



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

Budget and Fiscal Management Committee

*Councilmembers: Dave Upthegrove, Chair; Kathy Lambert, Vice Chair;
Claudia Balducci, Rod Dembowski, Reagan Dunn, Larry Gossett,
Jeanne Kohl-Welles, Joe McDermott and Pete von Reichbauer*

*Staff: Wendy Soo Hoo, Lead Staff (206-477-0890)
Sharon Daly, Committee Assistant (206-477-0870)*

9:30 AM

Tuesday, November 8, 2016

Room 1001

SPECIAL MEETING

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

1. Call to Order
2. Roll Call

To show a PDF of the written materials for an agenda item, click on the agenda item below.

Discussion and Possible Action

3. [Proposed Ordinance No. 2016-0481 pp. 3-8](#)

AN ORDINANCE relating to passenger ferry service, revising passenger ferry fares; amending Ordinance 17935, Section 6, as amended, and K.C.C 4A.700.820.

Sponsors: Mr. Upthegrove

Leah Krekel-Zoppi, Council Staff

4. [Proposed Ordinance No. 2016-0485](#)

AN ORDINANCE relating to the 2016 levy of property taxes in King County for collection in the year 2017.

Sponsors: Mr. Upthegrove

Patrick Hamacher, Council Staff



Sign language and communication material in alternate formats can be arranged given sufficient notice (206-1000).

TDD Number 206-1024.

ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.



5. [Proposed Substitute Ordinance No. 2016-0427.2 pp. 9-15](#)

An ORDINANCE approving the mental illness and drug dependency service improvement plan to guide the investment of mental illness and drug dependency sales tax revenue, in compliance with Ordinance 17998.

Sponsors: Ms. Kohl-Welles

Wendy Soo Hoo, Council Staff

6. [Proposed Ordinance No. 2016-0428 pp. 9-15](#)

AN ORDINANCE revising the King County mental illness and drug dependency policy goals; amending Ordinance 15949, Section 3, as amended, and adding a new section to K.C.C. chapter 4A.500.

Sponsors: Ms. Kohl-Welles

Wendy Soo Hoo, Council Staff

7. [Proposed Ordinance No. 2016-0475](#)

AN ORDINANCE that proposes the 2017-2018 Biennial Budget and makes appropriations for the operation of county agencies and departments and capital improvements for the fiscal biennium beginning January 1, 2017, and ending December 31, 2018.

Sponsors: Mr. Upthegrove

Wendy Soo Hoo, Council Staff

Adjournment



King County

**Metropolitan King County Council
Budget and Fiscal Management Committee**

STAFF REPORT

Agenda Item:	3	Name:	Leah Krekel-Zoppi
Proposed No.:	2016-0481	Date:	November 8, 2016

SUBJECT

An ordinance increasing passenger ferry fares in 2018.

SUMMARY

This proposal would increase adult prepaid passenger ferry fares by 50 cents, and increase all other fare categories in proportion to the adult prepaid fare. It would take effect in March 2018. The proposal is consistent with passenger ferry fare policies established in county code and with historic practices. This action is expected to raise \$198,142 in 2017-2018.

BACKGROUND

King County assumed governance of the King County Ferry District on November 20, 2014 through enactment of Ordinance 17935. At that time, the Council also amended King County Code (K.C.C.) to assume the fare policies of the King County Ferry District, adopt passenger ferry fares, and adopt a passenger ferry fare increase which took effect in March 2016.

Proposed Ordinance 2016-0481 would increase adult prepaid fares by 50 cents, and increase all other fare categories in proportion to the adult prepaid fare and rounded to the nearest 25 cent increment, as established in county code. The table below shows the proposed changes for each route and fare category. These proposed changes would take effect March 1, 2018.

One-way Water Taxi Fares	West Seattle current	West Seattle proposed	Vashon Island current	Vashon Island proposed
Cash fare	\$5.25	\$5.75	\$6.25	\$6.75
Regular prepaid fare	\$4.50	\$5.00	\$5.25	\$5.75
Youth prepaid fare	\$3.50	\$3.75	\$4.00	\$4.50
Senior and persons with disabilities fare	\$2.25	\$2.50	\$2.75	\$3.00
Low-income fare	\$3.50	\$3.75	\$4.00	\$4.50

ANALYSIS

Fiscal Impact

The fare proposal is projected to increase revenue for the Marine Division by \$198,142 in 2017-2018. This represents 1.1 percent of the Division's estimated 2017-2018 operating revenue of \$17,886,718.

