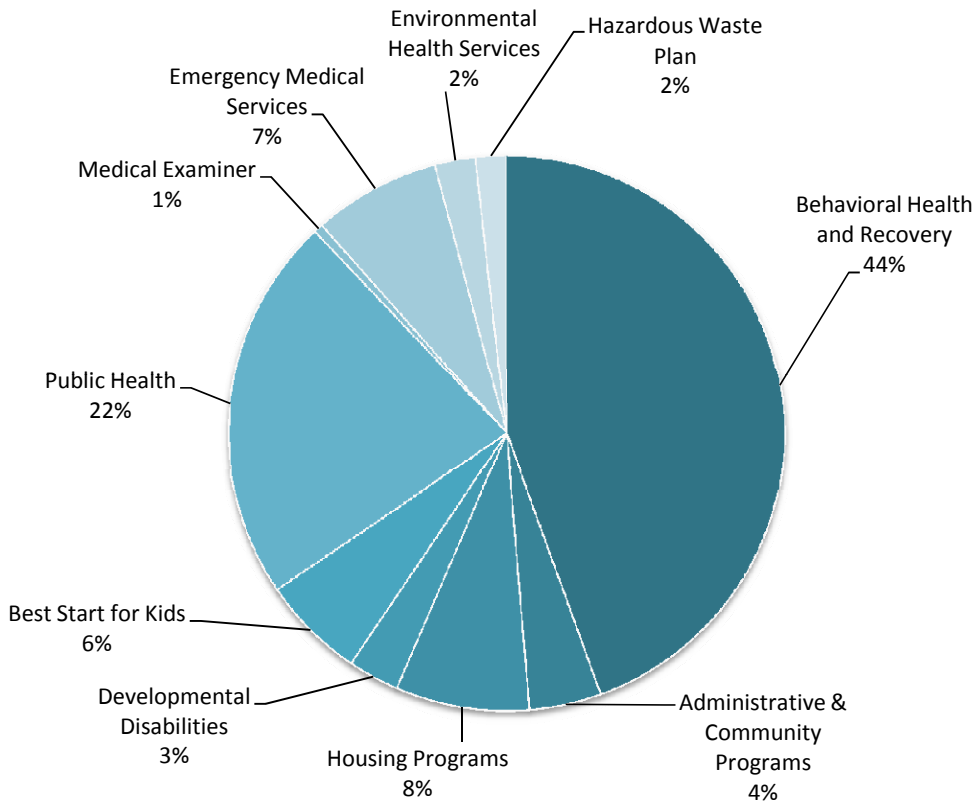
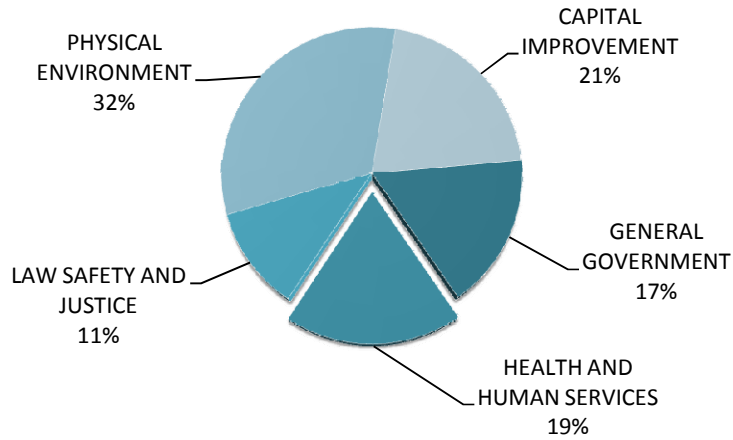


Health and Human Services \$2.2 Billion



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

Behavioral Health and Recovery: Behavioral Health, and Mental Illness and Drug Dependency Fund

Administrative & Community Programs: Veterans' Services, Human Services, Employment Education, Community & Human 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 (DCHS) and the Department of Public Health – Seattle and King County (Public Health). The work of these two departments is crucial to the well-being of the community.

These departments are primarily funded by state and federal funds, fees for service, grants, the County General Fund, and partnerships with other local governments. The overarching issue facing DCHS and Public Health is the lack of predictable revenue. For Public Health, this uncertainty is exacerbated by the static or declining status of state and federal funds. This downward pressure on Public Health resources will continue to challenge the ability of HHS agencies to provide critical services to low-income and vulnerable populations of King County. Adding to the revenue complexity, both departments face the integration of physical and behavioral health, as well as pending payment reform for Public Health.

- DCHS is responsible for a wide range of programs and services designed to strengthen communities and provide equitable opportunities for people to be healthy, happy, self-reliant, and connected to community. DCHS serves as the regional coordinator for most of the human services it provides to eligible County residents, and therefore plays a strong role in ensuring stability of the region’s human services infrastructure. The majority of DCHS programs and services are provided through contracts with community-based agencies.

While the department provides a wide range of services, its efforts focus on five key areas: behavioral health and recovery services; early intervention services; job training and employment services; improving housing stability; and community development and services.

- The overriding goal of Public Health is to protect and improve the health and well-being of all people in King County, as defined by per person healthy years lived. Public Health is transitioning to the Foundational Public Health Services framework; during the transition, Public Health’s vision, mission, goals, and objectives are based on the policy framework outlined in the Public Health Operational Master Plan (PHOMP). The PHOMP identifies three main functions for Public Health:
 1. Health Protection includes tracking and preventing disease and other threats, regulating dangerous environmental and workplace exposures, and ensuring the safety of water, air and food;
 2. Health Promotion focuses on leading efforts to promote health and prevent chronic conditions and injuries; and
 3. Health Provision emphasizes helping assure access to high quality health care for all populations within King County.

Public Health prioritizes programs in each of these functions that are based on science and evidence, driven by social justice, focused on prevention, and centered on the community.

DEPARTMENT OF COMMUNITY AND HUMAN SERVICES

Mission

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

Overview

The King County Department of Community and Human Services (DCHS) is responsible for a wide range of programs and services designed to strengthen communities and provide equitable opportunities for people to be healthy, happy, self-reliant, and connected to community.

Services include alcohol and drug abuse prevention, intervention, treatment, and recovery support; recovery-focused mental health treatment; early intervention for infants and toddlers with developmental delays; employment services for people with developmental disabilities; services for older adults, survivors of domestic violence and sexual assault, and low-income people needing civil legal aid; housing and community development, including homelessness services; employment and education programs for low-income youth and adults; and veterans' services.

In addition, the department provides oversight and management of the programs and revenues from three significant County initiatives with dedicated funding sources: the Veterans and Human Services (VHS) Levy, the Mental Illness and Drug Dependency (MIDD) dedicated sales tax, and the Best Starts for Kids (BSK) Levy. The department provides coordination to All Home (formerly known as the Committee to End Homelessness in King County) and regional efforts to end homelessness. In collaboration with Public Health-Seattle & King County, DCHS contributes leadership in implementation of the Health and Human Services Transformation Plan.

DCHS serves as the regional coordinator for most human services it provides to eligible County residents, and therefore plays a strong role in sustaining the stability of the region's human services infrastructure. The majority of DCHS programs and services are provided through contracts with community-based agencies, which make up over approximately 85 percent of the total DCHS budget. The work of DCHS is accomplished through the efforts of the Director's Office staff, the Behavioral Health and Recovery Division (BHRD), the Developmental Disabilities Division (DDD), and the Community Services Division, which includes Community Services, Regional Housing and Community Development, Employment and Education Resources (EER), and the King County Veterans Program (KCVP).

2017-2018 Problems, Opportunities, and Priorities

This section identifies five of the highest profile, most complex, and most challenging issues facing DCHS over the next biennium. Each issue also represents DCHS's greatest opportunities – to change how the County delivers services, to change people's lives for the better, to make communities healthier and stronger, and to demonstrate innovation and leadership not just to the region and state, but nationally. All of these issues complement the DCHS mission, vision, and goals; connect directly to the King County Strategic Plan and the Equity and Social Justice initiative; and will influence the future of housing and human services delivery for years to come.

Best Starts for Kids, approved by voters in 2015, is the most comprehensive plan in the nation for supporting the health and development of children and youth. Children who grow up in lower income neighborhoods have far more challenges to success than children raised in more affluent areas. Data shows that persons of color are more likely to reside in economically depressed areas and are therefore more likely to lag behind their peers.

BSK is designed to support every child to achieve his or her fullest potential in life, regardless of race, place, or family income. BSK will help King County transition to less expensive, more effective upstream solutions to the costly challenges that can occur later in life, such as homelessness, addiction, chronic depression, school drop-out, poor health, and criminal justice involvement. Science tells us that lifelong problems can often be prevented entirely by investing heavily in children before age five, and then sustaining that gain by making strategic investments at critical points in childhood and adolescence up to age 24. The implementation of BSK is based on that research.

MIDD Renewal. In 2007, the County Council voted to approve a dedicated one-tenth of one percent sales tax to generate funding to pay for a broad range of programs outlined in the MIDD Action Plan. The first MIDD Service Improvement Plan (SIP), which guided the implementation of MIDD sales tax-funded programs from 2008-2016, expires on Dec. 31, 2016. The County Council voted to extend the collection of the MIDD sales tax through Dec 31, 2026. DCHS has conducted very deliberate work and extensive community engagement to develop a revised MIDD SIP, which was transmitted to Council in August 2016.

The proposed MIDD SIP focuses on delivering services along the continuum of behavioral health: 1) prevention and intervention to ensure people get the help they need to stay healthy and keep problems from escalating; 2) crisis diversion so that people who are in crisis get the help they need to avoid unnecessary hospitalization or incarceration; 3) recovery and reentry so people become healthy and safely reintegrate into the community after crisis; and 4) system improvements to strengthen the behavioral health system to become more accessible and deliver on outcomes. The proposed MIDD SIP continues funding for King County's vital therapeutic courts offering diversion and/or pathways from criminal justice to housing, community treatment, and family reunification.

Veterans and Human Services Levy Renewal. First in 2005 and again in 2011, King County voters agreed to a property tax levy to help local veterans, their families and other individuals and families in need by approving the VHS Levy. The VHS Levy raises about \$18 million annually, split evenly between programs and services for veterans and other local residents. VHS Levy goals are outlined in the adopted SIP: 1) prevent/reduce homelessness; 2) reduce unnecessary criminal justice and emergency medical system involvement; and 3) increase the self-sufficiency of veterans and other vulnerable populations. In 2015, the Levy served 37,500 people, including 7,550 veterans.

The VHS Levy expires on December 31, 2017. Beginning in 2016 and continuing in 2017, DCHS and the County have the opportunity to talk to human services providers, veteran services organizations, city leaders, advocates, and other partners to discuss the renewal Levy. This provides an opportunity to engage the community in those discussions and to plan for the future. The 2017-2018 Proposed Budget only includes expenditures for the 2017 calendar year. If the VHS Levy is put forth to voters and renewed, a supplemental ordinance will be needed to implement the updated SIP.

Health Integration. The goal of the Health and Human Services Transformation Plan is to create services that help the “whole” person. A key step in eliminating fragmented and segmented services is the integration of physical health and behavioral health into one seamless system of care. State legislation passed in 2014 (Senate Bill 6312) calls for integrated behavioral health (mental health and substance use disorder) services through a single managed care entity by April 1, 2016 (phase one) and the full integration of physical health and behavioral health services by January 1, 2020 (phase two).

Phase one of the pathway to integration was successful. BHRD was designated as the Behavioral Health Organization for King County and the integration of mental health and substance use disorder services into one managed care system was implemented on April 1, 2016. Now the focus shifts to phase two: full integration of physical and behavioral health care by 2020. Work to create this new system of care will run throughout the biennium.

Homelessness. In 2015, King County Executive Dow Constantine stood with Seattle Mayor Ed Murray to declare homelessness a state of emergency. Despite having helped more than 40,000 people to exit homelessness and having built more than 6,000 units of homeless housing over the previous ten years, homelessness in King County was, and is, unacceptably high.

Looking ahead at the next two years, the region has the opportunity to come together in new and different ways and with a coordinated, collaborative and concerted effort, and begin to turn the tide of rising homelessness. Leading the regional effort is **All Home**, which brings together many partners in funding and implementing initiatives to tackle homelessness. The vision is that homelessness in King County will be rare, brief, and a one-time occurrence.

Key new and ongoing efforts to address homelessness in King County include:

- **Youth and Family Homelessness Prevention Initiative** –Funded by the BSK Levy, this \$19 million initiative is targeted to families with children and youth/young adults. The prevention plan will look to quickly stabilize people at imminent risk of homelessness.
- **Redesigning the current homeless shelter system** – With onsite case management and linkages to housing and community services, homeless shelters can become a pathway out of homelessness. King County is exploring a number of innovative and low-barrier temporary housing models, including modular units and tiny houses, along with shelter models that offer longer operating hours to facilitate case management services and other supports to move people toward housing stability.
- **Implementing Coordinated Entry for All** – Providing a clear and consistent way to access housing and services reduces barriers and creates a clear path to housing stability using a standardized assessment tool and a coordinated referral and placement process.

- **New transit-oriented development** – Ultimately, the biggest hurdle to ending homelessness is the lack of affordable housing. King County Executive Dow Constantine and the King County Council approved a plan in 2016 to invest \$87 million in new transit-oriented development that will create more than 1,000 units of housing connected to schools, shopping, job centers, and transportation hubs.
- **Opening up the private rental market** – Since 2009, King County and All Home have invested in efforts to engage local landlords to increase access to market rate housing for individuals and families with barriers to accessing housing. Over 3,000 households have been placed, thanks to partnerships with over 200 local landlords representing 412 properties.

Alignment with Executive Strategic Initiatives

Equity and Social Justice

An Equity and Social Justice (ESJ) lens is being integrated into every area of business for DCHS – in the approach to workforce development, recruitment and retention, service delivery, community partnerships, and system reforms needed to achieve equitable outcomes for employees, and for all residents, regardless of race, income, or geographic location. Examples of DCHS’s key internally-focused ESJ efforts include:

Employee Training – the DCHS Director’s Office is providing resources specifically targeted at becoming a fully inclusive and just workplace and promoting service delivery that is culturally responsive to the needs of residents. Management capacity to retain and develop a diverse workforce is being built through “360° reviews” as well as training focused on equity, inclusion, and social justice. A range of ESJ-focused training that began in 2015-2016 continues for all staff.

Recruitment, Hiring, and Retention – achieving workforce diversity within DCHS is focused on ensuring that 1) DCHS staff is representative of the diversity of King County at all levels of the organization; and 2) DCHS staff is supported in advancing their careers within the County. DCHS has seen improvement over the past three years in hiring persons of color by making a concerted effort to revise hiring and recruitment procedures.

Equity and Inclusion Manager – demonstrating the department’s commitment to ESJ, DCHS is creating a new full time position as the Equity and Inclusion Manager to provide leadership and consistency to department-wide activities around ESJ and to represent DCHS on countywide planning teams. This new position will provide counsel on employee engagement efforts, hiring and retaining a diverse workforce, training and professional development, and supporting community partners in providing culturally competent service delivery.

Contracts and Requests for Proposal - DCHS is working to make its contracting and procurement processes more inclusive. DCHS seeks to improve processes and remove barriers to contracting with King County for smaller and more culturally diverse organizations, which will help DCHS to improve culturally competent service delivery.

Supported Employment - King County government is a strong advocate for supported employment for people with developmental disabilities. The Developmental Disabilities Division works with hundreds of employers in the region to hire persons with disabilities, and to support this commitment, the Director's Office is adding a new supported employment position for a person with disabilities in 2017.

Examples of DCHS's key externally-focused ESJ efforts include:

Addressing institutional barriers and focusing on upstream strategies:

- *Best Starts for Kids* – in King County, where there is such prosperity and promise, it is troubling that race, income, and geography are major predictors of future success, health, and longevity. The BSK Levy is intended to change that and open doors of opportunity for all. The BSK implementation will mirror the County's commitment to ESJ as it works to challenge inequities by focusing on institutional policies, practices, and systems. Juvenile justice is one of the areas where the disparities are most extreme, and too few youth receive appropriate services before a crisis occurs. These are areas where BSK has programs outlined to positively affect change, to close the school to prison pipeline, and create pathways to education, employment, and stable futures.
- *Veterans and Human Services Levy/MIDD* – VHS Levy efforts include those focused on outreach to women veterans and to veterans of color; homeless outreach and linking clients to housing with onsite linkages to community services; programs for low-income new parents to learn how to be better parents and support the healthy growth of their children; and cultural navigator programs working with immigrants and refugees and others with limited English speaking knowledge to build peer support systems for families with children. For the MIDD, there are programs focused on reducing jail use, reducing homelessness, reducing psychiatric hospitalizations, and other services that help people of all ages who are poor, homeless, disabled, and disconnected from community.

Better access for and outreach to limited English proficiency populations:

- *Website Redesign* – DCHS is undertaking a significant website redesign and restructure to make information on accessing DCHS programs and services easier to find and easier to understand. A key piece of the redesign will be developing a special section of the website where information and materials will be available in different languages to improve access for non-English speaking residents. This work began in 2016 and continues in 2017.
- *Developmental Disabilities Family Outreach* – DDD has been working to improve outreach and engagement for limited or non-English speaking families. The division provides immediate translation for attendees at the annual legislative forum in multiple languages so that parents and caregivers can attend and follow along with the testimony from the evening forum even if their understanding of English is limited. The Birth to Three Early Intervention Program has translated its information materials into several languages and works with community groups to provide outreach to non-English speaking parents and parent groups. The School to Work program prepared both printed and video invitations in several languages to encourage participation in the program's annual resource fairs by non-English speaking parents and students.

Best Run Government

DCHS has implemented or plans to implement a number of initiatives that support Executive Constantine's goal of establishing King County as the best run government in the nation. The department has embraced Lean continuous improvement and visual management. In all areas of work, DCHS has created strong partnerships – across DCHS, across county government, with other levels of government, and with the business, faith, and philanthropic communities. There are many examples, both internal and external to the department.

Staff Recruitment – Improvements in recruitment and selection processes have increased the diversity of DCHS' workforce. Training for managers and supervisors to build skill sets and competencies, to learn to be more effective leaders, and to increase job satisfaction and employee retention have also proven successful.

Alternatives to Hospital Boarding Task Force – Joining with Governor Jay Inslee, Executive Constantine convened a task force of experts in the areas of mental health, involuntary commitment, psychiatric hospitalization, legal services, community treatment, law enforcement, and public defense to discuss and formulate recommendations to ease the crisis of hospital boarding. The task force developed new community alternatives to hospitalization, a new hospital bed placement protocol to facilitate placements for those most challenging to serve, facilitated the funding for new hospital treatment beds in King County, and developed a set of recommendations for future efforts, including a legislative package to continue to improve and strengthen the public mental health system for people in crisis. Ongoing implementation of Task Force recommendations will continue into the 2017-2018 biennium.

Heroin and Opiate Addiction Task Force – the Executive convened a panel of subject matter experts to focus on the crisis of this region's increasing heroin and opioid drug use, abuse, addiction, and overdose. The task force brought together an extraordinary mix of subject matter experts to strategize and identify action steps. In the first month, they announced their first action: the distribution of naloxone to homeless housing providers and local law enforcement in King County and in just weeks, that effort was already saving lives. The final report presented in September 2016 included additional recommendations to promote prevention, increase access to a range of treatment options, and offer ideas for improving user health and safety. Ongoing implementation of Task Force recommendations will continue into the 2017-2018 biennium.

Major Division-Level Initiatives

DCHS Administration/Director's Office

In addition to providing general oversight for all programs and services contracted or provided by the department, the Director's Office oversees critical business functions that connect the department and its various lines of business. These include finance and budget preparation and oversight, payroll, human resources, communications, emergency/disaster response, legislative coordination, performance measurement design and oversight, and data and evaluation.

The Director's Office administers the DCHS Administration Fund. The DCHS Administration Fund also includes the planning and resource coordination for All Home and the regional efforts to end homelessness. Funds to support the Director's Office functions come from a cost allocation formula applied to all of the funds in DCHS. Funds to support All Home are not involved in the cost allocation formula, and come from multiple local, state, federal, and private grant sources.

Initiatives coordinated by the Director's Office include efforts such as the Health and Human Services Transformation Plan, planning and preparation for health care integration, the Youth Action Plan, BSK, Communities of Opportunity, and Familiar Faces.

All Home, formerly the Committee to End Homelessness (CEH) in King County, provides regional leadership and coordination to the efforts to make homelessness in King County rare, brief, and one-time. All Home is a coalition of governments, nonprofit organizations, faith communities, business and philanthropy, and people who have experienced homelessness working together to plan and implement housing and services for individuals and families who are homeless.

Beginning in 2014, CEH (now All Home) took on responsibility as the Continuum of Care for purposes of applying for federal homeless McKinney/HEARTH Act funding and meeting other requirements set forth by HUD for homelessness plans.

Key 2017-2018 change drivers for the Director's Office/DCHS Administration include:

Health and Human Services Transformation – both DCHS and Public Health play roles in coordinating the implementation of initiatives under the Transformation umbrella, including Familiar Faces and physical and behavioral health integration. As BSK is implemented, it may influence changes to Communities of Opportunity or other Transformation plan activities over the biennium.

Best Starts for Kids – Planning and implementation to launch BSK are significant endeavors that will require time, effort, and resources. The 2017-2018 DCHS biennial budget includes funding for programs and strategies outlined in the implementation plan and staffing necessary to be successful.

Homelessness – The crisis of homelessness presses on nearly all DCHS lines of business, especially All Home, Housing and Community Development, and the Director's Office. Regional planning, collaboration, and funding are integral to the search for solutions to homelessness. The System Wide Analytics and Projection (SWAP) project may drive changes to the King County homelessness system in general, and specifically to Housing and Community Development budgets.

All Home’s goal is to make homelessness rare, brief, and one-time. The following graphic shows King County’s trends over the past four years (2012-2015) on each of these three metrics.



