



King County
Metropolitan King County Council
Budget and Fiscal Management Committee
Panel 3 - Health, Housing, and Human Services
Thursday, October 10, 2024 – 9:30 a.m.

Councilmembers: Teresa Mosqueda, Chair; Jorge Barón; Sarah Perry and Girmay Zahilay

Tracy Jake, Panel Lead
Angélica Calderón, Panel Clerk

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GENERAL FUND TRANSFER TO DCHS

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$13,235,849	\$0	0.0	0.0
2025 Base Budget Adjust.	\$1,295,300	\$0	0.0	0.0
2025 Decision Packages	\$7,302,933	\$0	0.0	0.0
2025 Proposed Budget	\$21,835,000	\$0	0.0	0.0
% Change from prior biennium, annualized	65.0%			
Dec. Pkg. as % of prior biennium, annualized	55.2%			

Major Revenue Sources: General Fund.

DESCRIPTION

Transfers to DCHS support several programs in Housing, Community Services, Employment and Education Resources, and Developmental Disabilities and Early Childhood supports.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed General Fund transfer to DCHS budget is \$21.8 million (a 65% increase from the last biennium). No FTEs are associated with this appropriation unit.

All decision packages except the economic adjustment have corresponding decision packages in other appropriation units, which is where they will be discussed in greater detail.

Note that there is a proposed \$9.3 million transfer from the General Fund to pay for SoDo lease costs attributed to DCHS. These costs are budgeted in the Housing and Community Development fund via the Facilities Management Division central rate. In the 2023-2024 biennial budget, this lease was primarily paid for with CLFR funding, and the non-CLFR portion was budgeted in the Internal Support appropriation unit in the General Fund. This is a technical change to incorporate the SoDo lease into the Facilities Management Division central rate models.

Other notable proposed decision packages that will be described in more detail in the relevant appropriation unit include:

- Reappropriate Restorative Community Pathways evaluation funding (see Employment and Education Resources);

- Eliminating the King County Jobs Initiative (see Community Services Operating).

KEY ISSUES

Staff have not identified any key issues with this budget.

GENERAL FUND TRANSFER TO DEPARTMENT OF EXECUTIVE SERVICES

ANALYST: JAKE TRACY

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$4,378,108	\$0	0	0
2025 Base Budget Adjust.	\$0	\$0	0	0
2025 Decision Packages	\$779,246	\$0	0	0
2025 Proposed Budget	\$5,158,000	\$0	0	0
% Change from prior biennium, annualized	17.8%			
Dec. Pkg. as % of prior biennium, annualized	17.8%			

Major Revenue Sources: General Fund

DESCRIPTION

The General Fund provides funding for various services and programs in other funds, including the Department of Executive Services (DES). This appropriation unit supports the transfer of General Fund proceeds to DES.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget would appropriate approximately \$5.2 million in General Fund moneys to the Department of Executive Services as follows:

- \$2.8 million to support the animal services program.
- \$0.7 million for maintenance and operations at the Renton Red Lion.
- \$0.7 million to support maintenance and operations at the Kent Hotel.
- \$0.5 million to the facilities maintenance division to support emergency shelter services in 2025. This funding would provide custodial service and security at Harborview Hall, the 4th and Jefferson Building, and Mary's Place Shelter.
- \$0.5 million for maintenance and operations at the Harbor Island warehouse.

KEY ISSUES

Staff have not identified any key issues for this budget. However, key issues related to specific programs may have been identified by staff in other budget staff reports.

GENERAL FUND CIP TRANSFER TO DEPARTMENT OF EXECUTIVE SERVICES

ANALYST: JAKE TRACY

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$2,583,000	\$0	0	0
2025 Base Budget Adjust.	(\$2,583,000)	\$0	0	0
2025 Decision Packages	\$1,725,000	\$0	0	0
2025 Proposed Budget	\$1,725,000	\$0	0	0
% Change from prior biennium, annualized	(33.2%)			
Dec. Pkg. as % of prior biennium, annualized	66.7%			

Major Revenue Sources: General Fund

DESCRIPTION

The General Fund Transfer to Department of Executive Services (DES) Capital Improvement Program appropriation unit accounts for General Fund contribution to the Building Repair and Replacement and Major Maintenance Reserve Fund (MMRF) capital projects in the Facilities Management Division.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget would appropriate approximately \$1.7 million in general fund moneys to the Department of Executive Services capital fund as follows:

- \$1.5 million for installation of jump protection panels at the King County Correctional Facility (KCCF).
- \$0.2 million for installation of new beds at KCCF to improve safety of individuals in custody.