Consistency with Fare Policy

According to the Executive, the King County Ferry District established a fare policy of increasing passenger base fares by 50 cents every other year in even years. As the last passenger ferry fare increase took effect in 2016, this proposal would continue that practice.

The proposed fare increase is consistent with the fare policies established in K.C.C. 4A.700.820. The code states that all fares should be rounded up to the nearest whole 25 cent increment and establishes the regular prepaid fare as the base rate. Other fare categories are established as the following percentages of the base fare:

- Cash fare = 115 percent of the base fare
- Youth prepaid fare = 75 percent of the base fare
- Senior and persons with disabilities fare = 50 percent of the base fare¹
- Low-income fare = 75 percent of the base fare

While the proposed fare policy is consistent with county and historic practices, it contains an inconsistency for the increase to youth and low-income fares between West Seattle and Vashon Island fares. Fares for the West Seattle route would increase by 25 cents for youth and low-income riders, while these same fare categories would increase by 50 cents for the Vashon Island route. This is due to the 25 cent rounding requirement in county code and is expected to even out over time with future fare increases. For example, between 2014 and 2016, fares for these categories increased by 50 cents for West Seattle and 25 cents for Vashon Island, which, combined with the current proposal, would result in a 75 cent increase for both routes over four years.

AMENDMENT

Amendment 2 is a technical amendment requested by the Executive based on feedback from the Code Reviser.

Title Amendment 2 is a technical amendment reflecting additional feedback from the Code Reviser.

ATTACHMENTS

1. Proposed Ordinance 2016-0481 (and its attachments)
2. Amendment 2
3. Title Amendment T2
4. Fiscal Note

¹ Established by federal policy.

INVITED

1. Dwight Dively, Director, Office of Performance, Strategy and Budget
2. Paul Brodeur, Director, Marine Division

2

November 8, 2016

[LKZ]

Sponsor: _____

Proposed No.: 2016-0481

1 **AMENDMENT TO PROPOSED ORDINANCE 2016-0481, VERSION 1**

2 On page 1, line 9, after "2014," strike "the council adopted"

3 On page 1, beginning on line 9, after "Ordinance 17935" insert "was enacted"

4 On page 1, beginning on line 10, strike "K.C.C." and insert "the King County Code"

5 On page 1, after line 13, insert:

6 "SECTION 1. A. Section 2 of this ordinance adopts fares for passenger ferries.

7 B. These fares are adopted pursuant to RCW 36.54.010 and RCW 36.54.120."

8 Renumber the remaining sections consecutively and correct any internal references

9 accordingly.

10 **EFFECT: *Makes technical corrections to be consistent in drafting county code as***

11 ***recommended by the County Code Reviser.***

T2

October 25, 2016

[LKZ]

Sponsor: _____

Proposed No.: 2016-0481

1 **TITLE AMENDMENT TO PROPOSED ORDINANCE 2016-0481, VERSION 1**

2 On page 1, beginning on line 2, after "fares;" insert:

3 "and"

4 ***EFFECT: Makes a technical correction as recommended by the County Code Reviser***

[Blank Page]



King County

**Metropolitan King County Council
Budget and Fiscal Management Committee**

STAFF REPORT

Agenda Items:	5 and 6	Name:	Wendy Soo Hoo
Proposed No.:	2016-0427 2016-0428	Date:	November 8, 2016

SUBJECT

Proposed Ordinance 2016-0427 would approve the Mental Illness and Drug Dependency Sales Tax Service Improvement Plan.

Proposed Ordinance 2016-0428 would revise the MIDD policy goals and require transmittal of a detailed implementation plan and an evaluation plan by August 3, 2017.