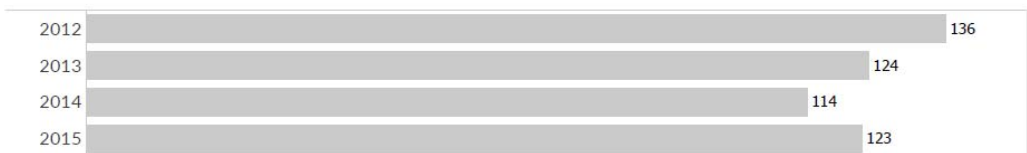
Goal: Homelessness Is Rare, Brief, and One-Time



Approximately 1/3 of households exit to permanent housing. (Target is greater than or equal to 36%)



The average household in our system is homeless for 120 days. (Target is less than or equal to 103 days)



Most households who exit to permanent housing do not become homeless again. (Target is less than or equal to 10%)



Note: 45,650 homeless households were served in King County in 2015. 2015 annual targets were calculated based on achieving a 10% improvement over 2014 performance.

Intergovernmental Relations – Partnerships and intergovernmental relations are vital to many regional efforts, particularly around homelessness, BSK, physical and behavioral health integration, MIDD renewal, and planning for VHS Levy renewal. These are all county-wide efforts that are more successful when partners and other jurisdictions participate in their development and implementation, so building and strengthening these relationships is critical.

Rural Services – The department continues to explore how best to meet the human service needs of the rural and unincorporated areas. DCHS hosted a series of community meetings in summer 2016 to gather information from rural residents on the challenges to accessing services and the preferred models for service delivery. The department will continue to act on these findings in the 2017-2018 biennium, with investments such as a grant-based initiative in the proposed MIDD SIP to improve access to behavioral health services in rural King County.

Community Services Division

The Community Services Division oversees a wide range of services and administers six funds:

Community Services Operating (CSO) Fund – CSO supports services for senior centers serving older adults in unincorporated areas, sexual assault and domestic violence services for people in crisis, and civil legal services for people living on low incomes.

Veterans Program/Veterans Relief Fund – Funding for the Veterans Relief Fund comes from dedicated millage from property taxes per state law. The KCVP has served low-income, homeless, and disabled veterans and their families since the 1950s.

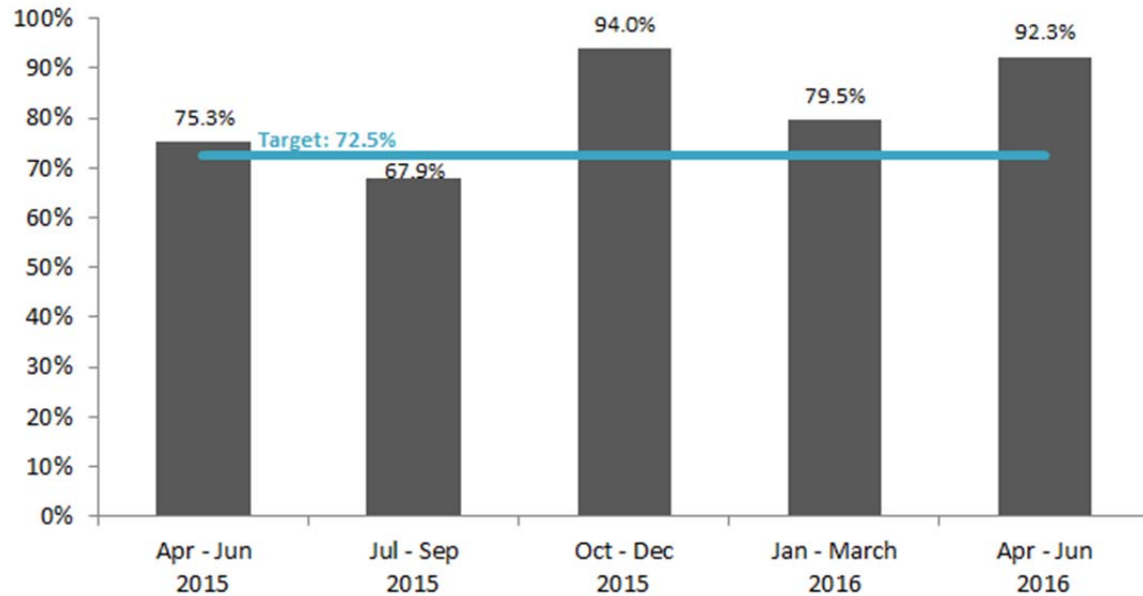
Veterans and Family Levy Fund and Human Services Levy Fund – The VHS Levy was first approved by King County voters in 2005 and renewed in 2011 to fund programs and services to help veterans and military personnel, their families, and other individuals and families in need.

Housing and Community Development (HCD) Fund – HCD includes funding and oversight for the development of affordable and special needs housing, homeless prevention and support services, housing repair, and community development projects that improve the livability of poorer neighborhoods and communities.

Employment and Education Resources (EER) Fund – EER supports youth and adult employment and education programs in collaboration with many community partners. EER serves at-risk youth who have dropped out of school or who are at risk of dropping out as well as juvenile justice and gang-involved youth. Adult clients are low-income job seekers, dislocated workers, and people with barriers to employment, such as limited English proficiency, homelessness, and prior criminal justice involvement. Employment and education are at the heart of the County's goals of building opportunity and equity. Rising out of poverty depends on the ability to earn a living wage. Data from EER shows that clients are predominantly persons of color, low and very low-income, have a lack of education, and have criminal justice experience. Many have struggled with homelessness or disabilities that make it challenging to enter the work place and to succeed there.

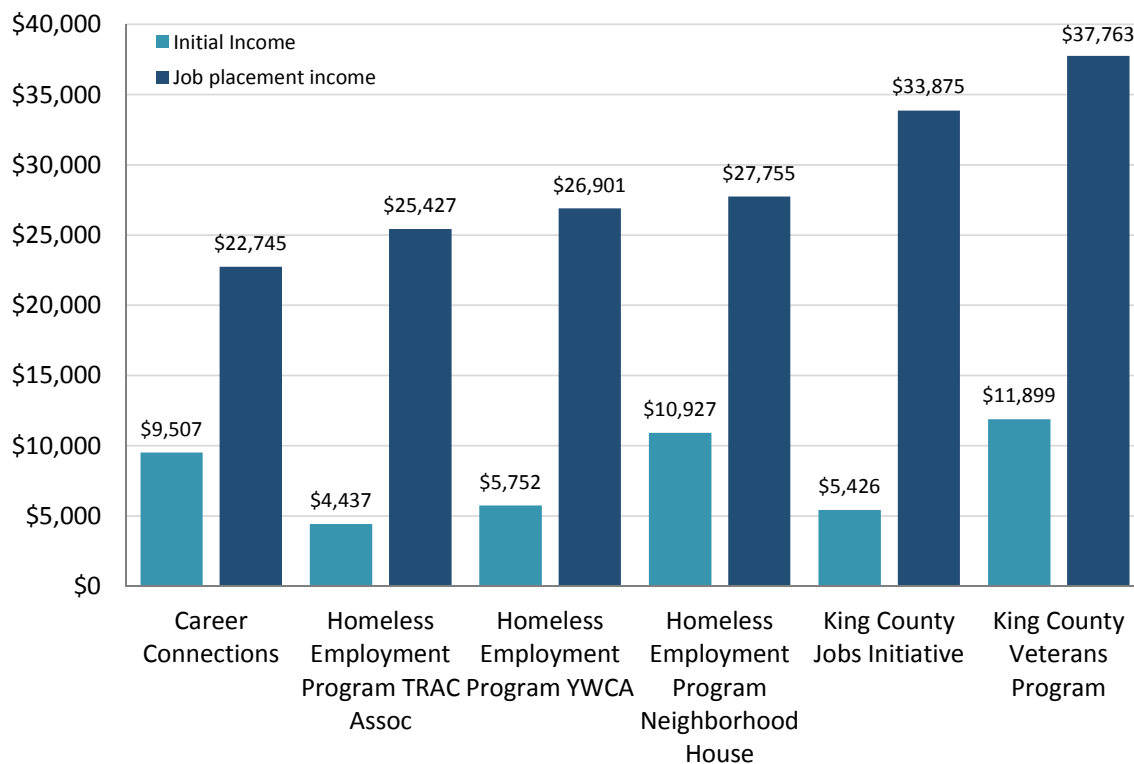
One of the EER program's goals is that at least 72.5 percent of youth in EER federally-funded programs are engaged in employment and/or post-secondary education at program completion. The following chart shows that EER has met or exceeded this target in four of the last five quarters.

Employment and Education Resources youth programs consistently exceeded their targets for employment and/or post-secondary education.



Another key metric that EER tracks is how much a job placement increases a person’s annual income. The following chart shows 2015-2016 average annual income for program participants upon entering the program and upon receiving a job placement. For all programs, the average annual income post-job placement is higher than when the participant entered the program.

Job placements from July 1, 2015 to June 30, 2016 through King County’s EER programs increased participants’ average annual income from \$8,468 to \$30,269 per year.



The following change drivers impact the 2017-2018 budget for funds administered by the Community Services Division:

Community Services Operating Fund:

- **WorkSource Renton Lease** – The lease for the WorkSource Renton site will expire in August 2017 and a decision must be reached on whether to stay or leave. The Renton operation currently houses two floors of classrooms, computer labs, interview rooms, and office space.
- **Older Adult Population Changes** – As tens of thousands of baby boomers get older, this “age wave” may necessitate changes to housing planning and other services to accommodate them.
- **Human Services Contracting and Funding Allocation Changes** – Agencies applying for funds in certain human service areas will be evaluated based on the ability to meet the projected scope, including outcomes, core services, and eligibility criteria. This new process will be applied to funding decisions for this biennium.

Veterans Program/Veterans Relief Fund and the Veterans and Human Services Levy

- **Changing Needs of Veterans** – Thanks to the VHS Levy, King County has been better able to respond to the needs of veterans, including increasing Post Traumatic Stress treatment and establishing services and supports for military families. The differing needs of aging veterans and younger returning veterans are a continuing challenge.
- **Homelessness** – Homelessness is a crisis in King County and although progress was made in 2016 to move hundreds of veterans from homelessness to housing, about 300 veterans – many with vouchers in hand – are still searching for housing.
- **Veterans and Human Services Levy** – The VHS Levy expires at the end of 2017. The County has not yet decided whether to place a renewal measure before voters in 2017 and if so, in what form or amount. Therefore, it is unknown if a VHS Levy will exist past December 2017, which would mean a loss of considerable KCVP services that are levy-funded.

Regional Housing and Community Development

- **Transit-Oriented Development** – King County is implementing State legislation that allows it to bond against future hospitality revenues to generate funds to purchase land near transportation hubs for development of affordable housing. Implementation began in 2016 and the 2017-2018 Proposed Budget includes investments of this revenue in the upcoming biennium as well.
- **Coordinated Entry for All** – All Home collaborated with many partners to design a system of coordinated entry into homeless housing and services, piloted first for homeless families, then for youth/young adults, and then for veterans. In 2016, it comes together as Coordinated Entry for All – one system to provide coordinated entry for all homeless populations – and moves from All Home to HCD to manage.
- **Homeless Management Information System** – For many years, the region has struggled with a weak data system, which has hampered performance management and analysis. Over the past few years, DCHS worked together with the City of Seattle and provider partners to develop a new HMIS for the region that DCHS will manage. Real time data from HMIS will help facilitate Coordinated Entry for All placements and also help enhance efforts to measure the most effective programs and providers.

- **Homeless Shelter Transformation** – King County has made it a priority to invest in creating pathways out of homelessness and has moved toward contracting with providers that offer case management and linkages to community supports in addition to a shelter bed. HCD is both a funder and a homeless shelter and services provider. Looking ahead, HCD will continue to work with its partners to build steps to exit homelessness, including exploring new models for shelter to achieve this goal.
- **Fund Consolidation** – In the last biennial budget, DCHS had two housing funds. The Housing Opportunity Fund included dedicated revenue from state-authorized document recording fees and other sources to support homeless housing projects, including capital investments, supportive services, and operating support. The Federal Housing and Community Development Fund contained revenue from HUD that supported Community Development Block Grant, HOME Investment Partnerships, and other programs – providing the funding for housing repair programs, homeless prevention, and low-income housing and community development. For efficiency and better coordination, DCHS proposes to consolidate housing revenues and expenditures into one fund called the Housing and Community Development Fund.

Employment and Education Resources

- **Basic Food and Education (BFET) Program** – BFET is a multi-component program with a recently expanded \$1.3 million budget that includes funding for the King County Jobs Initiative, KCVP, Career Connections, Clear Path to Employment, and BHRD. The decision to take on the BFET program has brought in significant revenues for EER and significantly helped to improve revenue stability for EER. There may be opportunities to continue to expand this role.
- **Best Starts for Kids** – BSK will bring funding and more responsibility to EER, particularly in programs working to eliminate the school-to-prison pipeline. EER has established itself as a regional leader in engaging and serving youth at risk and gained new partners in the last biennium. It is anticipated that this role will continue to grow as BSK programs ramp up.
- **Communities of Opportunity** – Through Communities of Opportunity investments, BSK will support programs to increase employment opportunities for people in poorer neighborhoods who traditionally are unemployed or underemployed.

Developmental Disabilities Division (DDD)

DDD provides services and supports to enhance the lives of residents with developmental disabilities and their families. Services include early intervention services for infants and toddlers with developmental delays; employment services for youth transitioning from high school and for adults to obtain and maintain community 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; 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 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.

The following change drivers impact the 2017-2018 Developmental Disabilities Division budget:

Best Starts for Kids and Early Intervention – With its focus on supporting the youngest county residents to prepare for school and life, BSK and DDD are natural partners. DDD will help support the implementation of the BSK Help Me Grow framework, which provides a new system of teamwork to support families and children through strong community and system linkages. This will make it more efficient and effective for medical providers, home visitors, child care providers, and community-based programs to identify concerns about child development and respond to the needs of children and families in King County.

The Invest Early BSK strategy areas focused on Prenatal to 5 Years will result in an increase in referrals to the early intervention system and children accessing the early intervention services they need. DDD will need to work with its early intervention providers to increase their capacity to provide these services. In addition, DDD will need to increase coordination and collaboration with county BSK partners implementing BSK efforts as these efforts will also impact the early intervention system.

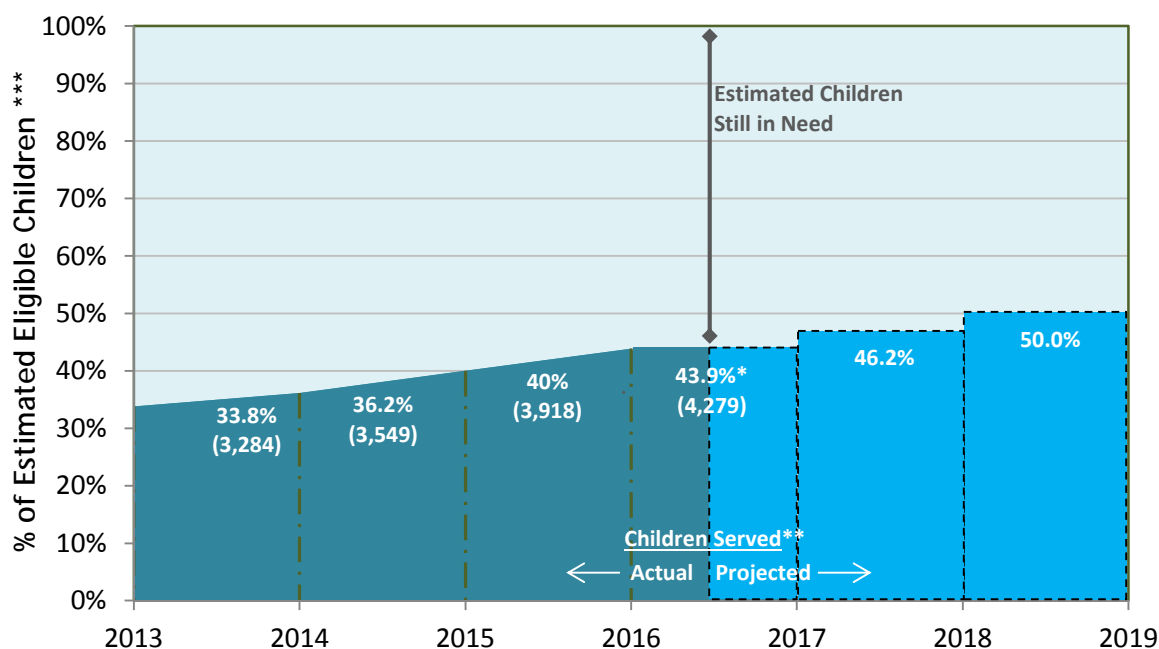
Outreach to Non-English Speaking Families – DDD has achieved success in efforts to improve outreach and engagement to limited or non-English speaking families and is dedicated to continue these efforts. Approximately 55 percent of families receiving early intervention services are families of color and approximately 25 percent of families receive services via interpreters. With the increase in funding for early intervention, DDD will be able to enhance outreach and access for immigrant and refugee and other non-English speaking families.

Adult Supported Employment – King County has a strong history of providing employment services and supports for people with developmental disabilities. The State’s Working Age Adult Policy establishes employment supports as the primary use of employment and day program funds for adults with developmental disabilities. Washington was the first state in the nation to have “employment first” legislation. The Legislature approved additional funding for employment services, which will help DDD meet the high demand.

Early Intervention Program – DDD is looking to increase its capacity to serve children birth to three with developmental delays or disabilities. King County continues to experience an increase in the number of infants and toddlers utilizing early intervention services, but there are many more not getting the help they need. These services are essential to helping very young children get their best start in life. Providers have received a 43 percent decrease in rates over the last eight years due to stagnant state funding and increased numbers of children served.

The following chart shows DDD’s progress in serving children 0 to 3 years old that are potentially eligible for early intervention services, based on the assumption that about one in eight infants and toddlers (13%) would be eligible for early intervention services. From 2013 to 2016, the percent of estimated eligible children served increased from 33.8% to 43.9%. By the end of 2018, DDD projects it will reach 50% of estimated eligible children.

DCHS Developmental Disabilities Division is increasing the proportion of children served who are potentially eligible for Early Intervention services.



Data source: Washington State Department of Early Learning, Early Support for Infants and Toddlers (ESIT).
 Notes: * For 2016, approximately 5,503 children unserved. (Calculated from annual birth rate population in 2016 x 13%)
 ** King County Birth to Three population count based on actual births for 3 prior years.
 *** Rosenberg, S., Zhang, D. & Robinson, C. (2008). Prevalence of developmental delays and participation in early intervention services for young children. *Pediatrics*, 121(6) e1503-e1509, identified that 13% of children 0-3 had developmental delays.

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 involvement and inclusion. School to Work has a 60 percent success rate in getting enrolled youth hired into jobs in the community by graduation. Largely due to its success in engaging and placing youth, King County received additional funding from the Legislature to serve youth in the last biennium. As youth graduate and become adults they are eligible for adult services.

Behavioral Health and Recovery Division (BHRD)

BHRD provides oversight and management of publicly funded mental health and substance use disorder services for eligible King County residents, with an emphasis on prevention, intervention, and recovery. The division changed its name in 2016 from Mental Health, Chemical Abuse and Dependency Services to Behavioral Health and Recovery to reflect the significant system change implemented on April 1, 2016 – the integration of publicly-funded mental health and substance use disorder services into a single managed care contract with the state – and the continuing focus on recovery.

Mental health services include crisis services, outpatient treatment, inpatient and residential services, and involuntary hospitalization. The majority of services are provided through contracts with community-based agencies. Treatment is tailored to individual client needs, including case management, family counseling, individual or group counseling, residential care, medication management, emergency/crisis assistance, and vocational or school-based services. Specialized services include deaf/hearing impaired services, children’s services, ethnic/cultural services, homeless outreach, and co-occurring mental health and substance abuse treatment.

Substance use disorder (SUD) treatment is provided primarily through contracts with community-based agencies. Contracted services include prevention, substance abuse information and referral, detoxification, sobering services, opioid treatment programs, outpatient treatment, and youth outpatient treatment. In 2016, BHRD took on new responsibilities for SUD residential services. Direct services from BHRD staff include 24/7 crisis intervention and involuntary treatment outreach; investigation provided by designated mental health professionals to people in emotional crisis; and 24/7 street outreach and triage service by the Emergency Services Patrol in downtown Seattle to assist those impaired by drugs and alcohol. Alcohol and Other Drug Prevention Program staff work with local communities to support substance abuse and violence prevention efforts.

The primary funding source for BHRD is Medicaid funding, augmented by state and other federal funds. When state cuts are made, they are primarily to non-Medicaid funds. On an ongoing basis, the division looks at ways to transition programs and services to make them Medicaid-eligible. Revenues are also generated by County millage, the MIDD sales tax, and competitive grants awarded to BHRD.

BHRD administers the County’s Behavioral Health and MIDD funds. The following change drivers impact the 2017-2018 BHRD budget:

Treatment on Demand – Building a system of “treatment on demand” is the future state and the goal for the behavioral health system. In this future system, people can access the treatment they need, at the right level of care, in their own community, and when and where they need it. BHRD is working to ensure same-day access to exactly the care that people need to begin their journey to recovery when they are ready.

Health Integration – Implementation of the Behavioral Health Organization and increased roles and responsibilities around the provision of integrated mental health and substance use disorder services necessitate additional staffing to strengthen administrative and operational support for system change. BHRD is also moving forward with phase two planning of Senate Bill 6312, which calls for integration of behavioral health and primary care no later than 2020.

Information Technology and Integration Planning – As BHRD proceeds with planning for full physical and behavioral health integration, data system and technology infrastructure needs are also emerging. If the County opts to take on greater responsibility for physical health care, significant data infrastructure changes will be needed to accommodate new requirements and responsibilities and an expanded provider network. Additionally, the County would need to interface with other system partners, including managed care plans and multiple electronic health record systems. These system connections will need to be made in a more advanced way than what happens today, requiring additional interfaces, applications, and IT support.