KEY ISSUES

Staff have not identified any key issues for this budget. However, key issues related to specific programs may have been identified by staff in other budget staff reports.

GENERAL FUND TRANSFER TO PUBLIC HEALTH

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$29,764,426	\$0	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	(\$21,307,044)	\$0	0.0	0.0
2025 Proposed Budget	\$8,458,000	\$0	0.0	0.0
% Change from prior biennium	(71.6%)			
Dec. Pkg. as % of prior biennium	(72.3%)			

Major Revenue Sources: General Fund

DESCRIPTION

This appropriation unit transfers money from the General Fund to the Public Health Fund for programs and services that are not backed by other revenue sources.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would appropriate \$8.5 million from the General Fund to the Public Health Fund. This is a near 72% decrease from 2023-2024 due primarily to the proposed disappropriation of \$22.3 million of General Fund currently used to pay for a portion of the public health clinics operating cost. The Executive's budget proposes this amount be replaced with revenue from the proposed County Hospital Tax (Proposed Ordinance 2024-0316). This proposal and related issues are discussed in the County Hospital Tax appropriation unit portion of this staff report and will be addressed in the companion legislation transmitted with the budget.¹

The other two proposed changes in this appropriation unit include \$177,000 to support a new Americans with Disabilities act (ADA) coordinator position being created in alignment with the terms of a settlement pertaining to jail services, according to Executive staff. The position will work on disability assessments for the jail and on other ADA related programs

¹ [King County - File #: 2024-0321](#) Establishing an office of the county hospital and amending related sections of King County Code.

[King County - File #: 2024-0318](#) Establishing a workgroup to develop recommendations on modernizing public health - Seattle & King County clinic services and operations supporting the county hospital.

[King County - File #: 2024-0320](#) Motion relating to the review and assessment of the county hospital's operating, facility, and capital needs to inform potential utilization of the county's authority to levy a councilmanic property tax as allowable under RCW 36.62.090.

in Public Health as time allows. The last change in this unit is an economic adjustment of \$815,000 to reflect inflationary increases.

KEY ISSUES

Staff have not identified any key issues for this budget. However, key issues related to specific programs may have been identified by staff in other budget staff reports.

COUNTY EXECUTIVE

ANALYST: JEFF MUHM

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$355,737	\$0	1.0	0.0
2025 Base Budget Adjust.	\$16,352	\$0	0.0	0.0
2025 Decision Packages	(\$2,197)	\$0	0.0	0.0
2025 Proposed Budget	\$370,000	\$0	1.0	0.0
% Change from prior biennium, annualized	4.0%			
Dec. Pkg. as % of prior biennium, annualized	(0.6%)			

Major Revenue Sources: General Fund.

DESCRIPTION

This appropriation represents the County Executive’s salary and related expenditures.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total 2025 proposed budget for the County Executive is \$370,000, 4.0% higher than the 2023-2024 revised, annualized budget of \$355,737. The increase is primarily due to revisions made to base budget expenditures (salary and benefit increases) anticipated for 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

OFFICE OF LABOR RELATIONS

ANALYST: JEFF MUHM

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$3,658,797	\$0	16.6	0.0
2025 Base Budget Adjust.	\$342,615	\$0	0.0	0.0
2025 Decision Packages	\$16,707	\$0	0.0	0.0
2025 Proposed Budget	\$4,019,000	\$0	16.6	0.0
% Change from prior biennium, annualized	9.8%			
Dec. Pkg. as % of prior biennium, annualized	0.5%			
Major Revenue Sources: General Fund.				