SUMMARY:

In March 2015, the King County Council passed Ordinance 17998 setting requirements for a comprehensive review of the strategies supported by current MIDD (MIDD 1) investments, and also setting forth requirements for an updated service improvement plan to guide investments of a renewed MIDD (MIDD 2). Proposed Ordinance 2016-0427, which would approve the MIDD SIP, was transmitted on August 25th, along with Proposed Ordinance 2016-0428, which would revise the MIDD policy goals.

The Regional Policy Committee amended and approved the SIP on October 12, 2016. This is the second Budget and Fiscal Management Committee discussion of Proposed Ordinances 2016-0427 and 2016-0428.

An amendment drafted at the direction of the Budget Leadership Team is summarized in the Amendment section of this staff report.

BACKGROUND:

In 2007, the King County Council adopted Ordinance 15949 authorizing the levy and collection of an additional sales and use tax of one-tenth of one percent for the delivery of mental health and chemical dependency services and therapeutic courts.¹

¹ In 2005, the Washington state legislature authorized counties to implement a one-tenth of one percent sales and use tax to support new or expanded chemical dependency or mental health treatment programs and services and for the operation of new or expanded therapeutic court programs and services.

Subsequent ordinances established the MIDD Oversight Committee (April 2008)² and the MIDD 1 Implementation Plan and MIDD Evaluation Plan (October 2008).³

Ordinance 17998 Passed by Council in March 2015

In March 2015, the King County Council passed Ordinance 17998 setting requirements for a comprehensive review of the MIDD 1 strategies and recommendations for new strategies to be considered for a continued MIDD 2. Three deliverables were required by the ordinance:

- 1) a comprehensive historical review and assessment of MIDD 1 – transmitted to council in June 2016 and approved by the Council on September 6, 2016 (Motion 14712);
- 2) a MIDD service improvement plan to guide investments under a continued MIDD – Proposed Ordinance 2016-0427 was transmitted to council in August 2016 and dually referred to the Regional Policy Committee and the Budget and Fiscal Management Committee; and
- 3) a progress report on the first two deliverables, which was transmitted to council in November 2015 (2015-RPT0164).

Broad outreach was conducted in assessing the MIDD 1 and in developing the service improvement plan for MIDD 2.

King County Council Approved Extension of the MIDD Sales Tax in August 2016

On August 22, 2016, the King County Council voted to approved Ordinance 18333, extending collections of the MIDD sales tax through 2025. The sales tax is expected to generate approximately \$134 million in 2017/2018 and \$143 million in 2019/2020.⁴

ANALYSIS

The King County Council via Ordinance 17998 required transmittal of a service improvement plan to guide investments of the extended MIDD sales tax. The ordinance required the plan to include (summarized):

- A detailed description of each proposed strategy, service and program to be funded from the MIDD sales tax beginning in 2017;
- Explanation of how each recommended MIDD strategy, service and program supports the adopted and/or recommended MIDD policy goals;
- A schedule for the implementation of the strategies, programs, and services outlined in the MIDD service improvement plan;

² The MIDD Oversight Committee was established in Ordinance 16077 and is an advisory body to the King County Executive and the Council. The purpose of the Oversight Committee is to ensure that the implementation and evaluation of the strategies and programs funded by the tax revenue are transparent, accountable and collaborative.

³ In October 2008, the Council adopted the MIDD 1 Implementation Plan and the MIDD Evaluation Plan via Ordinance 16261 and Ordinance 16262.

⁴ MIDD Financial Plan July, 2016 (Attachment 9)

- A spending plan, including recommended 2017-2018 biennial budget levels for each proposed strategy, service and program;
- An initial list of performance measures, outcomes, and/or evaluation; and
- A proposed schedule for at least annual reporting to the council on progress and performance.

The ordinance also required that the proposed MIDD service improvement plan strategies, services, and programs demonstrate that they:

- Are based on evidence related to successful outcomes for chemical dependency or mental health treatment programs and services, or best or promising practices for chemical dependency or mental health treatment programs and services;
- Incorporate the goals and principles of recovery and resilience within a trauma informed framework;⁵
- Integrate the sequential intercept model that addresses the criminalization of mentally ill individuals;
- Reflect the county's equity and social justice agenda, and other county policy and planning endeavors; and
- Will leverage opportunities provided by the federal Affordable Care Act and the state's requirements for a single behavioral health contract with regional support networks as specified by Chapter 225, Laws of Washington 225.