MIDD Renewal – The MIDD was passed in 2007 and MIDD-funded services started in 2008. The 2017-2018 budget reflects the proposed MIDD 2 SIP that focuses on prevention and early intervention, crisis diversion, recovery and reentry, and system improvements.

Psychiatric Boarding – For many years, King County and the rest of the state struggled with a serious shortage of inpatient involuntary treatment beds for people in psychiatric crisis. The practice of “boarding,” where people had to wait hours and even days in an emergency room or a non-psychiatric inpatient facility for a psychiatric bed to open, happened far too often. A Washington State Supreme Court decision in 2014 ruled that hospital boarding of individuals in a mental health crisis, absent a medical need to be in the hospital, was unconstitutional. King County has been working to implement short and long-term solutions to the shortage of involuntary psychiatric treatment beds. A joint State/King County Task Force convened to seek solutions to the bed shortage issued their recommendations in 2016. Flexible resources, like the MIDD, have been helpful in expanding treatment capacity.

Heroin and Opioid Addiction – More people in King County are accessing detox for heroin and opioid addiction than for alcoholism. The death toll for opioid overdose is the highest it has ever been, and the problem of addiction is occurring in every zip code in King County. Executive Constantine was joined by Seattle Mayor Ed Murray, Auburn Mayor Nancy Backus, and Renton Mayor Denis Law in co-convening a Heroin and Prescription Opiate Addiction Task Force in 2016 to develop recommendations to solve the problem of use and abuse. The final recommendations of the Executive’s Heroin and Prescription Opiate Addiction Task Force may generate action steps and/or legislative asks for the 2017-2018 session, which could impact the BHRD budget.

Involuntary Treatment Act Evaluation Timelines – Under state statute, designated mental health professionals (DMHPs) must meet established timelines for completion of an evaluation for involuntary commitment. Changes to commitment laws and criteria have increased demand for evaluations. Insufficient numbers of DMHPs made it difficult to meet the need for crisis outreach and evaluation. Significant efforts in 2015 and 2016 sought to analyze the changes to law, identify the reasons for missed timelines, and improve protocols and procedures to achieve efficiencies, which will continue into the 2017-2018 biennium.

Behavioral Health Workforce Shortages – Insufficient recruitment and retention of qualified behavioral health workers is presenting problems for community providers and hospitals. Integrated care is driving an increasing need for workers with multiple credentials. High caseloads and low wages are causing good workers to leave the field, making it increasingly difficult for providers to hire the staff they need. Without workforce improvements, the problem will only get worse, not just for King County but statewide.

Familiar Faces – BHRD and its partners are looking to reduce, prevent, or divert people who cycle through jails and other crisis services by providing better connections to treatment and housing for these individuals. Discussions continue with the state around flexible care funding and outreach, and other fund sources may be sought to help increase care teams to assist the target population with individualized care plans.

Therapeutic Courts – MIDD 2 revenues will continue to support the therapeutic courts – Adult Drug Court, Juvenile Drug Court, Family Treatment Court, Regional Mental Health and Veterans Courts, and Seattle Mental Health Municipal Court.

**2017-2018 Executive Proposed Operating Budget
 COMMUNITY AND HUMAN SERVICES ADMINISTRATION (EN_A93500)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	11,545,034	11,280,925	22.3	3.9
Base Budget Adjustments	(670,937)	(1,104,907)	0.8	(3.9)
Decision Package Adjustments	804,191	1,216,658	2.0	0.0
2017-2018 Executive Proposed Budget	11,678,288	11,392,676	25.0	0.0
2017-2018 Executive Proposed Ordinance	11,679,000	11,393,000	25.0	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) ESJ Equity and Inclusion Manager Create 1.0 FTE to support increased DCHS equity and social justice (ESJ) efforts, including driving organizational changes to become a fully inclusive and just workplace, and driving evaluation and program design changes to improve program and services' ability to reach and serve ESJ populations.	279,105	279,105	1.0	0.0
(DS_002) Supported Employment Administrative Position Add expenditure authority for DCHS Director's Office to loan-in 1.0 FTE from Human Resources Department (HRD) to provide administrative assistance due to additional administrative workload created by significant departmental growth. This position will be a Supported Employment position, which provides DCHS an opportunity to lead by example by supporting the Supported Employment program, which provides employment opportunities to people with intellectual or developmental disabilities.	143,693	143,693	0.0	0.0

Administrative Service Changes

**2017-2018 Executive Proposed Operating Budget
COMMUNITY AND HUMAN SERVICES ADMINISTRATION (EN_A93500)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(AC_001) Budget Adjustment for DCHS Director's Office Adjust expenditure authority and budgeted revenue to align budget with 2017-2018 projections. Revenues are increasing more than expenditures because some increase in expenditures occurs in central rate decision packages. Expenditure increases reflected here include inflationary increases to supplies, equipment, consultant contracts, and transfers to other funds.	129,449	276,519	0.0	0.0
(AC_002) General Fund Target Reduction - HHSTP Eliminate the General Fund transfer to the Health and Human Services Transformation Plan (HHSTP) to meet required General Fund balancing target. DCHS is proposing to reduce this transfer but to continue funding HHSTP activities from other sources, resulting in no service impact to the community.	(501,000)	(501,000)	0.0	0.0
(AC_003) All Home Budget Alignment Adjustments Adjust All Home's expenditure authority and budgeted revenue to align budget with 2017-2018 projections.	(166,276)	383,027	0.0	0.0
Technical Adjustments				
(TA_001) Transfer Strategic Policy Advisor From HCD to Director's Office Transfer a DCHS Strategic Policy Advisor from the Housing and Community Development (HCD) Fund to the DCHS Administration Fund (Director's Office) to better reflect the department-wide scope of policy work conducted by this position. This position will now be funded by the DCHS overhead allocation.	312,002	310,315	1.0	0.0
(TA_002) Transfer CoC Planning Revenue and Expenditures to All Home from HCD Eliminate double budgeting of Continuum of Care (CoC) planning dollars between the All Home program in the DCHS Administration Fund (1080) and the Housing and Community Development Fund (2460). This adjustment is incorporated in DS_002 in the Housing and Community Development proposed budget.	300,000	300,000	0.0	0.0
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	25,000	0.0	0.0
(TA_113) Vacancy Rate Adjustment Reflects the salary savings associated with the natural rate of employee turnover for a given agency and provide greater transparency in the budget.	(212,000)	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
 COMMUNITY AND HUMAN SERVICES ADMINISTRATION (EN_A93500)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_198) Motor Pool Dispatch Rental Remove vehicle dispatch rental rates from the Fleet Motor Pool central rate account 55010 and move them into account 55258 Motor Pool ERR SVS. The amount was estimated based on 2015 actual rental billings and revised based on agency need and estimated usage for 2017-2018.	23,000	0	0.0	0.0
Central Rate Adjustments	496,218	0	0.0	0.0
Total Decision Package Adjustments	804,191	1,216,658	2.0	0.0

**2017-2018 Proposed Financial Plan
DCHS Administration / 000001080**

Category	2015-2016 Estimated¹	2017-2018 Proposed Budget²	2019-2020 Projected³	2021-2022 Projected³
Beginning Fund Balance	179,479	644,945	359,333	(80,392)
Revenues				
Federal	500,000	762,420	500,000	500,000
Local	2,438,370	1,725,824	1,848,358	1,979,591
General Fund	476,000	-	-	-
Interfund Transfers	8,511,026	8,904,433	9,631,336	10,348,999
Other	12,000	-	-	-
Total Revenues	11,937,396	11,392,676	11,979,694	12,828,590
Expenditures				
Salaries, Wages & Benefits	(7,066,939)	(7,739,464)	(8,180,613)	(8,671,450)
Supplies and Other	(69,000)	(55,000)	(58,190)	(61,798)
Contracted Services	(1,250,711)	(973,498)	(1,029,961)	(1,093,818)
Intergovernmental Services	(2,716,841)	(2,854,610)	(3,091,543)	(3,382,148)
Intragovernmental Contributions	(368,439)	(55,716)	(59,112)	(63,005)
Total Expenditures	(11,471,930)	(11,678,288)	(12,419,419)	(13,272,219)
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	644,945	359,333	(80,392)	(524,021)
Reserves⁴				
Expenditure Reserve (s)	(148,700)	(34,524)	-	-
Rainy Day Reserve (60 days of All Home expenditures)	(318,168)	(304,919)	(323,840)	(345,491)
Total Reserves	(466,868)	(339,443)	(323,840)	(345,491)
Reserve Shortfall	-	-	404,232	869,512
Ending Undesignated Fund Balance	178,077	19,890	-	-

Financial Plan Notes

¹ 2015-2016 Estimated reflects updated revenue and expenditure estimates as of 8/31/2016.

² 2017-2018 Proposed reflects current proposed budget for this fund.

³ Outyear expenditure projections assume growth in accordance with King County Office of Performance, Strategy, and Budget planning assumptions.

⁴ The Expenditure Reserve represents private funding with designated uses in 2017-18 and 2019-2020. In addition, this fund carries a 60 day Rainy Day Reserve for All Home expenditures.

**2017-2018 Executive Proposed Operating Budget
COMMUNITY SERVICES OPERATING (EN_A88800)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	11,014,258	10,286,566	11.5	0.0
Base Budget Adjustments	(663,710)	(920,000)	0.1	0.0
Decision Package Adjustments	1,108,214	1,290,460	0.0	0.0
2017-2018 Executive Proposed Budget	11,458,762	10,657,026	11.6	0.0
2017-2018 Executive Proposed Ordinance	11,459,000	10,658,000	11.6	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.

2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.

3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) Emerging Needs Funding Provide expenditure authority for emerging human services needs in the 2017-2018 biennium.	100,000	100,000	0.0	0.0
(DS_008) Expand Men's Homeless Shelter Service Expand County-operated men's homeless shelter service from 5.5 months to 12 months per year, from 50 beds to 120 beds, and from 9.5 hours per night to between 11 and 15 hours per night depending on location. This increase is funded by the county's Document Recording Fee revenues.	1,469,651	1,469,651	0.0	0.0
Administrative Service Changes				
(AC_001) Transfer to EER to Support WorkSource Renton Lease Renewal and Moving Costs Transfer funding from the Community Services Operating Fund to the Employment and Education Resources (EER) Fund to support decision package AC_001 in EER. The WorkSource Renton lease expires in August 2017, and this transfer will support one-time moving and tenant improvement costs.	400,000	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
COMMUNITY SERVICES OPERATING (EN_A88800)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(AC_100) MIDD Supplantation Transfers All MIDD supplantation costs must be removed from the MIDD starting January 1, 2017. This amount reflects the portion of MIDD expenditures moving to the Community Services Operating Fund and the corresponding general fund support.	525,352	525,000	0.0	0.0
Technical Adjustments				
(TA_001) Budget Adjustment for Community Services Operating Fund Adjust expenditures and budgeted revenue downward to align budget with 2017-2018 projections.	(991,537)	(1,294,861)	0.0	0.0
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	490,670	0.0	0.0
Central Rate Adjustments	(395,252)	0	0.0	0.0
Total Decision Package Adjustments	1,108,214	1,290,460	0.0	0.0

**2017-2018 Proposed Financial Plan
Community Service Operating Fund /00001421**

Category	2015-2016 Estimated ¹	2017-2018 Proposed Budget ²	2019-2020 Projected ³	2021-2022 Projected ³
Beginning Fund Balance	1,650,661	844,336	42,600	54,460
Revenues				
General Fund	7,694,330	7,939,000	8,399,462	8,920,229
Intergovernmental - MIDD ⁴	512,676	-	-	-
Interfund Transfers - CSD Overhead ⁵	1,814,864	2,713,654	2,906,323	3,133,017
Interest & Other	182,339	4,372	4,626	4,912
Total Revenues	10,204,209	10,657,026	11,310,411	12,058,158
Expenditures				
Salaries, Wages & Benefits	(2,149,996)	(2,255,740)	(2,384,317)	(2,527,376)
Supplies and Other	(105,000)	(102,132)	(108,056)	(114,755)
Contracted Services	(6,891,594)	(7,347,428)	(7,773,579)	(8,255,541)
Intergovernmental Services	(1,292,328)	(950,054)	(1,028,908)	(1,125,626)
Interfund Transfers ⁶	(571,616)	(803,408)	(3,691)	(4,038)
Total Expenditures	(11,010,534)	(11,458,762)	(11,298,551)	(12,027,336)
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	844,336	42,600	54,460	85,282
Reserves				
Total Reserves ⁷	-	-	-	-
Ending Undesignated Fund Balance	844,336	42,600	54,460	85,282

Financial Plan Notes:

¹ 2015/2016 Estimated reflects updated revenue and expenditure estimates as of 04/30/2016, as well as the impact of any proposed but not approved supplemental.

² 2017/2018 Proposed includes all services and adjustments for the next budget periods.

³ Out year projections reflect expenditure and revenue growth in line with King County's Office of Performance, Strategy and Budget's published planning assumptions, last updated March 2016.

⁴ All MIDD supplantation costs must be removed from the MIDD starting January 1, 2017. Therefore, MIDD transfers to the Community Services Operating Fund will end after the 2015-2016 biennium.

⁵ Although the Veterans and Human Services Levy expires at the end of 2017 unless renewed, this financial plan assumes Levy revenue for all years shown. If this levy is not renewed, expenditures and revenues will need to be adjusted.

⁶ Interfund transfers in 2017-2018 include one-time transfers to Employment and Education Resources Fund and Housing and Community Development Fund that will not continue in outyears.

⁷ This fund is not required to carry any reserves because it is primarily funded by interfund transfers from the General Fund and other funds in the Community Services Division, which carry their own reserves.

**2017-2018 Executive Proposed Operating Budget
EMPLOYMENT EDUCATION RESOURCE (EN_A93600)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	23,572,769	23,324,505	37.5	0.0
Base Budget Adjustments	1,318,619	158,190	0.0	0.0
Decision Package Adjustments	(2,964,469)	(1,849,939)	3.0	0.0
2017-2018 Executive Proposed Budget	21,926,919	21,632,756	40.5	0.0
2017-2018 Executive Proposed Ordinance	21,927,000	21,633,000	40.5	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) Communities of Opportunity Employment and Education Program Manager Implement the Employment and Education Resources Division's portion of the Communities of Opportunity Strategy, as described in the Best Starts for Kids Implementation Plan. This position designs and implements strategies to integrate WorkSource system resources and services within COO communities to reduce poverty and income disparities.	279,105	279,105	0.0	0.0
(DS_002) Open Doors Program Youth Outreach and Engagement Program Manager Create a 1.0 FTE Youth Outreach and Engagement Program Project Manager position for the Open Doors Program to provide outreach and recruitment to Opportunity Youth and underserved communities to link them with education and employment programs. This body of work is currently being done by a TLT, but is a growing, long-term need. The Open Doors program, including this position, is primarily funded by state and private funds.	247,781	247,782	1.0	0.0

**2017-2018 Executive Proposed Operating Budget
EMPLOYMENT EDUCATION RESOURCE (EN_A93600)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(DS_003) BFET Social Services Specialist Create a 1.0 FTE Social Services Specialist position to coordinate the King County Jobs Initiative (KCJI) Basic Food Education and Training (BFET) program, which provides training and education to Basic Food clients to attain living wage jobs. This program is rapidly expanding, and this FTE will do program coordination internally and externally with key stakeholders, increase outreach efforts, and work with funding partners. This position will be supported by BFET revenue.	184,359	184,097	1.0	0.0
(DS_005) BFET Fiscal Specialist Create a 1.0 FTE Basic Food and Education (BFET) Fiscal Specialist position to manage the fiscal side of this expanding program, including reviewing and approving vouchers, reporting, and general financial management. This body of work is currently done by a special duty assignment. This position will be supported by BFET revenue.	182,736	182,523	1.0	0.0
Administrative Service Changes				
(AC_001) WorkSource Renton Lease Moving and Tenant Improvement Costs Support moving costs and needed tenant improvements to consolidate DCHS staff at the WorkSource Renton location into less square footage than they currently occupy. This move and tenant improvements are supported by an interfund transfer from the Community Services Operating Fund (AC_001 in Fund 1421). Ongoing lease adjustments to reflect the consolidation of space are reflected in AC_002 in the Employment and Education Resources Fund.	400,000	400,000	0.0	0.0
(AC_002) WorkSource Renton Ongoing Lease Cost Adjustment Renew the WorkSource Renton lease for less square footage than the current lease and at a per-square foot rate in line with current market analysis. Adjust ongoing lease costs and associated partner revenue downward.	(398,243)	(398,243)	0.0	0.0
(AC_100) MIDD Supplantation Transfers All MIDD supplantation costs must be removed from the MIDD starting January 1, 2017. This amount reflects the portion of MIDD expenditures moving to the EER Fund and the corresponding general fund support.	235,358	235,000	0.0	0.0
Technical Adjustments				
(TA_001) Budget Adjustment for Employment and Education Resources Adjust expenditures and budgeted revenue downward to align budget with 2017-2018 projections.	(4,636,783)	(3,300,883)	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
EMPLOYMENT EDUCATION RESOURCE (EN_A93600)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	320,680	0.0	0.0
(TA_113) Vacancy Rate Adjustment Reflects the salary savings associated with the natural rate of employee turnover for a given agency and provide greater transparency in the budget.	(310,000)	0	0.0	0.0
Central Rate Adjustments	851,218	0	0.0	0.0
Total Decision Package Adjustments	(2,964,469)	(1,849,939)	3.0	0.0

**2017-2018 Proposed Financial Plan
Employment and Education Resources (EER) Fund /00002240**

Category	2015-2016 Estimated ¹	2017-2018 Proposed Budget ²	2019-2020 Projected ³	2021-2022 Projected ³
Beginning Fund Balance	1,452,856	1,304,347	1,010,184	1,559,213
Revenues				
Federal	7,575,911	6,972,904	7,377,332	7,834,727
State	1,973,939	1,502,000	1,589,116	1,687,641
General Fund	6,827,594	7,418,000	7,848,244	8,334,835
Intergovernmental ⁴	5,455,773	868,293	918,654	975,611
Interfund Transfers ^{4,5}		4,269,704	4,517,347	4,797,422
Other	1,503,757	601,855	636,763	676,242
Total Revenues	23,336,974	21,632,756	22,887,456	24,306,478
Expenditures				
Salaries, Wages & Benefits	(9,309,756)	(9,777,259)	(10,334,563)	(10,954,636)
Supplies and Other	(150,000)	(107,428)	(113,659)	(120,706)
Contracted Services	(8,222,097)	(7,084,553)	(6,543,257)	(6,948,938)
Intergovernmental Services	(4,403,630)	(4,068,997)	(4,406,724)	(4,820,956)
Participant Costs	(1,400,000)	(888,682)	(940,226)	(998,520)
Total Expenditures	(23,485,483)	(21,926,919)	(22,338,428)	(23,843,756)
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	1,304,347	1,010,184	1,559,213	2,021,935
Reserves				
Rainy Day Reserve (30 days) ⁶	(978,562)	(913,622)	(930,768)	(993,490)
Total Reserves	(978,562)	(913,622)	(930,768)	(993,490)
Reserve Shortfall	-	-	-	-
Ending Undesignated Fund Balance	325,785	96,563	628,445	1,028,445

Financial Plan Notes

¹ 2015-2016 Estimated reflects updated revenue and expenditure estimates as of June 30, 2016.

² 2017-2018 Proposed reflects updated revenue and expenditure estimates by program including estimated grant awards.

³ Out year projections reflect expenditure and revenue growth in line with King County's Office of Performance, Strategy and Budget's published planning assumptions, last updated March 2016.

⁴ The financial plan now separates intergovernmental revenues (revenue from external sources) and interfund transfers (revenue from other King County funds).

⁵ Although the Veterans and Human Services Levy expires at the end of 2017 unless renewed and the Best Starts for Kids Levy expires at the end of 2021 unless renewed, the financial plan assumes revenue from both sources for all years shown. If either or both of these levies are not renewed, expenditures and revenues will need to be adjusted.

⁶ The Rainy Day Reserve reflects 30 days of expenditures.