DESCRIPTION

The Office of Labor Relations (OLR) is in the Office of the Executive and it exists to improve the process of negotiating and administering labor agreements and explore opportunities for coalition bargaining. OLR is responsible for negotiating and assisting in the administration of almost 80 collective bargaining agreements covering the County's approximately 12,000 represented employees. The services provided by those employees are a major component of the work of County government, and their compensation constitutes a substantial portion of the County budget.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total 2025 proposed budget for the Office of Labor Relations is \$4 million, 9.8% higher than the 2023-2024 revised, annualized budget of \$3.7 million. The increase is primarily due to revisions made to base budget expenditures (salary and benefit increases) anticipated for 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

OFFICE OF ECONOMIC AND FINANCIAL ANALYSIS

ANALYST: OLIVIA BREY

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$587,062	\$0	2.5	0.0
2025 Base Budget Adjust.	\$33,349	\$0	0.0	0.0
2025 Decision Packages	(\$662)	\$0	0.0	0.0
2025 Proposed Budget	\$620,000	\$0	2.5	0.0
% Change from prior biennium, annualized	5.6%			
Dec. Pkg. as % of prior biennium, annualized	(0.1%)			
Major Revenue Sources: General Fund overhead				

DESCRIPTION

The Office of Economic and Financial Analysis (OEFA) is an independent office that provides accountability to the public through the production of independent, objective, and transparent economic and revenue forecasts for the county. OEFA's work and official forecasts form the basis for the county's budgeting process. In addition to OEFA's official forecasts, OEFA conducts additional research projects and outreach efforts. OEFA is directed by the county's Chief Economist, who reports to the Forecast Council, which is comprised of the Executive, two councilmembers, and one Executive-appointed county employee with knowledge of the budgeting process.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed OEFA budget is \$620,000, which is a 5.6% increase over the annualized 2024 revised budget. The 2025 budget proposal for OEFA includes a downward adjustment for central rates, driven by a decrease in financial management service rates. The proposed 2025 budget reflects the base budget adjustment and the central rate adjustment.

KEY ISSUES

Staff have not identified any key issues with this budget.

DEPARTMENT OF EXECUTIVE SERVICES ADMINISTRATION

ANALYST: JAKE TRACY

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$3,720,848	\$1,594,315	15.0	0
2025 Base Budget Adjust.	\$193,310	\$0	0	0
2025 Decision Packages	\$65,714	\$0	0	0
2025 Proposed Budget	\$3,980,000	\$1,595,000	15.0	0
% Change from prior biennium, annualized	7.0%			
Dec. Pkg. as % of prior biennium, annualized	1.8%			

Major Revenue Sources: Internal service charges

DESCRIPTION

The Department of Executive Services (DES) Administration provides leadership, communication, government relations, human resource, budget and finance, and other services to the divisions and offices that make up the Department of Executive Services. DES includes the following offices and divisions: Records and Licensing Services Division (RALS); Finance and Business Operations Division (FBOD); King County International Airport (KCIA); Facilities Management Division (FMD); Office of Risk Management Services (ORMS); Office of Emergency Management (OEM); Business Resource Center (BRC); and Fleet Services.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget for DES Administration is proposed at approximately \$4.0 million, an increase of 7% compared to 2024; the increase is due to changes in central rates.

KEY ISSUES

Staff have not identified any key issues for this budget. However, key issues related to specific programs may have been identified by staff in the staff reports for DES offices and divisions.

COUNTY COUNCIL

ANALYST: JEFF MUHM

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$2,154,948	\$0	9.0	0.0
2025 Base Budget Adjust.	\$85,113	\$0	0.0	0.0
2025 Decision Packages	\$14,440	\$0	0.0	0.0
2025 Proposed Budget	\$2,255,000	\$0	9.0	0.0
% Change from prior biennium, annualized	4.6%			
Dec. Pkg. as % of prior biennium, annualized	0.7%			

Major Revenue Sources: General Fund.