Ordinance 17998 also required the SIP to identify processes for changing MIDD strategies, services and programs, including specifying how and when the MIDD oversight committee is to be engaged; recommend MIDD fund balance reserve policies; and review and confirm or recommend modifications to the purpose, role, and composition of the MIDD Oversight Committee.

The ordinance appears to meet the requirements of Ordinance 17998.

Key Policy Issues and Highlights

1. MIDD 2 Initiatives: As discussed during the budget panel process, the MIDD SIP describes 21 new initiatives, bringing the total number of initiatives to 52. The new initiatives have been discussed as part of the review of the MIDD budget appropriation proposed for 2017-2018.
2. Emerging Issues Initiative: The SIP discusses allocating up to \$650,000 annually to an Emerging Issues initiative.

As noted during the deliberations on the proposed 2017-2018 budget for MIDD, the SIP proposes to appropriate funding for an Emerging Issues initiative. The SIP indicates that the Emerging Issues initiative is intended to be a flexible, short-term (up to two years) source of funds. Emerging Issues would be considered at least once each year by the MIDD Oversight Committee. During deliberations on the MIDD 2017-2018

⁵ As specified by K.C.C. chapter 2.43 and King County's adopted behavioral health system principles set out in Ordinance 17553.

budget, the Health, Human Services and Criminal Justice panel directed staff to remove the appropriation authority so that the Executive would have to request supplemental appropriation authority during the biennium in order to expend funds for Emerging Issues.

3. Recommended Changes to the MIDD Oversight Committee

The King County Council adopted Ordinance 16077 in 2008, establishing the MIDD Oversight Committee as an advisory body with the purpose of “ensur[ing] that the implementation and evaluation of the strategies and programs funded by the tax revenue are transparent, accountable and collaborative.”

The SIP calls for replacing the King County Mental Health Advisory Board and King County Alcoholism and Substance Abuse Administration Board positions with a single position representing the King County Behavioral Health and Recovery Board and eliminating the position for the representative from a public defender agency, as the Department of Public Defense is represented on the committee.

In addition, the SIP, as amended by the Regional Policy Committee, recommends adding seven new positions (a net of five additional positions with the changes discussed above):

- Two representatives of communities and consumers to reflect principles of community engagement
- Washington Recovery Alliance to enable a recovery-focused alliance with a broader view than a single agency
- Puget Sound Educational Services District to provide another linkage to children, youth and families
- Many Minds Collaborative to reflect increased partnering with philanthropic organizations
- Medicaid Managed Care Plans to reflect the increasing emphasis on managed care organizations as physical and mental health become increasingly integrated
- A representative from a grassroots organization representing cultural communities.

Note that the SIP proposes to establish a standing Consumers and Communities Ad Hoc Work Group comprised of “individuals with lived experiences of the behavioral health system (consumers) and individuals who are a part of communities with marginalized identities or experiences,” including but not limited to the following: transgender, youth, immigrant/refugee, African-American, Asian/Pacific Islander, Hispanic, rural, faith, previous justice system involvement, and peers.

The SIP also recommends changing the name of the MIDD Oversight Committee to the MIDD Advisory Committee to clarify the role of the body.

On August 25, 2016, the Executive transmitted Proposed Ordinance 2016-0429, which would implement these recommendations to amend the composition of the oversight

committee. This ordinance was referred to the Health, Housing and Human Services Committee.

Note that if the Council does not wish to make changes to the MIDD Oversight Committee or wishes to make other changes, it could choose to amend the SIP to reflect its intent. However, Proposed Ordinance 2016-0429 is ultimately the vehicle that would need to be amended to effectuate any changes.

4. Future Uncertainty with Health Integration

Another area of policy recommendations required by Ordinance 17998 relate to leveraging Affordable Care Act (ACA) and Behavioral Health Integration opportunities. With Medicaid expansion under the ACA, the SIP indicates that MIDD 2 will focus on directing services not supported by Medicaid and individuals who remain uninsured.