**2017-2018 Executive Proposed Operating Budget
HOUSING AND COMMUNITY DEVELOPMENT (EN_A35000)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	35,152,972	35,152,974	31.8	3.0
Base Budget Adjustments	75,250,663	71,928,392	1.0	(3.0)
Decision Package Adjustments	60,167,656	60,366,368	0.0	0.0
2017-2018 Executive Proposed Budget	170,571,291	167,447,734	32.8	0.0
2017-2018 Executive Proposed Ordinance	170,572,000	167,448,000	32.8	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) Increased State Emergency Shelter Grant Revenue Add expenditure authority to allow spending of increased State Emergency Solution Grant (ESG) revenue. Funding will be used for emergency shelters for homeless families, rapid rehousing, and prevention programs for homeless families and individuals. DCHS passes through all ESG funding to community-based organizations serving vulnerable populations.	1,431,294	1,431,294	0.0	0.0
(DS_002) Increased Federal Grant Revenue Add expenditure authority to allow spending of increased revenue from the US Department of Housing and Urban Development (HUD) Continuum of Care (CoC) and Scattered Sites programs. HUD grants fund long-term rental assistance for previously homeless people with chronic disabilities. CoC is a rental assistance program which requires those receiving assistance to participate in treatment and support services - it is a highly effective permanent supportive housing program.	12,720,748	12,720,748	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
HOUSING AND COMMUNITY DEVELOPMENT (EN_A35000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(DS_003) Transit Oriented Development Bonds Build affordable housing projects near high-capacity transit in King County and the City of Seattle and hire staff to manage this program and funding. All projects will be located near high capacity transit areas. Expenditures will be funded by Transit Oriented Development Bonds and follow the Bond Allocation Plan previously approved by the King County Council.	29,755,293	30,000,000	1.0	0.0
(DS_004) Adjust Interim Loan Program Authority Adjust expenditure authority for the Interim Loan Program to the intended level of \$6 million. This program allows DCHS to use existing fund balance from committed, multi-year capital and operating projects to provide short-term loans to acquire property for affordable housing development.	2,653,113	0	0.0	0.0
(DS_005) Document Recording Fee-supported Homeless Housing Programs Increase expenditure authority for homeless housing programs such as emergency shelters, transitional housing, and permanent supportive housing to allow DCHS to pass through all expected Document Recording Fee revenues in 2017-18 to community-based organizations.	1,155,605	0	0.0	0.0
(DS_007) MIDD 2 Initiative Implementation Implement the Housing and Community Development portions of Crisis Diversion Initiatives CD-02 and CD-13 and Recovery and Reentry Initiatives RR-01, RR-03, and RR-04, as described in the proposed MIDD 2 Service Improvement Plan transmitted to Council on August 24, 2016.	8,652,628	8,652,628	0.0	0.0
(DS_008) Transfer to Support Expansion of Men's Homeless Shelter Service Transfer Document Recording Fee revenue to the Community Services Operating (CSO) Fund to support decision package DS_008 in the CSO Fund to expand men's homeless shelter service in the 2017-18 biennium.	1,469,651	0	0.0	0.0
Administrative Service Changes				
(AC_001) Move budget for Developmental Disability (DD) housing funding to the DD Fund Discontinue double budgeting of Developmental Disabilities housing programs between the Developmental Disabilities Fund and the Housing and Community Development Fund. This will not include any impact to services, as services will continue to be contracted and paid for out of the Developmental Disabilities Fund.	(400,000)	(400,000)	0.0	0.0
Technical Adjustments				

**2017-2018 Executive Proposed Operating Budget
HOUSING AND COMMUNITY DEVELOPMENT (EN_A35000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_001) Transfer Strategic Policy Advisor From HCD to Director's Office Transfer a DCHS Strategic Policy Advisor from the Housing and Community Development (HCD) Fund to the DCHS Administration Fund (Director's Office) to better reflect the department-wide scope of policy work conducted by this position.	(310,575)	0	(1.0)	0.0
(TA_002) Move Housing Repair Budget to Correct Cost Center Move positions and budget for the Housing Repair program to the correct cost center. This is a net zero change that has no impact on total budget or on services provided.	0	0	0.0	0.0
(TA_003) Eliminate Loan-in and Loan-out Labor Due to Fund Consolidation Eliminate previously budgeted Loan-in and Loan-out labor accounts that are no longer needed due to consolidation of the two housing funds. This has no impact on actual planned expenditures.	2,368,286	0	0.0	0.0
(TA_004) Revenue Adjustments Adjust budgeted revenue to reflect 2017-2018 projections.	0	7,937,660	0.0	0.0
(TA_005) Budget Adjustments for HCD Fund Adjust expenditures to align budget with 2017-2018 projections.	(318,370)	0	0.0	0.0
(TA_006) Adjust Contribution to DCHS Overhead to Match Formula Adjust the Housing and Community Development Fund's contribution to DCHS Overhead costs in the DCHS Administration Fund to match the DCHS overhead allocation formula.	581,564	0	0.0	0.0
(TA_007) Combine DCHS Housing Funds Combine Fund 2460 - Federal Housing and Community Development (FHCD) and Fund 2464 – Housing Opportunity Fund (HOF) into a single fund called Housing and Community Development (HCD). FHCD has traditionally held all federal housing dollars and all FTEs from both funds, while HOF held the state and local housing dollars and associated expenditures. There is no financial impact from this fund consolidation.	0	0	0.0	0.0
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	24,038	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
HOUSING AND COMMUNITY DEVELOPMENT (EN_A35000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_113) Vacancy Rate Adjustment Reflects the salary savings associated with the natural rate of employee turnover for a given agency and provide greater transparency in the budget.	(388,000)	0	0.0	0.0
(TA_198) Motor Pool Dispatch Rental Remove vehicle dispatch rental rates from the Fleet Motor Pool central rate account 55010 and move them into account 55258 Motor Pool ERR SVS. The amount was estimated based on 2015 actual rental billings and revised based on agency need and estimated usage for 2017-2018.	23,000	0	0.0	0.0
Central Rate Adjustments	773,419	0	0.0	0.0
Total Decision Package Adjustments	60,167,656	60,366,368	0.0	0.0

**2017-2018 Proposed Financial Plan
Housing and Community Development (HCD) Fund¹/000002460**

Category	2015-2016 Estimated²	2017-2018 Proposed Budget	2019-2020 Projected³	2021-2022 Projected³
Beginning Fund Balance	32,936,233	39,249,592	38,782,452	35,684,624
Revenues				
State Authorized Recording Fees	25,299,198	24,927,932	25,925,049	26,702,801
State Grants - HEN, CHG & REDI	29,840,000	27,340,000	27,340,000	27,340,000
Federal Grants Direct	40,277,096	50,403,468	50,403,468	50,403,468
Federal Grants Indirect	783,158	1,863,390	1,863,390	1,863,390
Other Revenues ⁴	17,404,849	62,912,943	72,912,943	66,747,943
Total Revenues	113,604,301	167,447,733	178,444,850	173,057,602
Expenditures				
Wages & Benefits	(6,636,982)	(8,668,674)	(9,160,916)	(9,699,944)
Supplies	(59,000)	(62,726)	(66,364)	(70,479)
Contracted Services	(96,487,060)	(155,665,663)	(165,665,663)	(153,200,663)
Intragovernmental Services (Central Rates)	(3,607,900)	(4,696,081)	(5,085,856)	(5,563,926)
Intragovernmental Contribution	-	(1,478,147)	(1,563,880)	(1,660,840)
REDI Fund Contingency	(3,500,000)	-	-	-
TOD Debt Service ⁵	-	-	-	(6,300,000)
Total Expenditures	(110,290,942)	(170,571,291)	(181,542,678)	(176,495,852)
Estimated Underexpenditures				
Other Fund Transactions				
Receivables for Interim Loan ⁶	3,000,000	2,656,418	-	-
Total Other Fund Transactions	3,000,000	2,656,418	-	-
Ending Fund Balance	39,249,592	38,782,452	35,684,624	32,246,374
Reserves				
Reserve for Encumbrances/Committed Projects ⁷	(37,608,313)	(34,992,267)	(31,437,298)	(28,209,332)
Rainy Day Reserve (30 days) ⁸	(1,641,279)	(3,790,185)	(4,247,326)	(4,037,041)
Total Reserves	(39,249,592)	(38,782,452)	(35,684,624)	(32,246,374)
Ending Undesignated Fund Balance	-	-	-	-

Financial Plan Notes

¹ The 2017-2018 Proposed budget assumes consolidation of DCHS's two current housing funds (Fund 2460, Federal Housing and Community Development and Fund 2464, Housing Opportunity Fund) into a single fund called Housing and Community Development. This financial plan reflects the consolidation of funds.

² 2015-2016 Estimated reflects updated revenue and expenditure estimates as of 7/31/2016, and the impact of the proposed, but not approved 2016 supplementals.

³ Outyear projections assume revenue and expenditure growth based on August 2016 OEFA forecasts and reflect the most recent estimates including the outyear impact of proposed but not yet approved supplementals.

⁴ Although the Veterans and Human Services Levy expires at the end of 2017 unless renewed and the Best Starts for Kids Levy expires at the end of 2021 unless renewed, the financial plan assumes revenue from both sources for all years shown. If either or both of these levies are not renewed, expenditures and revenues will need to be adjusted.

⁵ Transit Oriented Development (TOD) Bond issuance on hotel/motel tax would occur in 2021 in the amount of \$87 million. The debt service on these bonds will be about \$6.3M annually beginning in 2022.

⁶ The Interim Loan program uses fund balance from committed, multi-year projects to provide short-term loans to acquire property for affordable housing. This line item reflects estimated repayments of previous loans.

⁷ Reserve for Encumbrances/Committed Projects reflects the out year portion of multi-year capital and service projects as well as funding committed through the RFP process for future capital projects.

⁸ The Rainy Day Reserve, in accordance with the County reserve policy, is based on 30 days of the HCD 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 HCD programs and services in the event of unexpected revenue shortfalls.

2017-2018 Executive Proposed Operating Budget HUMAN SERVICES LEVY (EN_A11800)

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	18,285,679	17,691,228	5.0	0.0
Base Budget Adjustments	(746,152)	295,606	0.0	0.0
Decision Package Adjustments	(8,199,588)	(8,709,991)	(5.0)	0.0
2017-2018 Executive Proposed Budget	9,339,939	9,276,843	0.0	0.0
2017-2018 Executive Proposed Ordinance	9,340,000	9,277,000	5.0	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Administrative Service Changes				
(AC_001) Levy Renewal Special Project Manager Fund 1.0 TLT to support Veterans and Human Services Levy renewal efforts, since the Levy expires at the end of 2017. This TLT will support Levy renewal program development, logistics, internal and external coordination with stakeholders, and community engagement.	180,743	0	0.0	0.0
Technical Adjustments				
(TA_001) Adjust Budget to Match Service Improvement Plan Adjust expenditures and budgeted revenue to match adopted Veterans and Human Services Levy Service Improvement Plan for 2017.	411,654	0	0.0	0.0
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	(8,704,202)	0.0	0.0
(TA_100) Remove 2018 Budget Authority Remove all expenditure authority and budgeted revenue for the 2018 calendar year. The current Veterans and Human Services Levy expires on January 1, 2018, so there are currently no allowable revenues or expenditures in the 2018 calendar year.	(8,784,949)	(5,789)	(5.0)	0.0

**2017-2018 Executive Proposed Operating Budget
HUMAN SERVICES LEVY (EN_A11800)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_198) Motor Pool Dispatch Rental Remove vehicle dispatch rental rates from the Fleet Motor Pool central rate account 55010 and move them into account 55258 Motor Pool ERR SVS. The amount was estimated based on 2015 actual rental billings and revised based on agency need and estimated usage for 2017-2018.	5,000	0	0.0	0.0
Central Rate Adjustments	(12,036)	0	0.0	0.0
Total Decision Package Adjustments	(8,199,588)	(8,709,991)	(5.0)	0.0

**2017-2018 Proposed Financial Plan
Human Services Levy Fund/000001142**

Category	2015-2016 Estimated ¹	2017-2018 Proposed Budget ^{2,3}	2019-2020 Projected ³	2021-2022 Projected ³
Beginning Fund Balance	1,645,863	1,005,145		
Revenues				
Local - Veterans and Human Services Levy	17,634,704	9,271,054	-	-
Interest & Other	11,578	5,789	-	-
Total Revenues	17,646,282	9,276,843	-	-
Expenditures				
Salaries, Wages & Benefits	(1,129,586)	(774,052)	-	-
Supplies and Other	(168,746)	(15,192)	-	-
Contracted Services ⁴	(16,233,846)	(93,983)	-	-
Intergovernmental Services	(754,822)	(437,366)	-	-
Interfund Transfers ⁴		(8,019,346)	-	-
Total Expenditures	(18,287,000)	(9,339,939)	-	-
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	1,005,145	942,049	-	-
Reserves				
Rainy Day Reserve (60 days) ⁵	(1,523,916)	(1,556,656)	-	-
Total Reserves	(1,523,916)	(1,556,656)	-	-
Reserve Shortfall	518,771	614,607	-	-
Ending Undesignated Fund Balance	-	-	-	-

Financial Plan Notes:

¹ 2015-2016 Estimated reflects updated revenue and expenditure estimates as of June 30, 2016.

² 2017-2018 Proposed includes all services and adjustments for the next budget period.

³ The Veterans and Human Services Levy expires on December 31, 2017. No revenues or expenditures are assumed for 2018 and beyond.

⁴ Contracted Services and Interfund Transfers show fluctuations between 2015-2016 and 2017-2018 because DCHS has adjusted where expenditures are budgeted to better align budget and actuals. This is a presentation change and does not reflect program/service changes.

⁵ Rainy Day reserve is equal to 60 days of expenditures. Please note the 2017-2017 Biennium only includes revenues, expenditures, and associated reserves for one calendar year (2017).

**2017-2018 Executive Proposed Operating Budget
VETERAN AND FAMILY LEVY (EN_A11700)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	17,897,205	17,792,956	11.0	1.0
Base Budget Adjustments	(1,013,521)	295,606	0.0	(1.0)
Decision Package Adjustments	(7,543,745)	(8,806,204)	(11.0)	0.0
2017-2018 Executive Proposed Budget	9,339,939	9,282,358	0.0	0.0
2017-2018 Executive Proposed Ordinance	9,340,000	9,283,000	11.0	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Administrative Service Changes				
(AC_001) Levy Renewal Program Manager Fund 1.0 TLT to support Veterans and Human Services Levy renewal efforts, since the Levy expires at the end of 2017. This TLT will lead Levy renewal program development, logistics, internal and external coordination with stakeholders, and community engagement.	180,743	0	0.0	0.0
Technical Adjustments				
(TA_001) Adjust Budget to Match Service Improvement Plan Adjust expenditures and budgeted revenue to match adopted Veterans and Human Services Levy Service Improvement Plan for 2017.	1,070,101	(45,349)	0.0	0.0
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	(8,704,202)	0.0	0.0
(TA_100) Remove 2018 Budget Authority Remove all expenditure authority and budgeted revenue for the 2018 calendar year. The current Veterans and Human Services Levy expires on January 1, 2018, so there are currently no allowable revenues or expenditures in the 2018 calendar year.	(8,472,026)	(56,653)	(11.0)	0.0

**2017-2018 Executive Proposed Operating Budget
VETERAN AND FAMILY LEVY (EN_A11700)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_198) Motor Pool Dispatch Rental Remove vehicle dispatch rental rates from the Fleet Motor Pool central rate account 55010 and move them into account 55258 Motor Pool ERR SVS. The amount was estimated based on 2015 actual rental billings and revised based on agency need and estimated usage for 2017-2018.	13,000	0	0.0	0.0
Central Rate Adjustments	(335,563)	0	0.0	0.0
Total Decision Package Adjustments	(7,543,745)	(8,806,204)	(11.0)	0.0

**2017-2018 Proposed Financial Plan
Veterans and Family Levy Fund /000001141**

Category	2015-2016 Estimated ¹	2017-2018 Proposed Budget ²	2019-2020 Projected ³	2021-2022 Projected ³
Beginning Fund Balance	2,361,096	1,869,408		
Revenues				
Local - Veterans and Human Services Levy	17,634,704	9,271,054		
Interest & Other	22,608	11,304		
Total Revenues	17,657,312	9,282,358	-	-
Expenditures				
Salaries, Wages & Benefits	(3,635,538)	(1,814,490)		
Supplies and Other ⁴	(251,568)	(47,540)		
Contracted Services ⁴	(11,133,717)	(2,416,967)		
Intergovernmental Services	(1,712,415)	(1,949,022)		
Interfund Transfers - Participants Costs ⁴	(1,415,762)	(3,111,920)		
Total Expenditures	(18,149,000)	(9,339,939)	-	-
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	1,869,408	1,811,827	-	-
Reserves				
Reserve for Encumbrances/Committed Projects ⁵	(80,000)			
Rainy Day Reserve (60 days) ⁶	(1,512,416)	(1,556,656)	-	-
Total Reserves	(1,592,416)	(1,556,656)	-	-
Reserve Shortfall	-	-	-	-
Ending Undesignated Fund Balance	276,992	255,171	-	-

Financial Plan Notes:

¹ 2015/2016 Estimated reflects updated revenue and expenditure estimates as of May 31, 2016 and the impact of any proposed but not approved supplementals.

² 2017-2018 Proposed include all services and adjustment for the next budget period.

³ The Veterans and Human Services Levy expires on December 31, 2017. No revenues or expenditures are assumed for 2018 and beyond.

⁴ Contracted Services and Interfund Transfers show fluctuations between 2015-2016 and 2017-2018 because DCHS has adjusted where expenditures are budgeted to better align budget and actuals. This is a presentation change and does not reflect program/service changes.

⁵ Expenditure reserve is for committed 2016 NW Justice Center Project.

2017-2018 Executive Proposed Operating Budget VETERANS SERVICES (EN_A48000)

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	6,341,641	6,092,298	9.0	0.0
Base Budget Adjustments	13,926	61,444	0.0	0.0
Decision Package Adjustments	(182,572)	(5,132)	1.0	0.0
2017-2018 Executive Proposed Budget	6,172,995	6,148,610	10.0	0.0
2017-2018 Executive Proposed Ordinance	6,173,000	6,149,000	10.0	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) Veterans Homeless Housing Program Project Manager Create 1.0 FTE Program Manager position for the King County Veterans Program to coordinate resources and services available to homeless veterans; oversee contracts, amendments, and interlocal agreements for veterans services; and implement data analysis and reporting improvements for the veterans programs at King County.	279,106	0	1.0	0.0
Technical Adjustments				
(TA_001) Technical Budget Adjustment Adjust expenditure authority and budgeted revenue downward to align budget with 2017-2018 projections.	(399,231)	(341,732)	0.0	0.0
(TA_002) Sub-lease Revenue from WDVA Adjust budgeted revenue to reflect total rent received from the Washington Department of Veterans Affairs (WDVA). DCHS holds the master lease for a facility that is partially sub-leased to WDVA. The expenditure side of this lease is reflected in the CR_022 Long-Term Lease Decision Package.	0	104,000	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
 VETERANS SERVICES (EN_A48000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	232,600	0.0	0.0
Central Rate Adjustments	(62,447)	0	0.0	0.0
Total Decision Package Adjustments	(182,572)	(5,132)	1.0	0.0

**2017-2018 Proposed Financial Plan
Veterans Relief RCW Fund / 000001060**

Category	2015-2016 Estimated ¹	2017-2018 Proposed Budget	2019-2020 Projected ²	2021-2022 Projected ³
Beginning Fund Balance	399,025	413,223	388,839	277,824
Revenues				
Federal		126,964	134,328	142,657
State	300	-		
Local	5,598,079	5,888,446	6,173,036	6,457,865
Interfund Transfers	250,000	-		
Other	14,223	133,200	140,926	149,663
Total Revenues	5,862,602	6,148,610	6,448,290	6,750,185
Expenditures				
Salaries, Wages & Benefits	(1,865,132)	(2,257,304)	(2,385,969)	(2,529,127)
Supplies and Other	(38,686)	(29,999)	(31,740)	(33,708)
Contracted Services ⁴	(1,693,333)	(2,328,876)	(2,463,938)	(2,616,702)
Intergovernmental Services ⁴	(783,244)	(1,554,152)	(1,674,772)	(1,820,150)
Interfund Transfers ⁴	(1,467,909)	(2,664)	(2,885)	(3,156)
Total Expenditures	(5,848,304)	(6,172,995)	(6,559,305)	(7,002,844)
Estimated Underexpenditures				
Other Fund Transactions				
FBOD Fund Balance Adjustment ⁵	(100)			
Total Other Fund Transactions	(100)	-	-	-
Ending Fund Balance	413,223	388,839	277,824	25,165
Reserves				
Rainy Day Reserve (30 days) ⁶	(243,679)	(257,208)	(273,304)	(291,785)
Total Reserves	(243,679)	(257,208)	(273,304)	(291,785)
Reserve Shortfall	-	-	-	266,620
Ending Undesignated Fund Balance	169,544	131,631	4,520	-

Financial Plan Notes

¹ 2015-2016 Estimated reflects updated revenue and expenditure estimates as of June 31, 2016, King County Office of Economic and Financial Analysis (OEFA) Forecasts adopted in August 2016, and King County Finance and Business Operations Division (FBOD's) estimated beginning budgetary fund balance for 2015.

^{2,3} Out year projections are based on financial planning assumptions published by the King County Office of Performance, Strategy and Budget, as updated March 8, 2016, and August 2016 OEFA Forecasts.

⁴ Contracted Services, Intergovernmental Services, and Interfund Transfer show fluctuations between 2015-2016 and 2017-2018 because DCHS has adjusted where expenditures are budgeted to better align budget and actuals. This is a presentation change and does not reflect program/service changes.

⁵ Reflects an accounting adjustment to align ending fund balance with FBOD's fund balance calculation.

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

**2017-2018 Executive Proposed Operating Budget
BEST START FOR KIDS LEVY (EN_A93700)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	8,619,000	5,081,000	8.0	0.0
Base Budget Adjustments	2,348,744	5,081,000	0.0	0.0
Decision Package Adjustments	121,072,255	117,096,296	18.0	0.0
2017-2018 Executive Proposed Budget	132,039,999	127,258,296	26.0	0.0
2017-2018 Executive Proposed Ordinance	132,040,000	127,259,000	26.0	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.

2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.