DESCRIPTION

The County Council's role is to guide provision of regional services to county residents by all departments and agencies through setting policies, enacting laws, and adopting budgets. The Council also oversees the County's independent agencies.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total 2025 proposed budget for the County Council is \$2.3 million, 4.6% higher than the 2023-2024 revised, annualized budget of \$2.2 million. The increase is primarily due to revisions made to base budget expenditures (salary and benefit increases) anticipated for 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

COUNCIL ADMINISTRATION

ANALYST: JEFF MUHM

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$21,289,964	\$750,000	105.1	0.0
2025 Base Budget Adjust.	\$2,143,957	(\$375,000)	0.0	0.0
2025 Decision Packages	\$43,794	\$0	0.0	0.0
2025 Proposed Budget	\$23,478,000	\$375,000	105.1	0.0
% Change from prior biennium, annualized	10.3%			
Dec. Pkg. as % of prior biennium, annualized	0.2%			

Major Revenue Sources: General Fund.

DESCRIPTION

The Council Administration appropriation unit includes the Council's central and administrative staff, including policy staff, legal counsel, and the Clerk of the Council. The Council Administration collectively supports the Council through development and analysis of proposed legislation, conducting special studies, handling legal and policy issues, and providing administrative and technical support.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total 2025 proposed budget for Council Administration is \$23.5 million, 10.3% higher than the 2023-2024 revised, annualized budget of \$21.3 million. The increase is primarily due to revisions made to base budget expenditures (salary and benefit increases) anticipated for 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

HEARING EXAMINER

ANALYST: JEFF MUHM

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	\$686,166	\$0	3.0	0.0
2025 Base Budget Adjust.	\$53,299	\$0	0.0	0.0
2025 Decision Packages	\$3,521	\$0	0.0	0.0
2025 Proposed Budget	\$743,000	\$0	3.0	0.0
% Change from prior biennium, annualized	8.3%			
Dec. Pkg. as % of prior biennium, annualized	0.5%			

Major Revenue Sources: General Fund.

DESCRIPTION

The King County Hearing Examiner is appointed by the King County Council to provide a public hearing process for land use and other critical issues. The Hearing Examiner conducts hearings on certain types of land use applications and on appeals of county administrative orders and decisions. The Hearing Examiner issues formal decisions or makes recommendations to the County Council on the matters heard.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total 2025 proposed budget for the Hearing Examiner is \$743,000, 8.3% higher than the 2023-2024 revised, annualized budget of \$686,000. The increase is primarily due to revisions made to base budget expenditures (salary and benefit increases) anticipated for 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

COUNTY AUDITOR

ANALYST: JEFF MUHM

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$3,308,058	\$0	17.3	0.0
2025 Base Budget Adjust.	\$265,445	\$0	0.0	0.0
2025 Decision Packages	\$8,775	\$0	0.0	0.0
2025 Proposed Budget	\$3,583,000	\$0	17.3	0.0
% Change from prior biennium, annualized	8.3%			
Dec. Pkg. as % of prior biennium, annualized	0.2%			

Major Revenue Sources: General Fund.

DESCRIPTION

The County Auditor conducts audits and studies and provides capital project oversight to ensure accountability and transparency, improve service delivery, and identify potential cost savings in County government.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total 2025 proposed budget for the County Auditor is \$3.6 million, 8.3% higher than the 2023-2024 revised, annualized budget of \$3.3 million. The increase is primarily due to revisions made to base budget expenditures (salary and benefit increases) anticipated for 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

OMBUDS TAX ADVISOR

ANALYST: JEFF MUHM

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$2,323,876	\$322,084	11.0	0.0
2025 Base Budget Adjust.	\$302,106	\$161,042	0.0	0.0
2025 Decision Packages	(\$136,685)	\$0	0.0	0.0
2025 Proposed Budget	\$2,490,000	\$162,000	11.0	0.0
% Change from prior biennium, annualized	7.1%			
Dec. Pkg. as % of prior biennium, annualized	(5.9%)			

Major Revenue Sources: General Fund.