In addition, under the state mandate (ESSB 6312) to integrate mental illness and chemical dependency services, the county's Behavioral Health and Recovery Division (BHRD) has established itself as the region's Behavioral Health Organization. BHRD is able to combine and leverage federal Medicaid, state general fund, mental health and substance use disorder block grant and MIDD dollars to provide a continuum of behavioral health services.

Note that one area of uncertainty for the future arises from a requirement set forth in ESSB 6312 to fully integrate Medicaid supported mental health, substance use, and physical health care by January 2020. Currently, Medicaid physical health is provided through Managed Care Organizations, while Medicaid mental health and substance use services are provided by Behavioral Health Organizations. How the integration will be implemented remains undetermined and could have implications for prioritizing MIDD 2 investments in the context of potential major changes to the system. According to the SIP, the County is currently considering timelines of achieving integration by July 1, 2018 or January 1, 2020.

At this time, there is no policy decision that needs to be considered – staff is simply highlighting this issue and its connection to MIDD.

5. Changing the Name of the MIDD

The SIP notes that stakeholder feedback indicated concern that the name of the sales tax, "the Mental Illness and Drug Dependency" sales tax is outdated and negative. The SIP indicates the Executive's intent to seek community feedback on a new name and then work with the Council and the Prosecuting Attorney's Office to revise the King County Code and other adopted legislation.

6. Reporting Schedule

The SIP proposes a new reporting schedule. The SIP calls for annual reporting to the Council, with the report due August 1, rather than April 1.⁶ In addition, the SIP proposes

⁶ Ordinance 15949

shifting the reporting period to the calendar year rather than the current October through September reporting period. This would align MIDD reporting with local, state, federal and philanthropic reporting timelines, making the reporting process easier and more efficient for providers.

The SIP also states the intention to develop a web-based data dashboard for more readily accessible and up-to-date information.

Proposed Ordinance 2016-0428

Proposed Ordinance 2016-0428 would amend Ordinance 15949 to revise the MIDD policy goals, as described in the SIP and in the table below.

Comparison of MIDD 1 Adopted Policy Goals and MIDD 2 Recommended Policy Goals	
MIDD 1 Adopted Policy Goals	Proposed MIDD 2 Policy Goals
A reduction of the number of mentally ill and chemically dependent using costly intervention like jail, emergency rooms and hospitals	Divert individuals with behavioral health needs from costly interventions such as jail, emergency rooms and hospitals.
A reduction of the number of people who recycle through the jail, returning repeatedly as a result of their mental illness or chemical dependency	Reduce the number, length and frequency of behavioral health crisis events.
A reduction of the incidence and severity of chemical dependency and mental and emotional disorders in youth and adults	Increase culturally-appropriate, trauma-informed behavioral health services.
Diversion of mentally ill and chemically dependent youth and adults from initial or further justice system involvement	Improve health and wellness of individuals living with behavioral health conditions.
Explicit linkage with, and furthering the work of, other Council-directed efforts including, the Adult and Juvenile Justice Operational Master plans, the Plan to End Homelessness, the Veterans and Human Services Levy Service Improvement Plan and the County Recovery Plan.	Explicit linkage with, and furthering the work of, other King County and community initiatives.

According to the SIP, the intent of the recommended policy goals is to “reflect a person centered language approach.”

Proposed Ordinance 2016-0428 would also require transmittal of detailed implementation plans and an updated MIDD evaluation and reporting plan by August 3, 2017 for review and approval by the Council by motion. The ordinance specifies that these plans shall be developed in collaboration with the MIDD Oversight Committee and community stakeholders. The proposed ordinance also requires annual summary

evaluation reports to be submitted to the Council for review and approval by motion by August 1 each year starting in August 2018.

INVITED

1. Dwight Dively, Director, Office of Performance, Strategy and Budget
2. Adrienne Quinn, Director, Department of Community and Human Services
3. Kelli Carroll, Strategic Advisor, Department of Community and Human Services

ATTACHMENTS

1. Proposed Substitute Ordinance 2016-0427 with Attachment A, Service Improvement Plan dated October 12, 2016
2. PO 2016-0427 Fiscal Note
3. Proposed Ordinance 2016-0428
4. PO 2016-0428 Fiscal Note
5. Transmittal Letter