3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) Best Starts for Kids Implementation Implement the Best Starts for Kids Implementation Plan as transmitted to the County Council.	113,593,075	(99,653)	18.0	0.0
Technical Adjustments				
(TA_001) Central Rate Budget Adjustment Adjust expenditure authority for central rates in the Best Starts for Kids Fund to reflect expected total central rate charges.	2,679,152	0	0.0	0.0
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	117,195,949	0.0	0.0
(TA_100) Public Health Services Transfer Adjustment Adjusts public health services transfer to cover gap in existing health services and previously approved public health positions supported by BSK.	4,797,036	0	0.0	0.0
Central Rate Adjustments	2,992	0	0.0	0.0
Total Decision Package Adjustments	121,072,255	117,096,296	18.0	0.0

**2017-2018 Proposed Financial Plan
Best Starts for Kids (BSK) Fund/000001480**

Category	2015-2016 Estimated ¹	2017-2018 Proposed Budget	2019-2020 Projected ²	2021-2022 Projected ²
Beginning Fund Balance		46,720,000	41,938,296	22,747,683
Revenues				
Local	59,455,000	127,031,262	138,423,387	73,695,853
Other	112,000	227,034	234,000	246,000
Total Revenues	59,567,000	127,258,296	138,657,387	73,941,853
Expenditures				
Salaries, Wages & Benefits	(1,260,000)	(6,335,589)	(6,695,000)	(3,441,000)
Supplies and Other	(20,000)	(72,239)	(80,000)	(50,000)
Contracted Services	(2,964,000)	(59,268,295)	(72,155,000)	(38,666,000)
Intergovernmental Services	(475,000)	(3,146,355)	(3,260,000)	(1,679,000)
Interfund Transfers	(8,128,000)	(63,217,523)	(75,658,000)	(41,942,000)
Total Expenditures	(12,847,000)	(132,040,000)	(157,848,000)	(85,778,000)
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	46,720,000	41,938,296	22,747,683	10,911,536
Reserves				
Youth and Family Homelessness Reserve ³	(15,833,000)	(9,499,000)	(3,165,000)	-
Fire and Park District Services Reserve ⁴	(604,000)	(647,479)	(19,021)	-
Expenditure Reserve (s) ⁵	(28,141,833)	(20,788,483)	(6,409,662)	
Rainy Day Reserve (60 days) ⁶	(2,141,167)	(11,003,333)	(13,154,000)	(14,296,333)
Total Reserves	(46,720,000)	(41,938,296)	(22,747,683)	(14,296,333)
Reserve Shortfall	-	-	-	3,384,798
Ending Undesignated Fund Balance	-	-	-	-

Financial Plan Notes:

¹ 2015-2016 Estimated reflects updated OEFA revenue projections as of August 2016, expenditure appropriation approved in Ordinances 18207, 18239 and 18287, plus additional expenditures proposed but not yet approved in the BSK Implementation Plan.

² Outyear projections are based on OEFA projections as of August 2016, and proposed but not yet approved BSK Implementation Plan. The current levy lid lift ends on January 1, 2022.

³ The Youth and Family Homelessness Prevention (YFHP) Reserve represents \$19 million set aside in 2016, less estimated YFHP expenditures.

⁴ The Fire and Park District Services Reserve is to set aside funds for eligible services provided by fire and park districts impacted by prorationing due to the BSK Levy.

⁵ The expenditure reserve represents all estimated revenue less the YFHP Reserve and the Fire and Park District Services Reserve, approved appropriation authorized by ordinances 18207, 18239 and 18287, plus additional reserves for expenditures as proposed in BSK Implementation Plan.

⁶ The Rainy Day reserve represents 60 days of estimated expenditures.

**2017-2018 Executive Proposed Operating Budget
DEVELOPMENTL DISABILITIES (EN_A92000)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	60,904,428	59,075,597	16.0	0.0
Base Budget Adjustments	(2,083,915)	(2,122,787)	0.0	0.0
Decision Package Adjustments	6,475,718	6,925,131	3.0	0.0
2017-2018 Executive Proposed Budget	65,296,231	63,877,941	19.0	0.0
2017-2018 Executive Proposed Ordinance	65,297,000	63,878,000	19.0	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) Increased Adult Employment, Adult Day Services, and Community Information, Outreach, and Referral Funding	5,366,098	6,059,742	0.0	0.0
Increase funding and expenditure authority to account for various changes from the 2015-2016 budget, such as (1) additional state funding for Adult Employment Services, Adult Day Services, and Community Information, Outreach, and Referral; (2) anticipated additional revenue for School to Work; and (3) increasing number of residents from neighboring counties receiving services in King County, which is reimbursed by the county of residence.				
(DS_002) Increased Early Intervention Funding	604,376	604,376	0.0	0.0
Adjust funding and expenditure authority for the Early Intervention Program Line of Business to reflect increased revenue from the Washington State Department of Early Learning.				

**2017-2018 Executive Proposed Operating Budget
DEVELOPMENTL DISABILITIES (EN_A92000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(DS_003) Contract and Quality Assurance Team Manager Create 1.0 FTE Contracting and Quality Assurance Team Manager position. This team is responsible for monitoring and tracking contract compliance and administering and supporting the Developmental Disabilities Division's data management system. This position will supervise the team and work to improve contract monitoring processes, performance measurement, reporting, and use of data in program decision making. This body of work has been supported by TLTs in the current biennium, but a permanent position is needed to support this ongoing work.	279,105	0	1.0	0.0
(DS_004) School-to-Work Program Outreach Manager Create 1.0 FTE in the Developmental Disabilities Division's School-to-Work Program to conduct outreach to culturally and linguistically diverse communities who are potentially underserved in the current program. This will increase the County's ability to support transition-aged youth with developmental disabilities to obtain and maintain employment.	224,775	0	1.0	0.0
(DS_005) Community Information, Outreach, and Referral Manager Create 1.0 FTE Community Information, Outreach, and Referral (CIOR) Program Manager within the Developmental Disabilities Division. This position will ensure that all CIOR work will be coordinated and managed centrally to better serve the needs of the community and the Board for Developmental Disabilities, and to provide high-level guidance on how best to support the County's and the Division's Strategic Plans. This body of work has been supported by TLTs in the current biennium, but a permanent position is needed to support this ongoing work.	279,105	0	1.0	0.0
Technical Adjustments				
(TA_001) Technical Budget Adjustment Adjust expenditures downward to align budget with 2017-2018 projections.	(340,887)	0	0.0	0.0
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	261,013	0.0	0.0
(TA_198) Motor Pool Dispatch Rental Remove vehicle dispatch rental rates from the Fleet Motor Pool central rate account 55010 and move them into account 55258 Motor Pool ERR SVS. The amount was estimated based on 2015 actual rental billings and revised based on agency need and estimated usage for 2017-2018.	7,000	0	0.0	0.0
Central Rate Adjustments	56,146	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
DEVELOPMENTL DISABILITIES (EN_A92000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
<hr/> Total Decision Package Adjustments	6,475,718	6,925,131	3.0	0.0

**2017-2018 Proposed Financial Plan
Developmental Disabilities / 000001070**

Category	2015-2016 Estimated ¹	2017-2018 Proposed Budget	2019-2020 Projected ²	2021-2022 Projected ²
Beginning Fund Balance	7,252,284	6,051,317	4,633,027	3,076,820
Revenues ³				
Federal	4,437,179	4,951,770	4,951,770	4,951,770
State	47,687,755	51,488,890	52,403,338	54,977,765
Local	6,314,604	6,640,143	6,991,379	7,332,299
Intergovernmental	795,511	792,294	792,294	792,294
Other	(4,783)	4,844	4,844	4,844
Total Revenues	59,230,266	63,877,941	65,143,625	68,058,972
Expenditures ³				
Salaries, Wages & Benefits	(4,302,705)	(5,108,015)	(5,399,172)	(5,723,122)
Supplies and Other	(236,439)	(59,320)	(62,761)	(66,652)
Contracted Services	(53,179,019)	(57,627,206)	(58,541,654)	(59,456,102)
Intragovernmental Services	(1,671,995)	(1,978,316)	(2,142,516)	(2,343,913)
Interfund Transfers	(1,041,075)	(523,374)	(553,730)	(588,061)
		-		
Total Expenditures	(60,431,233)	(65,296,231)	(66,699,832)	(68,177,850)
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	6,051,317	4,633,027	3,076,820	2,957,942
Reserves				
Rainy Day Reserve (30 days) ⁴	(2,517,968)	(2,720,676)	(2,779,160)	(2,840,744)
Total Reserves	(2,517,968)	(2,720,676)	(2,779,160)	(2,840,744)
Reserve Shortfall	-	-	-	-
Ending Undesignated Fund Balance	3,533,349	1,912,351	297,660	117,198

Financial Plan Notes:

¹ 2015-2016 Estimated reflects updated revenue and expenditure estimates as of June 30, 2016, King County Office of Economic and Financial Analysis (OEFA) Forecasts adopted in August 2016, and King County Finance and Business Operations Division (FBOD's) estimated beginning budgetary fund balance for 2015.

² Outyear projections are based on the following assumptions:

- (1) August 2016 OEFA projections for Property Tax Revenues,
- (2) Assumed the State will continue to increase the division's revenue each year due the growth and success rate in the School to Work Program,
- (3) PSB outyear budget assumptions and guidance for salary and wages and central rates, and
- (4) DDD Program Managers' known changes for upcoming contract expenditures and revenues.

³ Although the Best Starts for Kids Levy expires at the end of 2021 unless renewed, this financial plan assumes revenue from this source, and associated expenditures, for all years shown. If this levy is not renewed, expenditures and revenues will need to be adjusted.

⁴ This fund is a Special Revenue Fund and has a Rainy Day Reserve set at 30 days of expenditures.

**2017-2018 Executive Proposed Operating Budget
BEHAVIORAL HEALTH (EN_A92400)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	487,884,513	483,819,950	125.1	1.0
Base Budget Adjustments	7,899,114	4,765,660	(0.1)	(1.0)
Decision Package Adjustments	362,133,734	372,804,013	12.8	0.0
2017-2018 Executive Proposed Budget	857,917,361	861,389,623	137.8	0.0
2017-2018 Executive Proposed Ordinance	857,918,000	861,390,000	137.8	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.

2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.

3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) Mental Health Medicaid Services and Funding Increase revenue assumptions and expenditure authority for mental health Medicaid services in King County to reflect new levels of service under the Affordable Care Act and Behavioral Health Integration.	181,464,602	203,722,236	0.0	0.0
(DS_002) Substance Use Disorder Medicaid Services and Funding Increase revenue assumptions and expenditure authority for substance use disorder Medicaid services in King County to reflect new levels of service under the Affordable Care Act and Behavioral Health Integration.	156,732,359	162,677,764	0.0	0.0
(DS_003) Wraparound with Intensive Services Program Manager Create 1.0 FTE Wraparound with Intensive Services (WISe) Program Manager position to oversee the implementation and expansion of the State-required and State-funded WISe program. This body of work ramped up in 2015-2016 and is currently provided by a TLT, but the ongoing nature of the work should be provided by a permanent position.	279,105	0	1.0	0.0

**2017-2018 Executive Proposed Operating Budget
BEHAVIORAL HEALTH (EN_A92400)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
<p>(DS_004) Behavioral Health Supported Employment Program Manager Create 1.0 FTE position to continue and expand the successful Substance Use Disorder Employment Pilot and manage and expand the Supported Employment Program for people with mental health diagnoses. These programs help individuals with behavioral health disorders secure and maintain integrated employment in the community that pays at or above minimum wage.</p>	279,105	0	1.0	0.0
<p>(DS_005) Peer Bridger Program Manager Create 1.0 FTE Peer Bridger Program Manager position to continue the successful Peer Bridger pilot that has been supported by 1.0 TLT in the current biennium. The Peer Bridger program provides peer support to psychiatric inpatient clients and has proven successful in reducing hospital lengths of stay and readmissions.</p>	279,105	0	1.0	0.0
<p>(DS_006) Diversion Program Manager Create 1.0 FTE Diversion Program Manager position to oversee Diversion and Reentry Services (DRS) work, including managing provider contracts, providing clinical practice oversight and making sure staff are appropriately trained in harm reduction, outreach, motivational interviewing, and trauma-informed approaches.</p>	247,781	0	1.0	0.0
<p>(DS_007) Department of Public Defense Crisis and Commitment Legal Services Increase the Behavioral Health Fund's expenditure authority to reflect updated estimates of Department of Public Defense's (DPD's) costs to provide legal services to crisis and commitment defendants.</p>	4,153,674	0	0.0	0.0
Administrative Service Changes				
<p>(AC_001) Administrative and Financial Staffing for BHRD Create 5.0 FTE positions to increase administrative and financial management capacity within the Behavioral Health and Recovery Division (BHRD) to provide adequate support for new and expanding responsibilities of the division. Major growth areas include Behavioral Health Integration, Medicaid expansion, and associated new and complex programs.</p>	960,613	0	5.0	0.0

**2017-2018 Executive Proposed Operating Budget
BEHAVIORAL HEALTH (EN_A92400)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(AC_002) IT System for Physical and Behavioral Health Integration Expand the King County Behavioral Health Organization (BHO) data system (implemented April 1, 2016) into a system that will support both physical and behavioral health care claims and services. State law requires physical and behavioral health services to be integrated by 2020, and this project will allow DCHS to continue its progress toward integration of services.	5,257,634	0	0.0	0.0
(AC_003) IT System for Integrated Data Invest in new IT system to integrate client-level health and human services data across the King County Department of Community and Human Services (DCHS) and Public Health Seattle/King County (PHSKC) to support cross-sector care coordination and decisions and population-level assessment and evaluation. The need for integrated data is pressing, especially to support emerging changes such as Accountable Community of Health work, Best Starts for Kids, and MIDD renewal - all programs that fund and oversee cross-sector services and population health initiatives.	2,000,000	0	0.0	0.0
(AC_100) MIDD Supplantation Transfers All MIDD supplantation costs must be removed from the MIDD starting January 1, 2017. This amount reflects the portion of MIDD expenditures moving to the Behavioral Health Fund and the corresponding general fund support.	7,244,141	7,218,000	3.8	0.0
Technical Adjustments				
(TA_001) General Fund Target Reduction Reduce the General Fund transfer to the Behavioral Health fund to meet required General Fund balancing target. DCHS is proposing to reduce this transfer without cutting any services by taking advantage of substance use disorder Medicaid funding changes under Behavioral Health Integration. Substance use disorder Medicaid revenue now comes fully matched, so the County no longer needs to use this General Fund amount to match Medicaid dollars.	0	(1,075,000)	0.0	0.0
(TA_002) Net Zero Changes to Implement New General Ledger Structure Implement the Behavioral Health Fund's new General Ledger structure through a set of net zero changes. The updated structure better reflects the new integrated Behavioral Health Organization, is aligned with other structures in DCHS, and allows for more meaningful and efficient reporting.	0	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
BEHAVIORAL HEALTH (EN_A92400)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_004) Adjust Contribution to DCHS Overhead Increase the Behavioral Health Fund's Contribution to the DCHS Administration Fund for DCHS Overhead functions, in alignment with DCHS overhead allocation formulas.	1,426,740	0	0.0	0.0
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	261,013	0.0	0.0
(TA_113) Vacancy Rate Adjustment Reflects the salary savings associated with the natural rate of employee turnover for a given agency and provide greater transparency in the budget.	(1,064,000)	0	0.0	0.0
(TA_198) Motor Pool Dispatch Rental Remove vehicle dispatch rental rates from the Fleet Motor Pool central rate account 55010 and move them into account 55258 Motor Pool ERR SVS. The amount was estimated based on 2015 actual rental billings and revised based on agency need and estimated usage for 2017-2018.	30,000	0	0.0	0.0
Central Rate Adjustments	2,842,875	0	0.0	0.0
Total Decision Package Adjustments	362,133,734	372,804,013	12.8	0.0

**2017-2018 Proposed Financial Plan
Behavioral Health Fund /000001120**

Category	2015-2016 Estimated ¹	2017-2018 Proposed Budget	2019-2020 Projected ²	2021-2022 Projected ²
Beginning Fund Balance	54,495,951	72,200,584	75,672,846	89,639,078
Revenues				
Federal	11,339,892	40,165,504	42,495,103	45,129,800
State-Medicaid	396,485,082	670,586,370	709,480,379	753,468,163
State-Non Medicaid	71,966,497	71,558,188	75,708,563	80,402,494
State (Medicaid & Non-Med & Others)	4,937,336	52,817,172	55,880,568	59,345,163
Local	6,269,654	6,607,657	6,954,724	7,302,460
Intergovernmental	3,843,248	6,258,492	6,621,485	7,032,017
Interfund Transfers	8,010,985	6,067,740	6,419,669	6,817,688
Other	2,400,590	1,185,500	1,254,259	1,332,023
General Fund	-	6,143,000	6,499,294	6,902,250
Total Revenues	505,253,283	861,389,623	911,314,044	967,732,058
Expenditures				
Salaries, Wages, & Benefits	(21,533,526)	(34,710,658)	(36,689,166)	(38,890,516)
Supplies	(159,703)	(316,698)	(335,066)	(355,841)
Other Operating Charges	(447,212,788)	(787,673,245)	(833,358,293)	(885,026,507)
Central Rates	(18,565,233)	(35,096,760)	(26,845,286)	(29,341,898)
Capital	-	(120,000)	(120,000)	(120,000)
Total Expenditures	(487,471,250)	(857,917,361)	(897,347,812)	(953,734,761)
Estimated Underexpenditures				
Other Fund Transactions				
GAAP Adjustments ³	(77,400)			
Total Other Fund Transactions	(77,400)	-	-	-
Ending Fund Balance	72,200,584	75,672,846	89,639,078	103,636,374
Reserves ⁴				
Medicaid Risk & Inpatient Reserve ^{4a}	(25,311,889)	(37,888,130)	(40,085,641)	(42,570,951)
Non-Medicaid Risk & Inpatient Reserve ^{4b}	(2,714,188)	(3,685,247)	(3,898,991)	(4,140,728)
Medicaid Operating Reserve ^{4c}	(11,199,951)	(27,847,122)	(42,214,083)	(44,831,356)
Non-Medicaid Operating Reserve ^{4d}	(1,280,277)	(1,792,584)	(4,012,554)	(4,261,332)
Rainy Day Reserve ^{4e}	(31,694,279)	(4,459,764)	(4,716,922)	(5,005,894)
Total Reserves	(72,200,584)	(75,672,846)	(94,928,191)	(100,810,262)
Reserve Shortfall	-	-	5,289,113	-
Ending Undesignated Fund Balance	-	-	-	2,826,112

Financial Plan Notes

¹ 2015-2016 Estimated reflects updated revenue and expenditure estimates as of 8/31/2016.

² Outyear projections assume revenue and expenditure growth per King County Office of Performance, Strategy, and Budget planning assumptions and adopted August 2016 OEFA forecasts.

³ GAAP adjustments include non-cash items.

⁴ Reserve descriptions:

^{4a} Medicaid Risk & Inpatient Reserve. Minimum of 11.3% and maximum of 19.2% of annual Medicaid revenues, as set by State actuarial analysis and required by State contract.

^{4b} Non-Medicaid Risk & Inpatient Reserve. Minimum of 10.3% and maximum of 14.7% of annual State non-Medicaid revenues, as set by State actuarial analysis and required by State contract.

^{4c} Medicaid Operating Reserve is to set aside funds to offset fluctuations in revenue/expenditures related to Medicaid operations. Minimum of 11.9% and maximum of 19.8% of annual Medicaid revenues, as set by State actuarial analysis and required by State contract.

^{4d} Non-Medicaid Operating Reserve is to set aside funds to offset fluctuations in revenue/expenditures related to Non-Medicaid operation. Minimum of 10.6% and maximum of 15.0% of annual State non-Medicaid revenues, as set by State actuarial analysis and required by State contract.

^{4e} The Assigned-Rainy Day Reserve represents up to 30 days of revenues, excluding revenues reserved for in the state-mandated reserves 4a-4d, and excluding revenues from interfund transfers.

**2017-2018 Executive Proposed Operating Budget
 MENTAL ILLNESS AND DRUG DEPENDENCY FUND (EN_A99000)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	94,930,852	111,221,415	13.0	0.0
Base Budget Adjustments	(87,189,953)	2,632,791	0.0	0.0
Decision Package Adjustments	108,563,355	20,219,147	4.0	0.0
2017-2018 Executive Proposed Budget	116,304,254	134,073,353	17.0	0.0
2017-2018 Executive Proposed Ordinance	116,305,000	134,074,000	17.0	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) MIDD 2 Prevention and Intervention Implement DCHS's portions of the Prevention and Early Intervention initiatives in the proposed MIDD 2 Service Improvement Plan transmitted to Council on August 24, 2016.	36,708,438	0	1.0	0.0
(DS_002) MIDD 2 Crisis Diversion Implement DCHS's portions of the Crisis Diversion initiatives in the proposed MIDD 2 Service Improvement Plan transmitted to Council on August 24, 2016.	34,603,786	0	1.0	0.0
(DS_003) MIDD 2 Recovery and Reentry Implement DCHS's portions of the Recovery and Reentry initiatives in the proposed MIDD 2 Service Improvement Plan transmitted to Council on August 24, 2016.	19,682,691	0	0.0	0.0
(DS_004) MIDD 2 System Improvement Implement DCHS's portions of the System Improvement initiatives in the proposed MIDD 2 Service Improvement Plan transmitted to Council on August 24, 2016.	12,268,166	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
 MENTAL ILLNESS AND DRUG DEPENDENCY FUND (EN_A99000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(DS_005) MIDD 2 Therapeutic Courts Implement DCHS's portions of the Therapeutic Court initiatives in the proposed MIDD 2 Service Improvement Plan transmitted to Council on August 24, 2016.	3,374,096	0	0.0	0.0
Administrative Service Changes				
(AC_001) MIDD 2 Administration and Evaluation Implement the Administration and Evaluation components of the proposed MIDD 2 Service Improvement Plan transmitted to Council on August 24, 2016.	3,975,636	5,617	2.0	0.0
(AC_100) MIDD Supplantation Transfers	(760,710)	0	0.0	0.0
All MIDD supplantation costs must be removed from the MIDD starting January 1, 2017. This amount reflects the portion of supplantation expenditures leaving this appropriation unit.				
Technical Adjustments				
(TA_050) Revenue Adjustments Revise budgeted revenues to match current forecast.	0	20,213,530	0.0	0.0
(TA_113) Vacancy Rate Adjustment Reflects the salary savings associated with the natural rate of employee turnover for a given agency and provide greater transparency in the budget.	(136,000)	0	0.0	0.0
(TA_198) Motor Pool Dispatch Rental Remove vehicle dispatch rental rates from the Fleet Motor Pool central rate account 55010 and move them into account 55258 Motor Pool ERR SVS. The amount was estimated based on 2015 actual rental billings and revised based on agency need and estimated usage for 2017-2018.	2,900	0	0.0	0.0
Central Rate Adjustments	(1,155,647)	0	0.0	0.0
Total Decision Package Adjustments	108,563,355	20,219,147	4.0	0.0

**2017-2018 Proposed Financial Plan
MIDD /000001135**

Category	2015-2016 Estimated¹	2017-2018 Proposed Budget	2019-2020 Projected²	2021-2022 Projected²
Beginning Fund Balance	16,257,983	11,869,049	11,291,165	15,953,585
Revenues				
Local	120,379,332	133,955,400	142,561,984	153,447,642
Other	366,105	117,953	117,953	117,953
Total Revenues	120,745,437	134,073,353	142,679,937	153,565,595
Expenditures				
Salaries, Wages & Benefits	(24,354,116)	(21,030,823)	(21,556,594)	(22,117,065)
Supplies and Other	(107,668)	(166,212)	(170,367)	(174,797)
Contracted Services	(96,082,708)	(94,083,893)	(96,435,990)	(98,943,326)
Intergovernmental Services	(4,567,098)	(4,509,170)	(4,621,899)	(4,742,069)
other	(22,781)	(14,861,139)	(15,232,667)	(15,628,717)
Total Expenditures	(125,134,371)	(134,651,237)	(138,017,517)	(141,605,973)
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	11,869,049	11,291,165	15,953,585	27,913,207
Reserves				
Revenue Reserves ³	(6,319,915)			
Services Stabilization Reserve ⁴	(895,000)	-		
Rainy Day Reserve (60 days) ⁵	(4,654,134)	(11,220,936)	(11,501,460)	(11,800,498)
Total Reserves	(11,869,049)	(11,220,936)	(11,501,460)	(11,800,498)
Reserve Shortfall	-	-	-	-
Ending Undesignated Fund Balance	-	70,229	4,452,125	16,112,709

Financial Plan Notes

¹ 2015-2016 Estimated reflects updated revenue and expenditure estimates as of 7/31/2016.