DESCRIPTION

The Ombuds/Tax Advisor investigates citizen complaints against County agencies and makes recommendations for resolution and improvements. These responsibilities include investigating alleged violations of the Employee Code of Ethics, the Lobbyist Disclosure Code, and employee complaints of improper governmental action and retaliation pursuant to the Whistleblower Protection Code. The Tax Advisor section answers inquiries about County real estate taxation and property valuations and advises property owners considering a valuation appeal.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total 2025 proposed budget for the Ombuds/Tax Advisor is \$2.5 million, 10.3% higher than the 2023-2024 revised, annualized budget of \$2.3 million. The increase is primarily due to revisions made to base budget expenditures (salary and benefit increases) anticipated for 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

KING COUNTY CIVIC TELEVISION

ANALYST: JEFF MUHM

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$940,266	\$50,000	5.0	0.0
2025 Base Budget Adjust.	\$99,045	\$0	0.0	0.0
2025 Decision Packages	\$115,730	\$0	0.0	0.0
2025 Proposed Budget	\$1,156,000	\$50,000	5.0	0.0
% Change from prior biennium, annualized	22.9%			
Dec. Pkg. as % of prior biennium, annualized	12.3%			

Major Revenue Sources: General Fund.

DESCRIPTION

King County Civic Television (KCTV) is the government access channel for King County, providing live and taped coverage of County Council meetings and public forums, King County news events, and original programming to highlight County issues and services.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total 2025 proposed budget for King County Civic Television is \$1.2 million, 22.9% higher than the 2023-2024 revised, annualized budget of \$940,000. The increase is primarily due to revisions made to base budget expenditures (salary and benefit increases) anticipated for 2025 and \$115,000 for equipment replacement. The \$115,000 for equipment replacement is supported by Public Education Grant fee revenue under the Cable Communications budget.

KEY ISSUES

Staff have not identified any key issues with this budget.

BOARD OF APPEALS

ANALYST: JEFF MUHM

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$944,211	\$0	4.0	0.0
2025 Base Budget Adjust.	\$66,128	\$0	0.0	0.0
2025 Decision Packages	(\$2,537)	\$0	0.0	0.0
2025 Proposed Budget	\$1,008,000	\$0	4.0	0.0
% Change from prior biennium, annualized	6.8%			
Dec. Pkg. as % of prior biennium, annualized	(0.3%)			
Major Revenue Sources: General Fund.				

DESCRIPTION

The Board of Appeals/Equalization is an independent body comprised of seven citizen members organized to adjudicate property value and other determinations made by the County Assessor, as well as various business license decisions and animal control orders.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The total 2025 proposed budget for the Board of Appeals/Equalization is \$1 million, 6.8% higher than the 2023-2024 revised, annualized budget of \$944,000. The increase is primarily due to revisions made to base budget expenditures (salary and benefit increases) anticipated for 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

BOUNDARY REVIEW BOARD

ANALYST: OLIVIA BREY

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	\$442,699	\$0	2.0	0.0
2025 Base Budget Adjust.	\$33,141	\$0	0.0	0.0
2025 Decision Packages	\$8,950	\$0	0.0	0.0
2025 Proposed Budget	\$485,000	\$0	2.0	0.0
% Change from prior biennium, annualized	9.6%			
Dec. Pkg. as % of prior biennium, annualized	2.0%			
<hr style="border-top: 1px dotted black;"/>				
Major Revenue Sources: General Fund				

DESCRIPTION

The Boundary Review Board is an independent, quasi-judicial agency established by state mandate¹ that provides review and adjudication of proposals for boundary changes by cities, fire districts, water, sewer, and irrigation districts within King County, including city or district annexations, new city incorporations, and district mergers. The Board is composed of 11 members and employs two staff members, as well as contracts with independent legal counsel.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2025 budget would increase the Boundary Review Board appropriation by 9.6% over the annualized 2024 revised budget. The 2025 budget proposal for the Boundary Review Board includes a base budget adjustment, as well as a central rate adjustment. The central rate adjustment of \$8,950 includes an increase in Facilities and IT Central Rates.

KEY ISSUES

Staff have not identified any key issues with this budget.

¹ RCW Chapter 36.93

PUBLIC HEALTH ADMINISTRATION

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$17,732,902	\$17,835,448	82.2	1.0
2025 Base Budget Adjust.	\$966,685	\$0.0	0.0	(1.0)
2025 Decision Packages	\$268,350	\$1,132,491	0.0	0.0
2025 Proposed Budget	\$18,968,000	\$18,968,000	82.2	0.0
% Change from prior biennium, annualized	7.0%			
Dec. Pkg. as % of prior biennium, annualized	1.5%			

Major Revenue Sources: Revenues are recovered from divisions in Public Health, Seattle-King County and are based on charges for services.