² Out year projections assume revenue growth per August 2016 OEFA forecasts and King County Office of Performance, Strategy and Budget planning assumptions.

³ Revenue Reserve is equal to 5.25% of MIDD tax receipts. In 2017-2018 the fund will switch to a 60 day expenditure reserve (see also footnote 5).

⁴ The Services Stabilization Reserve is designated to fund MIDD 1 services during transition to MIDD 2 to avoid service disruptions for vulnerable populations.

⁵ The Rainy Day Reserve is to provide a 60 day expenditure reserve.

PUBLIC HEALTH – SEATTLE AND KING COUNTY

Mission

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

Overview

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. Public Health seeks to ensure all children are born healthy and thrive, adults live long and healthy lives, and our communities support and promote health for all. In the context of achieving these goals, whenever possible, King County employs strategies, policies, and interventions to reduce health disparities across all segments of the population. Public Health works towards this goal by providing services for residents of King County and the City of Seattle in three overarching functions:

1. **Health Protection:** King County has fundamental, statutorily defined responsibilities and powers to protect the public's health. Examples of these responsibilities include tracking disease and other health threats; preventing and treating communicable diseases; responding to infectious disease outbreaks; regulating dangerous environmental and workplace exposures; ensuring the safety of water, air, and food; and preparing for and responding to natural and human-made threats and disasters. Health protection actions, including regulatory activities, must be balanced against limiting personal freedoms, but should be undertaken when the results will yield significant improvements to the health and safety of individuals and the community.
2. **Health Promotion:** Public Health is responsible for leading efforts to promote health and prevent illness and disability arising, for example, from chronic conditions such as heart disease, diabetes, and obesity, or from injuries from traffic accidents or unsafe handling of firearms. These complex health challenges often are best addressed through policy, systems, and environmental (PSE) change, as well as voluntary actions by individuals and communities. Through a collaborative and educational approach, Public Health encourages adoption of science-based, effective interventions that promote PSE change and help make the right health choice the easy choice.

3. **Health Provision:** Public Health's role in personal health care provision is to help assure access to high quality health care for all populations. Helping to assure this access includes convening and leading system-wide efforts to improve access and quality, advocating for access to quality health care for all, forming partnerships with service providers, and directly providing individual health services when there are important public health reasons to do so.

To implement these strategies, the department is organized into the following areas: Cross-cutting services, Prevention (Communicable Disease, Medical Examiner's Office, and Vital Statistics), Chronic Disease and Injury Prevention, Community Health Services (CHS), Environmental Health (EH), Emergency Medical Services (EMS), Jail Health Services, and Administrative Services.

2017-2018 Problems, Opportunities, and Priorities

As in 2015-2016, Public Health faces significant financial challenges driven largely by flat or reduced federal and state revenue in spite of increasingly complex issues facing King County as a large metro area. The complex finances of the Public Health Fund improved in 2017-2018 primarily due to the Best Starts for Kids levy and the Hospital Services Agreement with Harborview Medical Center. Public Health is also actively engaged with partners from across the state in developing Foundational Public Health Services, a national framework being adopted by the state's public health system. The framework provides a crucial opportunity for policy, funding, and structural conversations at the state level with a goal of a new, sustainable revenue source. Key priorities and focus areas for Public Health in 2017-2018 include:

- **Financial sustainability.** The financial position of the Public Health Fund has improved from the 2015-2016 budget. This is primarily due to the passage of Best Starts for Kids, which stabilized many of the Public Health Center services, and implementation of the Hospital Services Agreement with Harborview Medical Center. However, the Public Health Fund has a significant deficit and without securing new revenues faces a projected gap of \$10-\$12 million in the 2019-2020 biennium. Addressing this through reductions would put the public's health further at risk particularly as the growth and vibrancy of the region brings increasing demands, complexity, and health risks. A priority for the County is to participate in statewide planning on Foundational Public Health Services and identify additional revenue sources for health departments to deliver essential public health services.
- **Capacity to protect the public from health risks.** Facing severe financial constraints, the department is increasingly at risk of not having the capacity needed to protect the public's health. For example, an unexpected disease outbreak or other similar event could leave Public Health unable to meet demands to respond appropriately and potentially putting residents at risk. Moreover, the department does not have the capacity to respond to emerging concerns about health risks such as lead and vaping (electronic cigarettes).
- **Public Health's role in transforming healthcare system.** This is an unprecedented time of change in the healthcare system where Public Health and its partners can lead in developing innovative ways of working across systems of care (e.g., physical and behavioral) to achieve the triple aim – better patient care, improving the health of populations (prevention), and reducing

the cost of health care. To that end, Public Health will continue to engage with transformation initiatives with a variety of partners.

- **Advancing health in all communities and reducing inequities.** Public Health’s mission is to promote and improve health for every resident in King County while reducing health disparities. This involves providing public health services for all residents, and also targeted services to reach particular populations. For example, the department provides health care services to primarily low income residents through health centers and visiting nurse services. Public Health serves the incarcerated population, which is a group of people with historically less access to healthcare services than the community at large. The department’s prevention focus also includes helping people most at risk, for example, through the Healthy Eating, Active Living program and Communities of Opportunity.
- **Skilled, adaptive, and diverse workforce.** Public Health is working to develop a workforce that has 21st century skills and reflects the diverse community of King County. The employee engagement process has provided a strategic direction as many employees identified training and professional development as a key need. Recruitment in the increasingly competitive health field for qualified medical professionals is a critical issue for the department to remain a top tier public health department.
- **Increasing financial transparency and alignment.** Public Health is proposing to create the new Public Health Administration Fund to contain department and King County administrative costs and overhead and King County central rates. Administrative costs would be allocated to other funds and programs in the department using a variety of distribution methodologies depending on the basis for the original cost. Public Health is also proposing to move the Medical Examiner's Office (MEO) to the General Fund to better align with Foundational Public Health Services framework and the MEO’s primary funding source, the General Fund.

Alignment with Executive Strategic Initiatives

Equity and Social Justice

Public Health has several programs to address both internal and external inequities. For example, Public Health has a robust Equity and Partnerships Workgroup that has led ESJ work in several key areas including training and finance and budget. The department has also made significant investments in changing the workplace culture and setting employee expectations with employees regarding the value of equity and social justice. Over 200 employees have received ESJ Basic training, which is incorporated in the Public Health New Employee Orientation initiative. This strategy has been an effective component in shifting the internal culture of the department. Additional examples of the ESJ work being done include:

- **Increasing Access to Services**
 - The CHS Division has worked to successfully enroll eligible residents of King County in health insurance and Metro’s reduced fare cards (Orca-LIFT). Other efforts include increasing access to dental services to serve more low-income adults and strengthening family planning (FP) services, such as the FP FLASH Curriculum that won a national award, to better serve people of color who have been traditionally underserved.

- The EMS division has begun a Vulnerable Populations Strategic Initiative in partnership with the University of Washington to ensure the EMS system effectively supports people from all cultural backgrounds and who may speak languages other than English.
- The Preparedness section is working to build community resilience with an emphasis on communities that have been underserved. Most recently, this work focused on the Latino and West African communities.
- The Chronic Disease & Injury Prevention section has made strides in increasing access to physical activity opportunities and environments with healthy foods and beverages by targeting geographical areas with documented inequities. This division has also been instrumental in providing county leadership on strategies to assure access to healthy, affordable food as part of the King County Local Food Initiative.
- **Improving Service Delivery**
 - The Prevention Division is providing training on and discussions about how to incorporate the Equity Impact Review Checklist into key decision points.
 - The Preparedness section has also worked to incorporate the needs of populations experiencing health disparities into all emergency response capabilities.
 - The Contracting Unit in Contracting, Procurement, and Real Estate Services (CPRES) is working to understand barriers and promote the engagement of community-based organizations for which the process is burdensome – most typically minority and women-owned businesses.
 - Healthy Eating/Active Living (HEAL) staff in the Chronic Disease and Injury Prevention section are providing technical assistance to three childcare training organizations (Child Care Resources, City of Seattle, and Horn of Africa Services) on incorporating both healthy eating and active living best practice activities into their training with childcare providers. These three organizations have been trained by HEAL staff in the Lets Move/Nutrition and Physical Activity Self-Assessment for Child-Care (NAP SACC) curricula and are now able to provide tailored technical assistance to childcare providers.

Strategic Climate Action Plan (SCAP)

Public Health is making inroads in its everyday operations to reduce energy and resource use. In SCAP Goal Area 1, Fleet Management has helped to convert 77% of Public Health's vehicles to highly efficient C-Max and Prius hybrids. The fleet goal for 2017 includes piloting an all-electric Nissan Leaf. The Facilities Team has also significantly reduced the facility footprint in the last three Public Health Community Health Center moves in Kent, Renton, and Greenbridge and plans to similarly reduce the land use footprint that is associated with relocating the Northshore Public Health Center. In Goal Area 4, Consumption and Materials Management the CPRES Contracting team is putting plans in place to reduce paper and improve workflow through the implementation of a new electronic contract management system. Additionally, the CPRES Facilities team is targeting select lighting retrofit projects in facilities and tracking and monitoring energy consumption. CPRES is also planning to incorporate a battery recycling program at Public Health Centers. Public Health is also working to evaluate key environmental health indicators related to health impacts of climate change. Public Health continues to make progress in these areas without dedicated funding to carry out this work.

Best Run Government

Public Health strives to demonstrate the attributes of the Best Run Government, including visual management boards at all levels, Line of Business (LoB) planning, and Lean process improvement. CHS, for example, has integrated LoB planning into its regular business management and use of visual management boards. In another example, the preparedness unit within the cross cutting services section will utilize a well-defined process for continuous improvement for emergency responses, conducting after action reviews after each event and documenting lessons learned and improvement items, with twice-yearly follow up on all outstanding improvement plan items.

Additionally, over the past 18 months, the department has embarked on a series of improvements to its financial management practices with the support of the Office of Performance, Strategy and Budget (PSB) and the Finance and Business Operations Division (FBOD). Much progress has been made particularly in the area of financial forecasting and reporting. Additional work remains for Public Health to improve financial management practices, increase transparency, and identify and address risks early. With the support of PSB and FBOD, the department will continue these efforts to identify further improvements.

**2017-2018 Executive Proposed Operating Budget
PUBLIC HEALTH (EN_A80000)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	338,163,430	345,318,259	841.0	11.2
Base Budget Adjustments	12,047,926	(10,058,033)	6.9	(8.2)
Decision Package Adjustments	26,483,822	42,993,823	(52.1)	0.5
2017-2018 Executive Proposed Budget	376,695,178	378,254,050	795.7	3.5
2017-2018 Executive Proposed Ordinance	376,696,000	378,255,000	800.1	6.5

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.

2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.

3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) BSK Implementation in Public Health Fund the Best Starts for Kids programs and services for supporting strategies and funding allocations according to the BSK Implementation Plan under separate review.	41,984,070	43,502,183	25.0	0.5
(DS_002) Harborview Medical Center Agreement Revenue Provide revenue for services provided to the "mission population" as defined in the Hospital Services Agreement with Harborview Medical Center/University of Washington. Programs include primary care and STD and tuberculosis prevention.	0	10,000,000	0.0	0.0
(DS_003) Health and Human Services Transformation Project Revenue Adjustment Reduce General Fund support for the project and instead rely on alternative funding streams to support continued work on initiatives including Accountable Communities of Health, Familiar Faces, Physical and Behavioral Health Integration, and Communities of Opportunity.	0	(962,000)	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
PUBLIC HEALTH (EN_A80000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(DS_021) Breast, Cervical & Colon Health Program Efficiency Shift program management expenditures to provide more clinical services. The change reduces FTE support for program management, adds part-time clerical support, and enables service to an estimated additional 280+ breast and cervical clients.	0	0	(0.5)	0.0
(DS_022) Federal Grants Shut Down - PICH & PCORI Reduce budgeted expenditures and FTEs to align with expiration of the Partnerships to Improve Community Health (PICH) and Patient Centered Outcomes Research (PCORI) grants. PICH, a federal grant focusing on healthy eating, physical activity, and tobacco prevention, is slated to end September 2017. PCORI funds the King County Asthma Program and is scheduled to end January 2017.	(4,931,971)	(5,992,522)	(6.9)	0.0
(DS_024) Nutritional Activities (SNAP-Ed) Alignment Reduce federal Supplemental Nutrition Assistance Program – Education (SNAP-Ed) funds and relocate the program within the Healthy Eating & Active Living (HEAL) program in the Chronic Disease and Injury Prevention (CDIP) section. Combining the staff from the two programs into one division will align nutrition work across Public Health.	(262,190)	(347,946)	(1.4)	0.0
(DS_031) STD Clinic Hours Support Continue the restoration of STD Clinic hours to the 2014 level as initiated in the 2015-2016 mid-biennium omnibus, relying on a mix of increased patient generated revenue and General Fund support.	598,033	598,033	0.0	0.0
(DS_051) Dental Service Upgrades and Expansion Increase the capacity of the Downtown Dental Clinic by 50% and add a seventh chair at the Renton Dental Clinic to provide care to approximately 1,000 additional patients. The expansion is supported by increased patient-generated revenue and will add one dentist and two dental assistant positions.	1,170,182	1,123,000	3.0	0.0
(DS_052) MIDD 2 Implementation Implement Public Health’s portion of the Outreach & In reach System of Care Initiative CD-03, Prevention and Early Intervention Behavioral Health for Adults Over 50 Initiative PRI-03, and Hospital Re-Entry Respite Beds Initiative RR-08, as described in the proposed MIDD 2 Service Improvement Plan transmitted to Council on August 24, 2016.	814,924	814,924	0.0	0.0

Administrative Service Changes

**2017-2018 Executive Proposed Operating Budget
PUBLIC HEALTH (EN_A80000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(AC_001) Revised Allocation of King County IT Overhead Revise methodology for allocating KCIT expenditures within Public Health in association with AC_001 in other Public Health appropriation units.	2,086,943	0	0.0	0.0
(AC_003) Public Health Administration Fund Create the new Public Health Administration Fund to contain department and King County administrative costs and overhead and King County central rates. Administrative costs in this fund are allocated to other funds and programs in the department using a variety of distribution methodologies depending on the basis for the original cost.	0	0	(75.3)	0.0
(AC_005) General Fund Inflationary Increase for MEO Increase the King County General Fund transfer to MEO. This is the MEO portion of the overall Public Health inflationary increase from the Proforma budget and is a reduction in revenue to the Public Health appropriation unit in association with the corresponding increase in AC_005 in the MEO appropriation unit.	0	(404,000)	0.0	0.0
(AC_007) Medicaid Administration Accountant Improve Medicaid Administration revenue management by creating a new Medicaid Administration FTE accountant funded half by additional Medicaid revenue and half by Best Starts for Kids.	153,432	153,432	0.5	0.0
(AC_011) Vroom Program Manager Develop the King County Vroom activation plan and manage the implementation by hiring one grant-funded FTE program manager. Vroom is an early learning initiative focused on childhood brain development.	278,497	275,000	0.0	1.0
(AC_014) Electronic Health Records Central Support and Legacy System Reduction Provide central support for Public Health's Health Improvement Technology (HIT) electronic health records program and reduce legacy vendor maintenance costs for retiring systems. Includes the addition of three HIT functional analysts, two partial-year functional analyst TLTs for transition support, and one partial-year program manager TLT for address federal meaningful use requirements. Also includes the reduction of a vacant partial FTE associated with a legacy system. The decision package shows zero TLT positions because they all expire before the end of 2018.	(421,652)	300,000	2.1	0.0

**2017-2018 Executive Proposed Operating Budget
PUBLIC HEALTH (EN_A80000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(AC_031) Video Direct Observed Therapy Efficiency Begin using video technology to observe patients taking their tuberculosis medication via video direct observed therapy (VDOT), following a successful pilot program and standard practice. This change will allow a reduction in FTE support and require the purchase of appropriate technology, while also reducing the need for General Fund support.	(87,733)	(100,000)	(1.0)	0.0
(AC_032) Vital Statistics and MEO Staffing Reduction Align program staffing level with reduced IT needs. With the launch of the MEO's Electronic Death Records System and plans for limited changes to the VertiQ system, less support is required in 2017-2018. Vital Statistics will operate with a more efficient management structure, requiring less support. This change reduces a 0.5 FTE vacant position in association with AC_032 in the Public Health appropriation unit.	(145,546)	0	(0.5)	0.0
(AC_033) Nurse Epidemiologist Expenditures Allocated to Environmental Health Align budget with current practice of a Nurse Epidemiologist in Environmental Health coordinating disclosures of foodborne illness outbreaks. Moves a nurse epidemiologist partial FTE from Communicable Disease (Public Health) to Environmental Health in association with AC_033 in the Public Health appropriation unit.	(129,244)	0	(0.5)	0.0
Technical Adjustments				
(TA_001) Budget Clean Up Remove all remaining expenditure authority and revenue estimates for the Emergency Medical Services (EMS) grants and Environmental Health Services (EHS) projects. In the 2015-2016 Budget EMS Grants was moved to the EMS Levy and EHS was moved to the Environmental Health Fund.	(173,585)	300,000	0.0	0.0
(TA_002) Transfer Release of Information Position Transfer position managing releases of information (ROI) for patient medical records from Jail Health to Public Health's Business Standards and Accountability (BSA) unit where ROI requests are handled centrally.	182,752	0	1.0	0.0
(TA_012) Allocation of Costs for Existing Health Information Technology and Public Health Chiefs Allocate to divisions the central support costs for the Health Information Technology (HIT) electronic health records system and Public Health Chiefs, including inflation and true-up to actual costs.	1,203,046	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
PUBLIC HEALTH (EN_A80000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_013) Emergency Preparedness Budget Clean-up Align budgeted expenditures and revenues within the Emergency Preparedness section to projections based on actual costs and revenues.	(149,660)	150,000	0.0	0.0
(TA_014) Administrative Special Projects Budget Clean Up Align budgeted expenditures and revenues within the Administrative Special Projects section to projections based on actual costs and revenues.	(12)	9,586	0.0	0.0
(TA_021) Longevity Pay Alignment an ADPE Expenditure Reductions to Match Actual Expenditures Remove longevity pay in the Assessment, Policy Development, and Evaluation (APDE) section to match labor expenditures and match grants and miscellaneous expenditures to projected out-year amounts.	(207,387)	0	0.0	0.0
(TA_022) Alignment of Expenditures for Youth Marijuana Prevention Grant Update budgeted FTE amount in the Youth Marijuana Prevention & Education Program (YMPEP) and Tobacco Program to match the current grant.	122,413	0	0.5	0.0
(TA_023) Grant Alignment - Peer-Aid Grant Ended 2016 Remove residual expenditures and revenues for the Peer-Aid Grant, which ended in 2016.	(24,420)	(360,000)	0.0	0.0
(TA_024) Grant Alignment - BCCHP & Tobacco Program Revenue Update Update anticipated revenues for the Breast, Cervical & Colon Health Program based on current estimates for fees, fines, and Washington State Department of Health grant funds.	0	49,410	0.0	0.0
(TA_031) Prevention Division Budget Clean-Up Align budget with current spending and grant revenue projections in the Prevention division. Includes adjustments to longevity pay, lease costs, Health Improvement Technology (HIT) vender costs, supply costs, and grant revenues and expenditures. Also includes allocation of partial FTE from the Medical Examiner's Office, in association with TA_031 in the MEO appropriation unit and Environmental Health support foodborne illness investigations, in association with TA_031 in Environmental Health.	(846,096)	(675,127)	0.3	0.0