DESCRIPTION

The Public Health Administration Fund supports the administration of Public Health – Seattle & King County (PHSKC).

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would appropriate approximately \$1.24 million to the Public Health Administration Fund. Of that, \$966,685 is due to base budget adjustments such as increases in personnel costs and \$368,685 is due to central rates. A decrease of almost \$49,000 is proposed to update the cost of Public Health leadership billed to the City of Seattle, and a decrease of \$59,500 is to capture salary savings from employee turnover.

KEY ISSUES

Staff have not identified any key issues with this budget.

MEDICAL EXAMINER'S OFFICE

ANALYST: SAM PORTER

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	\$10,030,187	\$3,087,771	44.0	7.0
2025 Base Budget Adjust.	\$1,070,944	\$528,770	0.0	(7.0)
2025 Decision Packages	\$836,913	\$354,418	0.0	2.0
2025 Proposed Budget	\$11,939,000	\$3,971,000	44.0	2.0
% Change from prior biennium	19.03%			
Dec. Pkg. as % of prior biennium	8.34%			

Major Revenue Sources: Primarily General Fund, grants, and fee revenue

DESCRIPTION

The Medical Examiner's Office (MEO) investigates sudden, unexpected, and unnatural deaths in King County and works to provide accurate identification of decedents and to notify the next of kin. The MEO is housed organizationally within the Prevention Division of Public Health.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed appropriation for the MEO is approximately \$11.9 million for 2025; this is a 19% increase from the 2023-2024 biennium. All decision packages in this appropriation unit are characterized in the Executive's proposal as technical adjustments. The proposed budget would allocate \$359,000 to continue two grants:

1. \$164,424 from the Department of Justice to support one pathology fellow through December 2025, and
2. \$194,337 from the Washington State Patrol Coverdell grant to support the MEO's Fatal Overdose Surveillance Network Project through September 2025.

The Department of Justice pathology fellow will learn to perform forensic pathology autopsies and post-mortem examinations to determine the cause and manner of death and learn to collect evidence under the direction of an Associate Medical Examiner.

The Washington State Patrol Coverdell grant has been awarded to the MEO since 2017. Through this grant, the MEO has established a real-time overdose surveillance project that now serves coroners and medical examiners throughout Washington and supplies critical overdose information to a network of local, state, and federal law enforcement and public health agencies. This project supports testing of drug evidence, toxicology

screening, data collection, maintaining surveillance databases, and disseminating information to partner agencies.

The remainder of the proposed budget includes \$88,356 to pay for the MEO's portion of public health administration fund costs, \$205,748 to pay the MEO's portion of Public Health Division's Overhead, and a \$29,000 disappropriation to capture salary savings from employee turnover. No decrease in FTE authority is requested in the proposed budget.

KEY ISSUES

Staff have not identified any key issues for this budget.

ELECTIONS

ANALYST: SHERRIE HSU

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	27,416,196	22,847,623	72.0	0.0
2025 Base Budget Adjust.	981,526	0	0.0	0.0
2025 Decision Packages	3,064,869	337,789	0.0	0.0
2025 Proposed Budget	31,463,000	23,186,000	72.0	0.0
% Change from prior biennium	14.8%			
Dec. Pkg. as % of prior biennium	11.2%			

Major Revenue Sources: General Fund, election cost billings¹

DESCRIPTION

The King County Department of Elections (KCE) is responsible for conducting elections, maintaining voter registration records in conjunction with the State of Washington, and providing election-related information to the public and other governmental entities.

Under state law, counties are responsible for conducting state and local elections with the cost of elections being shared by cities, towns, and districts based on their proportionate shares of the cost. The state assumes a prorated share of election costs.² KCE allocates costs based on the number of registered voters in each jurisdiction, for any jurisdictions appearing on a given ballot.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2025 budget for King County Elections is \$31.3 million, which is a 14.8% increase from the annualized 2024 revised budget. The proposed changes reflect appropriations to continue an online signature resolution system, to implement the City of Seattle's Ranked Choice Voting,³ and to maintain the Ballot Alerts messaging service.