**2017-2018 Executive Proposed Operating Budget
PUBLIC HEALTH (EN_A80000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_032) Lab Adjustments Reset lab fees based on expenses and projected volumes to fully recover costs. Includes both revenue increases in the lab and expenditure increases in HIV program. Also includes a partial FTE true-up for the clinical quality assurance program.	961,988	214,399	0.5	0.0
(TA_034) Prevention Division Overhead Allocation Allocate Prevention division overhead based on the number of FTEs in each division cost center and project.	61,962	0	0.0	0.0
(TA_035) Orca LIFT Access and Outreach Position Conversion Convert a budgeted TLT position to a career service FTE position in the Orca LIFT program based on a commitment from the Seattle Department of Transportation to continue funding the program through at least 2020. As the TLT had been budgeted, this is a net zero impact on the 2017-2018 budget and has no service impact.	0	0	1.0	(1.0)
(TA_050) Revenue Adjustments Adjust revenues including patient generated revenue, Medicaid Administrative Claiming, miscellaneous revenue, and the General Fund transfer.	0	(3,238,107)	0.0	0.0
(TA_051) Grant/Contract True Up of Revenues and Expenses Adjust federal and state grants and local contracts. Updates include Orca Lift, Healthcare for the Homeless, City of Seattle, and Housing and Urban Development.	(5,042,164)	(6,928,013)	0.0	0.0
(TA_052) True Up of Miscellaneous Revenues and Expenses Align budget with current projections of revenues and expenditures, including leases, supplies, and miscellaneous expenditures.	1,349,929	(335,464)	0.0	0.0
(TA_054) Distribution of Shared Costs Allocate costs associated with Federally Qualified Health Center (FQHC) eligibility and the federal 330(h) grant to the Community Health Services and Prevention divisions.	264,358	0	0.0	0.0
(TA_055) Distribution of CHS Division Overhead and other Shared Costs Allocate Community Health Services overhead within the division.	92,516	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
PUBLIC HEALTH (EN_A80000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_064) Public Health Veterinarian Support Add revenue from Environmental Health to the communicable disease program for providing veterinarian support to Environmental Health on cases involving animals, in association with TA_064 in the Environmental Health appropriation unit.	0	50,000	0.0	0.0
(TA_095) Indirect Overhead Allocation Allocate Public Health overhead, including King County IT charges, via the Public Health salary and wage overhead allocation model.	(1,423,440)	0	0.0	0.0
(TA_096) Distribution of Administrative Costs Allocate administrative costs in Public Health not spread via the Public Health salary and wage overhead allocation model, including vehicles, garages, accounting services, contract management, Medicaid administration oversight and facilities charges.	447,178	0	0.0	0.0
(TA_100) Best Starts for Kids Implement approved Best Starts for Kids Levy planning.	0	4,797,036	0.0	0.0
(TA_110) Net Zero Adjustments Make Net Zero changes to reflect current spending patterns.	0	0	0.0	0.0
(TA_113) Vacancy Rate Adjustment Reflects the salary savings associated with the natural rate of employee turnover for a given agency and provide greater transparency in the budget.	(6,388,008)	0	0.0	0.0
(TA_200) Community Services Area (CSA) Contribution Update Update this agency's costs in the CSA's cost allocation model, which is based on projected CSA staff hours per agency over the biennium. Overall costs for the program increased due to the growth in labor costs (general wage increase, benefits) and central rates.	131	0	0.0	0.0
Central Rate Adjustments	(5,055,425)	0	0.0	0.0
Total Decision Package Adjustments	26,483,822	42,993,823	(52.1)	0.5

**2017-2018 Proposed Financial Plan
Public Health Fund / 000001800**

Category	2015-2016 Estimated¹	2017-2018 Proposed Budget²	2019-2020 Projected³	2021-2022 Projected³
Beginning Fund Balance	\$ (11,727,782)	(3,278,050)	(1,719,179)	(405,209)
Revenues				
City of Seattle	42,725,333	41,832,635	43,939,603	47,584,040
Fees for Services	14,907,081	14,171,157	14,339,224	14,339,224
Grants	93,953,953	83,144,700	83,407,577	88,598,158
Intragovernmental ⁴	11,995,742	11,907,656	12,367,762	13,137,427
Medicaid Administration ⁵	7,520,568	7,610,881	7,613,048	7,613,048
Other Revenues ⁶	3,455,880	2,431,150	2,533,426	2,691,085
Patient Generated Revenue ⁷	78,593,741	76,920,446	79,269,671	80,543,059
State Flexible	24,983,325	24,595,572	24,595,572	24,595,572
KC General Fund Flexible	56,240,816	49,993,632	52,524,483	55,793,163
BSK Revenue ⁸	4,072,000	55,646,221	67,949,526	76,119,490
HVMC Contract	5,000,000	10,000,000	10,000,000	10,000,000
Foundational Public Health Revenue ⁹	-	-	12,000,000	25,500,000
One time Revenues	7,641,049	-	-	-
Total Revenues	351,089,489	378,254,050	410,539,894	446,514,266
Expenditures				
Personnel	(192,069,228)	(186,340,844)	(197,988,241)	(210,099,106)
Contracts	(88,222,766)	(115,205,574)	(132,388,369)	(150,450,788)
Overhead ¹⁰	(26,850,254)	(42,805,907)	(45,607,894)	(49,806,967)
Facilities and Motor Vehicle	(14,402,710)	(14,387,008)	(15,151,759)	(16,546,766)
Supplies and Office Equipment	(4,564,172)	(3,495,781)	(3,524,881)	(3,744,240)
Medical Supplies & Pharmaceuticals	(8,369,860)	(9,760,459)	(10,318,444)	(10,960,576)
Contingencies and Contras	-	(66,840)	(66,840)	(66,840)
Other Expense ¹¹	(4,980,086)	(4,632,765)	(4,179,496)	(4,179,496)
One time Expenditures	(3,180,680)	-	-	-
Total Expenditures	(342,639,757)	(376,695,178)	(409,225,924)	(445,854,780)
Estimated Underexpenditures				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance¹²	(3,278,050)	(1,719,179)	(405,209)	254,277
Reserves				
Expenditure Reserve (s)				
Cash Flow Reserve				
Rainy Day Reserve (30 days) ¹³	(11,131,272)	(10,797,820)	(11,516,006)	(12,533,529)
Total Reserves	(11,131,272)	(10,797,820)	(11,516,006)	(12,533,529)
Reserve Shortfall	14,409,322	12,516,998	11,921,216	12,279,252
Ending Undesignated Fund Balance	-	-	-	-

Financial Plan Notes

¹ 2015-2016 Estimates reflect year end information from EBS GL10 for 2015 actuals and the Public Health Q2 Estimate for 2016.

² 2017-2018 Proposed Budget is consistent with expenditure and revenue data from Hyperion.

- ³ Out year projections assume average annual revenue and expenditure growth by category, reflecting the most recent estimate: including the out year impact of approved supplemental.
- ⁴ Includes revenue from the Vets & Human Services Levy for the entire biennium under the assumption that the levy will be renewed beyond its current end date of December 31, 2017.
- ⁵ The 2017-2018 Medicaid Administration budget proposal is based on 2015-2016 estimated revenue that was 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.
- ⁶ Other Revenues included in the 2017-2018 Proposed Budget consists of Respite Services (\$1.9 million), rebates (\$352,000), donations (\$137,000) and other minor revenues (\$47,000).
- ⁷ Patient Generated Revenue (PGR) projection in the 2017-2018 proposed budget is based on the current assumptions related to visits, patient mix and payer mix based on recent experiences. The reimbursement rate under the Federally Qualified Health Center (FQHC) will be rebased in 2017 which will likely lower revenues compared to the 2015 actual revenue and the 2016 estimated, and has been reduced accordingly.
- ⁸ Includes revenue from the Best Starts for Kids Levy for the entire 2021-2022 biennium under the assumption that the levy will be renewed beyond its current end date of December 31, 2021.
- ⁹ PHSKC is partnering with other Washington State local health jurisdictions and the State Department of Health (DOH) on legislative efforts regarding Foundational Public Health Services. PHSKC anticipates an additional investment from the Washington State Legislature into foundational public health services beginning in 2019-2020.
- ¹⁰ The creation of the Public Health Administration Fund (000001890) in the 2017-2018 Agency Proposed realigned the expenses in the Public Health Fund, resulting in an increase to the Overhead Expense Category while reducing costs in other categories, including Personnel.
- ¹¹ Other Expenses included in the 2017-2018 Agency Proposed Budget consists of Travel/Training & Licenses (\$2.5 million), Equipment/Furniture (\$1.2 million), and various other expenses (\$1.1 million)
- ¹² PHSKC is projecting a negative ending fund balance for the 2015-2016 of \$3.3M. PHSKC has committed to eliminating the negative fund balance and moving back into a positive condition by no later than 2021/2022. In order to achieve this fund balance improvement, PHSKC is reliant upon additional revenue from external sources, while maintaining constant pressure to minimize expenditure growth.
- ¹³ The rainy day reserve was calculated using a 30 day expenditures average, adjusted for inter County Revenues which maintain
- ¹⁴ This plan was updated by Chris McGowan on 9/1/2016

**2017-2018 Executive Proposed Operating Budget
PUBLIC HEALTH ADMINISTRATION (EN_A89000)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	0	0	0.0	0.0
Base Budget Adjustments	0	0	0.0	0.0
Decision Package Adjustments	64,436,516	64,436,516	75.3	0.0
2017-2018 Executive Proposed Budget	64,436,516	64,436,516	75.3	0.0
2017-2018 Executive Proposed Ordinance	64,437,000	64,437,000	75.3	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Administrative Service Changes				
(AC_003) Public Health Administration Fund Create the new Public Health Administration Fund to contain department and King County administrative costs and overhead and King County central rates. Administrative costs in this fund are allocated to other funds and programs in the department using a variety of distribution methodologies depending on the basis for the original cost.	64,436,516	64,436,516	75.3	0.0
Central Rate Adjustments	0	0	0.0	0.0
Total Decision Package Adjustments	64,436,516	64,436,516	75.3	0.0

**2017-2018 Proposed Financial Plan
Public Health Administration Fund / 000001890**

Category	2015-2016 Estimated¹	2017-2018 Proposed Budget²	2019-2020 Projected³	2021-2022 Projected³
Beginning Fund Balance	\$ -	-	-	-
Revenues				
Emergency Medical Services Levy		7,748,650	8,247,517	8,914,067
Environmental Health Services Fund		4,592,252	4,887,906	5,282,938
King County General Fund ⁴		7,273,849	7,742,148	8,367,854
Public Health Fund		44,821,766	47,707,449	51,563,080
			-	-
Total Revenues	-	64,436,516	68,585,020	74,127,939
Expenditures⁵				
Contracts, Procurement & Real Estate Services	-	(3,289,234)	(3,494,831)	(3,708,608)
Finance and Accounting	-	(8,566,146)	(9,101,580)	(9,658,320)
PHSKC Director's Office	-	(11,647,997)	(12,376,065)	(13,133,104)
King County Central Rates ⁶	-	(40,933,139)	(43,612,544)	(47,627,907)
Total Expenditures	-	(64,436,516)	(68,585,020)	(74,127,939)
Estimated Underexpenditures				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance⁷	-	-	-	-
Reserves				
Expenditure Reserve				
Cash Flow Reserve				
Rainy Day Reserve (60 days) ⁸	-	-	-	-
Total Reserves	-	-	-	-
Ending Undesignated Fund Balance	-	-	-	-

Financial Plan Notes

- ¹ In an effort to improve transparency in the Public Health Fund, Public Health, Seattle-King County (PHSKC) will create the new Public Health Administration Fund (PHAF) in the 2017-2018 Adopted Budget. There is no estimated performance for 2015-2016 for this Fund.
- ² 2017-2018 Proposed Budget is consistent with expenditure and revenue data from Hyperion.
- ³ Out year projections assume average annual revenue and expenditure growth of 3.63% and is consistent with the Public Health Funds assumption of expenditure growth in the out years.
- ⁴ The King County General fund on this Plan consists of Appropriation Units for the Jail Health Services (A82000) and Medical Examiner's Office (A87000).
- ⁵ All expenditures will be fully recovered in the PHAF annually from the Public Health Fund (1800), the Environmental Health Fund (1850), the Emergency Services Levy (1190), and the General Fund (0010) from the Jail Health Services Appropriation (A82000) and the Medical Examiner's Office Appropriation (A87000).
- ⁶ King County Central Rates include all central rates for the Public Health Fund (000001800) and the King County Information Technology (KCIT) Division's Overhead costs (including repayment of the intrafund loan), allocated to all funds in PHSKC.
- ⁷ The PHAF is not expected to maintain a fund balance as all costs will be recovered annually via the PHSKC Certified Indirect Rate (CIR) or direct allocation of expenditures. Any fund balance will be distributed back to the public health funds.
- ⁸ There is no rainy day reserve as the PHAF is supported by revenues from other PHSKC Funds with associated Rainy Day reserves.
- ⁹ This plan was updated by Michelle Larson on 09/01/2016

**2017-2018 Executive Proposed Operating Budget
MEDICAL EXAMINER (EN_A81000)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	11,324,911	11,039,396	28.4	0.0
Base Budget Adjustments	588,270	36,000	0.3	0.0
Decision Package Adjustments	(11,913,181)	(11,075,396)	(28.7)	0.0
2017-2018 Executive Proposed Budget	0	0	0.0	0.0
2017-2018 Executive Proposed Ordinance	0	0	0.0	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Administrative Service Changes				
(AC_001) Revised Allocation of King County IT Overhead Revise methodology for allocating KCIT expenditures within Public Health in association with AC_001 in other Public Health appropriation units.	405,336	0	0.0	0.0
(AC_004) MEO Transfer to the General Fund Move the Medical Examiner's Office (MEO) to the General Fund to better align with Foundational Public Health Services framework and the MEO's primary funding source, the General Fund.	(12,090,677)	(11,429,226)	(27.9)	0.0
(AC_005) General Fund Inflationary Increase for MEO Increase the King County General Fund transfer to MEO. This is the MEO portion of the overall Public Health inflationary increase from the Proforma budget in association with the corresponding decrease in AC_005 in the Public Health appropriation unit.	0	404,000	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
MEDICAL EXAMINER (EN_A81000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(AC_032) Vital Statistics and MEO Staffing Reduction Align program staffing level with reduced IT needs. With the launch of the MEO's Electronic Death Records System and plans for limited changes to the VertiQ system, less support is required in 2017-2018. Vital Statistics will operate with a more efficient management structure, requiring less support. This change reduces a 0.5 FTE vacant position in association with AC_032 in the Public Health appropriation unit.	(131,368)	0	(0.5)	0.0
Technical Adjustments				
(TA_031) Medical Examiner Technical Adjustments Align budgeted expenditures and revenues to projections based on actual costs and revenues. Also includes allocation of partial FTE to Public Health Chronic Disease and Injury Prevention, in association with TA_031 in the Public Health appropriation unit.	(111,416)	(74,000)	(0.3)	0.0
(TA_034) Prevention Division Overhead Allocation Allocate Prevention division overhead based on the number of FTEs in each division cost center and project.	4,396	0	0.0	0.0
(TA_050) Revenue Adjustments Adjust revenues including a partial inflation of the General Fund transfer.	0	23,830	0.0	0.0
(TA_095) Indirect Overhead Allocation Allocate Public Health overhead, including King County IT charges, via the Public Health salary and wage overhead allocation model.	102,334	0	0.0	0.0
(TA_096) Distribution of Administrative Costs Allocate administrative costs in Public Health not spread via the Public Health salary and wage overhead allocation model, including vehicles, garages, accounting services, contract management, Medicaid administration oversight and facilities charges.	(46,297)	0	0.0	0.0
(TA_110) Net Zero Adjustments Make net zero changes to reflect current spending patterns.	0	0	0.0	0.0
(TA_113) Vacancy Rate Adjustment Reflects the salary savings associated with the natural rate of employee turnover for a given agency and provide greater transparency in the budget.	(120,000)	0	0.0	0.0
Central Rate Adjustments	74,511	0	0.0	0.0
Total Decision Package Adjustments	(11,913,181)	(11,075,396)	(28.7)	0.0

2017-2018 Executive Proposed Operating Budget MEDICAL EXAMINER (EN_A87000)

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	0	0	0.0	0.0
Base Budget Adjustments	0	0	0.0	0.0
Decision Package Adjustments	11,780,835	3,038,000	27.9	0.0
2017-2018 Executive Proposed Budget	11,780,835	3,038,000	27.9	0.0
2017-2018 Executive Proposed Ordinance	11,781,000	3,038,000	27.9	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Administrative Service Changes				
(AC_004) MEO Transfer to the General Fund Move the Medical Examiner's Office (MEO) to the General Fund to better align with Foundational Public Health Services framework and the MEO's primary funding source, the General Fund.	11,761,064	11,181,226	27.9	0.0
(AC_006) Burial and Cremation Review Fee Increase Increase the King County burial and cremation review fee from \$60 to \$70, effective January 1, 2017. A fee increase is needed to allow the King County Medical Examiner's Office to cover the full cost of its disposition authorization program for the next biennium. King County code requires all deaths be reported to the medical examiner's office for review prior to burial or cremation to ensure jurisdiction over appropriate cases before disposition occurs.	0	270,000	0.0	0.0
Technical Adjustments				
(TA_001) Remove General Fund Transfer Remove General Transfer to the Medical Examiner's Office (MEO) given the MEO move to the General Fund makes such a transfer unnecessary.	0	(8,413,226)	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
 MEDICAL EXAMINER (EN_A87000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_095) Indirect Overhead Allocation Allocate Public Health overhead, including King County IT charges, via the Public Health salary and wage overhead allocation model, in association with TA_095 in the former MEO appropriation unit.	19,771	0	0.0	0.0
Central Rate Adjustments	0	0	0.0	0.0
Total Decision Package Adjustments	11,780,835	3,038,000	27.9	0.0

2017-2018 Executive Proposed Operating Budget EMERGENCY MEDICAL SVCS (EN_A83000)

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	149,615,297	147,981,804	142.0	0.0
Base Budget Adjustments	7,518,981	3,820,514	0.0	0.0
Decision Package Adjustments	5,210,362	6,692,501	0.0	0.0
2017-2018 Executive Proposed Budget	162,344,641	158,494,819	142.1	0.0
2017-2018 Executive Proposed Ordinance	162,345,000	158,495,000	142.1	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Administrative Service Changes				
(AC_001) Revised Allocation of King County IT Overhead Revise methodology for allocating KCIT expenditures within Public Health in association with AC_001 in other Public Health appropriation units.	(1,300,404)	0	0.0	0.0
(AC_002) Alternative Responses to Low-Acuity Calls to 9-1-1 Expand funding to mitigate the effects of low-acuity 9-1-1 calls in the 2017-2018 budget to make data on alternative county wide strategies available for regional decision making. Includes allocating funds from EMS Strategic Initiatives to fund alternative approaches to addressing the needs of individuals using 9-1-1 for low acuity incidents and increases the levy funding for Community Medical Technician (CMT) units (from 50% to 66% of cost of units) to have sufficient funding to complete CMT pilot in 2017. Funds for both approaches are included in the EMS Strategic Plan and are within the lifetime budgets (levy 6-year lifetime budgets) of the programs.	1,057,142	0	0.0	0.0

Technical Adjustments

**2017-2018 Executive Proposed Operating Budget
EMERGENCY MEDICAL SVCS (EN_A83000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_011) EMS Levy Fund Adjustments Adjust budget for emergency medical services as described in the Medic One/Emergency Medical Services 2014-2019 Strategic Plan and adopted by ordinance 17578. Changes allow continuity in allocations of funds to Advanced Life Support (ALS), Basic Life Support (BLS), Regional Support (RS), and EMS Strategic Initiatives.	6,562,436	(81,632)	0.0	0.0
(TA_012) EMS Grants and Entrepreneurial Projects - Update Reconcile grant awards in the Center for Evaluation of EMS (CEEMS), the EMS grants group. Three grants are scheduled to end in 2016, and new grants are being added, with funding extending as far as 2020.	(3,946)	(1,620,792)	0.0	0.0
(TA_013) KCM1 – Vehicle Replacement Replace a non-motor pool vehicle with one managed by King County's motor pool. Expenditures cover the initial purchase price, per motor pool policy.	40,000	0	0.0	0.0
(TA_050) Revenue Adjustments Adjust revenues based on economic forecasts.	0	8,394,925	0.0	0.0
(TA_095) Indirect Overhead Allocation Allocate Public Health overhead, including King County IT charges, via the Public Health salary and wage overhead allocation model.	118,481	0	0.0	0.0
(TA_096) Distribution of Administrative Costs Allocate administrative costs in Public Health not spread via the Public Health salary and wage overhead allocation model, including vehicles, garages, accounting services, contract management, Medicaid administration oversight and facilities charges.	(408,877)	0	0.0	0.0
(TA_110) Net Zero Adjustments Net zero changes to reflect current spending patterns.	0	0	0.0	0.0
(TA_113) Vacancy Rate Adjustment Reflects the salary savings associated with the natural rate of employee turnover for a given agency and provide greater transparency in the budget.	(968,000)	0	0.0	0.0
Central Rate Adjustments	113,530	0	0.0	0.0
Total Decision Package Adjustments	5,210,362	6,692,501	0.0	0.0

**2017-2018 Proposed Financial Plan
EMS Fund /000001190**

Category	2015-2016 Estimated¹	2017-2018 Proposed Budget²	2019-2020 Projected³	2021-2022 Projected³
Beginning Fund Balance	39,515,583	41,093,867	37,244,045	
Revenues				
Property Taxes	146,948,558	154,363,917	80,183,001	
Charges for Services	884,422	1,644,044	840,000	
Other incl interest income	991,176	1,132,398	636,200	
Grant related income	704,249	1,354,460	694,160	
Total Revenues	149,528,405	158,494,819	82,353,361	-
Expenditures				
Advanced Life Support (ALS)	(88,614,793)	(90,378,771)	(47,244,652)	
Basic Life Support (BLS) Services	(34,150,961)	(36,135,102)	(18,974,665)	
Community Medical Tech Units (CMT)	(1,351,251)	(2,555,542)	(36,541)	
Regional Services (RS)	(19,123,486)	(19,956,874)	(10,371,327)	
Strategic Initiatives (SI)	(1,181,459)	(3,561,169)	(1,585,320)	
Use of Designations/Program Balances	(1,000,000)	(2,200,000)	(1,100,000)	
Use of Reserves	(1,000,000)	(4,371,658)	(2,050,000)	
King County Auditor's Office	(90,000)	(230,000)		
EMS Grants & Non-levy projects	(1,391,019)	(2,955,525)	(2,955,509)	
Total Expenditures	(147,902,969)	(162,344,641)	(84,318,014)	-
Estimated Underexpenditures				
Other Fund Transactions⁴				
Unrealized gains/losses	(47,152)			
Total Other Fund Transactions	(47,152)	-	-	-
Ending Fund Balance	41,093,867	37,244,045	35,279,392	-
Reserves⁵				
Designations ⁵	(8,084,811)	(4,950,106)	(3,582,998)	
Expenditure Reserves ⁶	(4,530,079)	(6,579,139)	(7,952,139)	
Cash Flow Reserve ⁷	(7,662,126)	(5,633,784)	(5,633,784)	
Rate Stabilization Reserve ⁸	(5,114,510)	(5,114,510)	(5,114,510)	
Rainy Day/Required Levy Reserve (90 days) ⁹				
Total Reserves	(25,391,526)	(22,277,539)	(22,283,431)	-
Reserve Shortfall	-	-	-	-
Ending Undesignated Fund Balance	15,702,341	14,966,506	12,995,961	-

Financial Plan Notes (samples below)

¹ 2015-2016 Estimated reflects 2015 year end information from EBS and 2016 forecast and are consistent with the Budgetary Fund Balance figures published by FBOD; EMS Grants and non-levy projects were located in Public Health Fund 1800 in 2015.