The Executive has requested the following appropriations in the 2023-2024 budget:

- **\$67,000 to support an online and modernized signature resolution system in Democracy Live, and to add two new languages, Somali and Russian, to the**

¹ Election costs are divided proportionally (based on number of registered voters) across jurisdictions appearing on a given ballot.

² RCW 29A.04.420, updated in 2020 per ESHB 2421 (Chapter 337, Laws of 2020). Following ESHB 2421, which went into effect on July 1, 2021, the state is required to reimburse counties for state election costs in both odd and even years starting in 2022.

³ This is entire revenue-backed by direct elections cost billings to City of Seattle.

system. \$50,020 of this would be revenue-backed by direct elections billings. The impact to the General Fund would be \$16,980.

KCE uses Democracy Live's OmniBallot to provide Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) voters access to their ballots; to enable voters to print replacement ballots; to administer King Conservation District Elections; and as of the 2023 general election, to provide voters an additional option for resolving signature challenges.

With the online option, voters can complete and return the required signature resolution form from their phone or computer and have their ballot counted. KCE staff verify any identification information or signatures the voter provides to resolve their signature challenge.

For every ballot returned, KCE staff compare and verify the signature on the return ballot envelope with the signature(s) on the voter's registration.

Russian and Somali were added to the full suite of languages offered by KCE in 2022. This budget request would support adding the two languages to the Democracy Live tools.

This budget request would include a one-time setup fee of \$29,000, plus \$38,000 for ongoing support. While this new tool was implemented in the 2023 general election, it was not part of the 2023-2024 budget, so money is needed to continue the use of the tool.

- **\$242,539 to prepare for the City of Seattle's Ranked Choice Voting (RCV).** 100% of this would be revenue-backed by direct elections billings to the City of Seattle.

In the 2023-2024 third omnibus, Council appropriated approximately \$300,000 (all revenue-backed⁴) to administer RCV for the City of Seattle. That was the cost for the remainder of 2024. This appropriation would support administering RCV in 2025. Additional appropriations would be needed in future years.

City of Seattle voters approved a ballot measure in November 2022 to implement RCV in Primary Elections for City of Seattle offices, beginning in August 2027. RCV will be used to determine the top two candidates in each race who will appear on the November General Election ballot. According to KCE, the department is on track to implement RCV for the City of Seattle in 2027.

- **\$160,000 for the Ballots Alert Targeted Messaging Service.** This appropriation would maintain the ballot alerts program, which are text and email notifications to

⁴ By direct elections cost billings to the City of Seattle.

subscribed voters about where their ballot is in the process. \$120,000 of this would be revenue-backed by direct elections cost billings. The impact to the General Fund would be \$40,000.

In the 2023-2024 third omnibus (June 2024), Council approved a \$160,000 appropriation (\$120,000 revenue-backed⁵) to support increased usage and subscriptions of ballot alerts. That was a one-time appropriation. This current budget request would support continuation of the service.

Ballot alerts are text and email notifications to subscribed voters about the status of their ballots. They were launched in October 2022, with 7,000 subscribers after the first election. There were 60,000 subscribers by the end of 2023; and currently 90,000 subscribers as of September 2024. KCE estimates 100,000 to 150,000 subscribers by the end of 2024.

Voters receive an initial welcome message and may receive up to five alerts during an election, from the time their ballot mailed to the time their ballot is counted. If there is a signature verification issue, voters receive a notification with links to information on how to resolve the issue. Voters receive an alert reminding them of the Election Day deadline if they have not returned their ballot.

According to KCE, ballot alert subscribers turn out to elections at a rate 30-35% higher than non-subscribed voters.