² 2017-2018 Proposed Budget is consistent with expenditure and revenue data from Hyperion.

³ Outyear projections assume revenue and expenditure growth as forecast by Office of Economic Analysis consistent with EMS Strategic Plan; current EMS levy ends in 2019; 2019-2020 expenditures include 2019 ONLY; potential revenues and expenditures related to future 2020-2025 levy (specifically 2020 and 2021-2022 biennium) not included.

⁴ Other fund transactions include accounting adjustments to balance to budgetary fund balance and unrealized gains/losses related to investment pool.

⁵ Designations include program balances related to funds set aside by ALS providers and regional services to cover future year expenses.

⁶ Expenditure reserves include ALS Capacity, Equipment, Operational and Risk Abatement and Community Medical Technician Unit Reserves

⁷ Cash flow reserve covers cash flow needs related to 6-year levy; includes difference between revenues and expenditures for remainder of levy plus four months of future year expenses (based on first half of levy funds due end of April) minus available reserves to cover these expenses.

⁸ Rate Stabilization reserve can be used in several ways: reserve can be used if Assessed Value (AV) falls and levy rate is capped or to "buy down" levy rate for future levy; reserve also doubles as part of rainy day reserve.

⁹ Rainy day and 90 day levy requirement included in above reserves; If funded reserves do not cover rainy day reserve required funds would be added to Rainy Day Reserve.

¹⁰ This plan was updated by Cynthia Bradshaw on September 2nd, 2016.

**2017-2018 Executive Proposed Operating Budget
ENVIRONMENTAL HEALTH SERVICES (EN_A85000)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	46,593,887	48,237,040	143.5	1.0
Base Budget Adjustments	4,864,055	2,520,298	(0.8)	0.0
Decision Package Adjustments	274,667	1,031,093	5.8	0.5
2017-2018 Executive Proposed Budget	51,732,609	51,788,431	148.5	1.5
2017-2018 Executive Proposed Ordinance	51,733,000	51,789,000	148.5	4.5

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Direct Service Changes				
(DS_001) BSK Implementation in Environmental Health Fund the Best Starts for Kids programs and services for supporting strategies and funding allocations according to the BSK Implementation Plan under separate review.	641,429	641,429	2.0	0.0
(DS_021) Increase Permit Processing Capacity Add administrative support to the food program to manage increasing demands (a 20% increase in permits over five years and growth of the inspection staff by 20 positions without a corresponding increase in administrative support). Additional anticipated late-fee revenue will cover the cost of this add.	185,574	185,574	1.0	0.0
(DS_022) Enhanced Reporting Functional Analyst II Add a reporting analyst to provide reporting capacity for all programs throughout the division. Expenditures will be offset by a decrease in King County IT costs per the new cost allocation model within Public Health per AC_001.	232,363	0	1.0	0.0

**2017-2018 Executive Proposed Operating Budget
ENVIRONMENTAL HEALTH SERVICES (EN_A85000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(DS_023) EH, Solid Waste, Rodents, and Zoonotic Diseases Program Capacity Improve permit handling in the Solid Waste, Rodents, and Zoonotic Diseases program by increasing staff by one permanent position and one seasonal temporary position to manage a backlog of new facility permit applications, solid waste facilities plans, and rodent and illegal dumping complaints.	310,507	0	1.0	0.5
(DS_025) Food and Facilities Program Capacity Improve the quality and consistency of food inspections by converting an existing temporary position to a permanent position. Also improves capacity to respond to outbreaks and emergencies.	315,645	315,645	1.0	0.0
(DS_029) OSS Program Staff Reduction Align On-Site Septic (OSS) Operations and Maintenance (O&M) staff to available resources from existing O&M revenues collected through the Title Transfer Fee and Time of Sale Fee. Net result is a reduction of one position in 2018.	(307,653)	236,200	(1.0)	0.0
(DS_030) OSS Operation & Maintenance Program Improvement Add capacity to increase existing Operation & Maintenance (O&M) program. Includes two TLT program managers to lead a customer-focused inspection notification pilot program to increase homeowner compliance with existing fee and improve customer relations. Also includes one TLT program manager to sustain customer service and provide technical support for the Quartermaster Harbor program. The decision package shows zero TLT positions because they all expire before the end of 2018.	478,375	0	0.0	0.0
(DS_031) OSS Title Transfer Fee Increase Increase the Title Transfer Fee submitted by real estate agents at the time of sale to match current processing costs. Uses portion of increased fee revenue - pending Board of Health approval - to fund capacity to process additional Title Transfer Reports and collaborate with real estate agents submitting the fee. Would reinstate the position reduction in DS_029.	141,709	498,500	1.0	0.0
Administrative Service Changes				
(AC_001) Revised Allocation of King County IT Overhead Revise methodology for allocating KCIT expenditures within Public Health in association with AC_001 in other Public Health appropriation units.	(609,316)	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
ENVIRONMENTAL HEALTH SERVICES (EN_A85000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(AC_033) Nurse Epidemiologist Expenditures Allocated to Environmental Health Align budget with current practice of a Nurse Epidemiologist in Environmental Health coordinating disclosures of foodborne illness outbreaks. Moves a nurse epidemiologist partial FTE from Communicable Disease (Public Health) to Environmental Health in association with AC_033 in the Public Health appropriation unit.	129,244	0	0.5	0.0
Technical Adjustments				
(TA_020) Net Zero EH Expenditure Adjustment Make a net zero adjustment to move expenditures from lower level detailed expenditure accounts to summary level roll-up accounts.	0	0	0.0	0.0
(TA_021) OSS Grant Adjustment Reduce grant revenue and related expenses associated with the Marine Recovery Area and Pollution Identification and Control grants that ended in 2016. Separate adjustment to scope of work covered in DS_029.	(200,000)	(1,131,600)	0.0	0.0
(TA_023) Net Zero EH Revenue Adjustment Make a net zero adjustment to revenues among detailed accounts.	0	0	0.0	0.0
(TA_024) One-Time Funding Adjustment Remove one-time grant and miscellaneous revenues that will not be available in 2017-2018.	0	(390,000)	0.0	0.0
(TA_025) Net Zero Food Program Adjustment Make a Net Zero adjustment to revenue accounts in the food program.	0	0	0.0	0.0
(TA_026) Net Zero Expenditures Adjustment Make a Net Zero adjustment to expenditure accounts across the division.	0	0	0.0	0.0
(TA_028) EH Overhead Cost Center Adjustment Make a Net Zero adjustment to move Public Health overhead costs to a designated cost center.	0	0	0.0	0.0
(TA_029) Net Zero Contingency Account Adjustment Make a Net Zero adjustment to redistribute a contingency reserve account among projects.	0	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
ENVIRONMENTAL HEALTH SERVICES (EN_A85000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_031) Foodborne Illness Prevention Support Increase expenditures to support foodborne illness investigations in Prevention division, addressing the increased body of work performed by the nurses and epidemiologists from Prevention who conduct the patient and epidemiologic components of investigation. Associated with TA_031 in the Public Health appropriation unit.	253,000	0	0.0	0.0
(TA_035) EH Direct Distribution Costs Allocation Make a Net Zero allocation of administrative direct costs to division programs.	0	0	0.0	0.0
(TA_036) EH Administration Overhead Distribution Make a Net Zero allocation of division administrative overhead costs to division programs in tandem with TA_068.	0	0	0.0	0.0
(TA_037) EH Permit Administration Overhead Distribution Make a Net Zero allocation of division permit administrative overhead costs to division programs.	0	0	0.0	0.0
(TA_038) LHWMP Adjustment Align Local Hazardous Waste Management Program (LHWMP) budgeted expenditures with revenues.	(391,234)	398,985	0.0	0.0
(TA_039) EH Cost Allocations by Projects Make a Net Zero move of costs to correct project accounts.	0	0	0.0	0.0
(TA_040) Vacant Position Reduction Remove a position made vacant by a volunteer for the King County early retirement program in 2015.	(269,005)	0	(1.0)	0.0
(TA_041) Grant Management Alignment Allocate a partial position to the Tacoma Smelter Plume (TSP) grant to match budget to actual practice.	77,849	0	0.3	0.0
(TA_043) Retired Project Code Adjustment Make a Net Zero move of costs from retired project codes to current project codes in the Local Hazardous Waste cost center.	0	0	0.0	0.0
(TA_044) Solid Waste Expenditure Adjustment Increase budgeted expenditures for overtime, parking, and training for the Solid Waste program to align budget to actual projections.	32,000	0	0.0	0.0
(TA_045) New Project Code Adjustment Make a Net Zero move of costs to new project codes in the Healthy Community Planning cost center.	0	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
ENVIRONMENTAL HEALTH SERVICES (EN_A85000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_048) Project Costs Adjustment Reduce budgeted expenditures to align budget to actual projections.	(10,044)	0	0.0	0.0
(TA_051) Interest Revenue Budget revenue from interest following the 2016 change moving Environmental Health to an interest-bearing Tier 1 fund.	0	261,360	0.0	0.0
(TA_052) Grant Revenue Adjustment Budget revenue for the Climate Change grant slated to end in 2017.	0	15,000	0.0	0.0
(TA_064) Veterinary Support from Public Health Add expenditure for Environmental Health use of veterinarian support from Prevention division, in association with TA_064 in the Public Health appropriation unit.	50,000	0	0.0	0.0
(TA_068) EH Overhead Distribution Make net zero clean up adjustments to overhead allocations across the division in tandem with TA_036.	0	0	0.0	0.0
(TA_095) Overhead Allocation Allocate Public Health Department overhead, including King County IT charges, via the Public Health salary and wage overhead allocation model.	95,139	0	0.0	0.0
(TA_096) Distribution of Administrative Costs Allocate administrative costs in Public Health not spread via the Public Health salary and wage overhead allocation model, including vehicles, garages, accounting services, contract management, Medicaid administration oversight and facilities charges.	(639,684)	0	0.0	0.0
(TA_113) Vacancy Rate Adjustment Reflects the salary savings associated with the natural rate of employee turnover for a given agency and provide greater transparency in the budget.	(1,253,976)	0	0.0	0.0
(TA_199) Parking Fees Increase fees at County parking facilities commensurate with local market rates. These changes will affect agencies that pay or reimburse for privately-operated vehicles and for agency-assigned Fleet vehicles that park in the Goat Hill Garage, Chinook Building, KC Correctional Facility, and (as of June 2017) King Street Center.	71,542	0	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
ENVIRONMENTAL HEALTH SERVICES (EN_A85000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_200) Community Services Area (CSA) Contribution Update Update this agency's costs in the CSA's cost allocation model, which is based on projected CSA staff hours per agency over the biennium. Overall costs for the program increased due to the growth in labor costs (general wage increase, benefits) and central rates.	131	0	0.0	0.0
Central Rate Adjustments	941,071	0	0.0	0.0
Total Decision Package Adjustments	274,667	1,031,093	5.8	0.5

**2017-2018 Proposed Financial Plan
Environmental Health Services /000001850**

Category	2015-2016 Estimated¹	2017-2018 Proposed Budget²	2019-2020 Projected³	2021-2022 Projected³
Beginning Fund Balance	9,921,689	11,974,856	12,030,678	12,187,648
Revenues				
Licenses and Permits ⁴	30,516,955	33,360,779	34,194,798	35,391,616
Federal Grants Indirect	298,771	50,000	50,000	50,000
State Grants	741,881	1,056,000	1,105,632	1,158,702
State Entitlements	387,731	775,462	811,909	850,880
Intergovernmental Payments ⁵	7,627,519	9,680,135	10,135,101	10,621,586
Charge for Services	4,946,123	4,852,662	4,949,715	5,122,955
Fines and Forfeits	245,811	215,574	200,000	210,000
Miscellaneous Revenue (incl. interest)	50,000	276,360	266,587	275,918
Non Revenue Receipts (incl. contingencies)		407,860	416,017	430,578
Other Financial Sources (incl. GF/BSK)	236,085	1,113,599	1,165,938	1,221,903
Total Revenues	45,050,876	51,788,431	53,295,698	55,334,139
Expenditures				
Wages and Benefits	(30,057,394)	(37,505,887)	(39,268,664)	(41,153,559)
Supplies	(490,236)	(405,676)	(424,742)	(445,130)
Services-Other Charges	(2,500,570)	(2,342,375)	(2,452,467)	(2,570,185)
Intragovernmental Services	(9,625,782)	(10,451,629)	(10,942,856)	(11,468,113)
Capital Outlay/Contra Expenditures/Contingency	(200,000)	(1,027,043)	(50,000)	(50,000)
Applied Overhead	(123,727)	-	-	-
Total Expenditures	(42,997,709)	(51,732,609)	(53,138,728)	(55,686,987)
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	11,974,856	12,030,678	12,187,648	11,834,800
Reserves⁶				
Expenditure Reserve (s)				
Capital & IT Project Reserve	(900,000)	(900,000)	(700,000)	(400,000)
Program Reserves	-	-	-	-
Cash Flow Reserve(s)				
Rate Stabilization Reserve(s)				
Rainy Day Reserve (45 days)	(2,660,101)			
Rainy Day Reserve (60 days)		(4,132,664)	(4,326,899)	(4,534,590)
Total Reserves	(3,560,101)	(5,032,664)	(5,026,899)	(4,934,590)
Reserve Shortfall	-	-	-	-
Ending Undesignated Fund Balance	8,414,755	6,998,014	7,160,749	6,900,210

Financial Plan Notes:

¹ 2015-2016 Estimates reflect year end information from EBS for 2015 and estimate for 2016 with Budgetary Fund Balance figures published by FBOD.

² 2017-2018 Proposed Budget is consistent with expenditure and revenue data from Hyperion.

³ Outyear projections assume revenue and expenditure growth of 2 to 4.8 % and reflect the most recent estimates, including the outyear impact of supplementals.

⁴ Permits and Licenses 2016 estimate is lower than 2015 actuals or 2017 budget due to a change in accounting methodology to deferred revenues for multi-year food establishment permits. This change will result in a one time reduction in food permit revenue by over \$2 Million. Without this accounting change EH's expenditures would not match the revenues.

⁵ LHWMP fund intergovernmental revenues are based on actual expenditures which are lower than budgeted in 2015 and 2016.

⁶ Reserve Notes:

Expenditure Reserves:

Capital & IT Project Reserve: This reserve provides funding for capital expenditures that occur periodically, but not in even annual increments.

Program Reserve: This reserve sets aside funds collected from clients in one year for multi-year permit fees where services are expected to still be performed in the following year.

Rainy Day Reserve: This reserve currently reflects 45 days for 2015-2016 and 60 days for 2017-2018 of operating funds. This does not include KC General Fund Revenue, Capital Outlay, Contingencies or Contra Expenditures.

⁷ The financial plan was updated by Regina Edwards on 9/2/16.

**2017-2018 Executive Proposed Operating Budget
LOCAL HAZARDOUS WASTE (EN_A86000)**

Operating Budget Summary	Expenditures	Revenues	Reg FTE	TLT
2015-2016 Revised Budget	36,398,706	30,907,583	0.0	0.0
Base Budget Adjustments	(53,192)	(424,767)	0.0	0.0
Decision Package Adjustments	2,382,274	2,125,780	0.0	0.0
2017-2018 Executive Proposed Budget	38,727,788	32,608,596	0.0	0.0
2017-2018 Executive Proposed Ordinance	38,728,000	32,609,000	0.0	0.0

Notes

1. The 2015-2016 Revised Budget equals the 2015-2016 Adopted Biennial Budget plus all Adopted Supplementals as of the publication of this document.
2. Base Budget Adjustments include the removal of one-time changes from the Revised Budget, the annualization of mid-biennial supplemental changes and the increase of personnel budgets to 2017-2018 rates. Personnel budgets reflect projected 2017-2018 salary and benefit rates, current position classifications, and step/merit increases.
3. The Executive Proposed Budget is the sum of the Revised Budget, Base Budget Adjustments and Decision Package Adjustments. All FTEs / TLTs are rounded to the nearest 1/10th of a position and in some cases, rounded numbers may not add up to the FTE/TLT totals in Executive Proposed. In the Executive Proposed Ordinance, expenditure and revenue totals are rounded up to the nearest 1,000 and FTEs and TLTs are rounded up to the maximum monthly FTEs / TLTs in the Biennium.

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
Administrative Service Changes				
(AC_001) Expenditure Update Increase expenditures to continue providing program services at 2016 levels while accounting for increase in costs at partner agencies (labor costs, overhead, and inflationary adjustments to non-labor costs including materials and contracts) associated with the work performed for the Local Hazardous Waste Management Program. These adjustments have been approved by the Program's Board, the Management Coordinating Committee, and are reflected in the Program's long-term financial plan.	2,202,274	0	0.0	0.0
Technical Adjustments				
(TA_050) Revenue Adjustments Update the 2017-2018 revenue for the Local Hazardous Waste Fund (LHWF) with current revenue data. Revenue data includes: current usage data for solid waste customer accounts, self-haul transfer station visits and tonnage, and updated projections from the King County Investment Rate, private and municipal sewer flow, and projections from agency partners. LHWF also received a 2-year renewal of a Coordinated Prevention Grant (CPG) from the Washington Department of Ecology.	0	2,125,780	0.0	0.0

**2017-2018 Executive Proposed Operating Budget
LOCAL HAZARDOUS WASTE (EN_A86000)**

Decision Package Adjustment Detail	Expenditures	Revenues	Reg FTE	TLT
(TA_075) Secure Medicine Return Drop Boxes Carry forward into 2017-2018 part of the budget for medicine return drop boxes that was not spent in 2015-2016 due to a legal delay in program implementation. This amount is also reflected in the King County Department of Natural Resources and Parks (DNRP), Water and Land Resources Division budget. As a product stewardship program, all other collection system operating costs are paid by pharmaceutical manufacturers regulated by the Board of Health's Secure Medicine Return Regulations, which requires the industry to operate and fully fund the collection infrastructure.	180,000	0	0.0	0.0
Central Rate Adjustments	0	0	0.0	0.0
Total Decision Package Adjustments	2,382,274	2,125,780	0.0	0.0

2017-2018 Proposed Financial Plan
Local Hazardous Waste Operating Fund / 000001280

Category	2015-2016 Estimated¹	2017-2018 Proposed Budget²	2019-2020 Projected³	2021-2022 Projected³
Beginning Fund Balance	\$ 13,244,176	\$ 12,187,593	\$ 6,068,402	\$ 6,513,380
Revenues				
State Grants	926,639	427,859	-	-
Intergovernmental Payment	20,324,484	20,372,123	26,218,304	26,055,444
Charges for Services	11,782,079	11,738,754	15,201,686	15,201,686
Miscellaneous Revenue	145,026	69,860	70,500	53,500
Total Revenues	\$ 33,178,229	\$ 32,608,596	\$ 41,490,490	\$ 41,310,630
Expenditures				
Services & Other Charges	(7,561,900)	(8,321,577)	(8,896,759)	(9,418,508)
Intragovernmental Service	(26,662,143)	(30,406,211)	(32,148,754)	(34,479,997)
Total Expenditures	\$ (34,224,044)	\$ (38,727,788)	\$ (41,045,512)	\$ (43,898,505)
Estimated Underexpenditures				
Other Fund Transactions				
GAAP Adjustment ⁴	(10,768)	-		
Ending Fund Balance	\$ 12,187,593	\$ 6,068,402	\$ 6,513,380	\$ 3,925,505
Reserves				
Rainy Day Reserve ⁵	(2,852,004)	(3,227,316)	(3,420,459)	(3,658,209)
Total Reserves	(2,852,004)	(3,227,316)	(3,420,459)	(3,658,209)
Reserve Shortfall	-	-	-	-
Ending Undesignated Fund Balance	\$ 9,335,589	\$ 2,841,086	\$ 3,092,921	\$ 267,295

Financial Plan Notes:

¹ 2015-2016 Estimated reflects actual revenue and expenditure totals for 2015 and 2016 recent estimates. Data was generated using EBS report GL 30 for 2015 actuals, run date 6/15/16.

² 2017-2018 Proposed Budget reflects King County guidance, program partner projections and most recent revenue forecasts. The 2017-2018 Budget was approved by the Program's Board-Management Coordination Committee on May 17, 2016.

³ 2019-2022 outyear projections assume expenditure growth of 3.36% average and reflect the most recent estimates based on King County guidance, and program partner projections. A proposed fee increase of 29.5% in 2019 is projected to balance the four year period.

⁴ Other Fund Transactions reflect the 2015 year-end accounting GAAP adjustment by King County Finance and Business Operations Division.

⁵ Per Local Hazardous Waste Management Financial Policy to maintain 60 days operating target fund balance.

This plan was updated by Madelaine Yun on 08/31/2016