In addition to the requested appropriations, the Executive has proposed the following cost reductions:

- \$117,110 to realign budget to reflect actual usage.
- \$105,000 to use AI enhanced machine translation tools for translation service (of which \$75,000 was revenue-backed).
 - Currently, all elections materials are translated into Chinese, Korean, Spanish, Vietnamese, Russian, and Somali.⁶ KCE primarily relies on its internal team of translators. According to KCE, at times the amount of content to translate is too much for the time available in legally mandated election timelines. To make it possible to translate materials on time, KCE sometimes sends this work to a vendor translation firm, which provides a first draft of translation, and then KCE refines the translations based on KCE standards and best practices.
 - AI translation services would be used for the first time in the November 2024 general election. KCE would still review the translated materials.
 - According to KCE, using translation AI services would reduce costs for KCE because translation vendors charge by the word, while translation AI tools charge by the document.

⁵ by direct elections cost billings.

⁶ Determined based on threshold requirements under federal law and as codified in King County Code chapter 2.16.

- KCE researched various translation AI services and submitted a proposal to KCIT. KCE has been working with a Google translation service. KCE will reassess after the peak translation period for the upcoming election.
- \$149,500 vacancy rate adjustment to capture employee turnover, without reducing FTE authority.

KEY ISSUES

ISSUE 1 – AGENCY REQUESTED APPROPRIATION FOR BALLOT REDESIGN AND "I VOTED" STICKER

One budget request was included in the Agency proposed budget but not the Executive's transmitted budget. KCE requested \$118,196 to change the design of the ballot packet insert to include an "I Voted" sticker, to provide voter specific information that lists the five closest ballot drop boxes to their residential address, and to remove the ballot stub. \$88,647 of this amount would have been revenue-backed by direct elections billings. This means the impact to the General Fund would be \$29,549.

This new ballot packet insert design, with the "I Voted" sticker, was rolled out in the August 2024 primary election. The money for this new design and sticker came from 2024 salary savings from a vacancy. According to KCE, the vacant position was re-filled during the last quarter of 2024 and will continue permanently starting in 2025, eliminating temporary salary savings.

According to Executive staff, the Executive did not include this proposal because the budget balancing strategy for 2025 is to minimize budget cuts and to preserve existing systems as much as possible. The Executive believes it is possible for KCE to absorb the \$30,000 in costs within the department's existing appropriation.

According to KCE, without this budget appropriation, the sticker and ballot packet insert would still be included in the November 2024 general election, but it would not be continued in 2025.

CULTURAL DEVELOPMENT AUTHORITY

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$19,063,683	\$19,063,683	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$6,078,801	\$6,078,484	0.0	0.0
2025 Proposed Budget	\$25,143,000	\$25,143,000	0.0	0.0
% Change from prior biennium, annualized	31.9%			
Dec. Pkg. as % of prior biennium, annualized	31.9%			
Major Revenue Sources: Lodging Tax, 1% for Art Capital Project Contributions, General Fund				

DESCRIPTION

This appropriation unit transfers designated revenues to 4Culture, the Cultural Development Authority that administers King County’s arts, culture, and heritage programs. 4Culture administers King County’s cultural programs primarily through distributing grant awards to arts, cultural, and heritage organizations and artists. 4Culture also administers King County’s Public Art Program (1% for Art), manages the Public Art Collection on behalf of King County, advises the County Executive and Council on cultural resources policies, and provides technical assistance to arts and heritage organizations.

When 4Culture was established, it was authorized to use a portion of the county’s Lodging (hotel/motel) Tax. However, between 2013 and 2020, 4Culture had limited access to lodging tax revenues and used revenues from a special account managed by 4Culture, which was funded by setting aside a portion of lodging tax proceeds dedicated to culture between 2001 and 2012. Beginning on January 1, 2021, 37.5% of the lodging tax revenues collected in King County were once again designated for arts and cultural purposes. In addition, 4Culture receives funding from the 1% for Art program, which sets aside a portion of certain capital projects for public art, and General Fund revenue for maintaining the county’s art collection.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The transfer to 4Culture in the Executive’s proposed 2025 budget is a 32% increase over the annualized 2024 budget. That growth is almost entirely from technical adjustments to align the base budget with estimated revenues. The largest contributor to the increase is a \$6.4 million growth in the lodging tax allocation based on the August

2024 Office of Economic and Financial Analysis forecast. Approximately \$4.7 million of this increased lodging tax would boost the Arts and Culture transfer that supports 4Culture's arts, culture, and heritage programs. The remaining \$1.7 million of additional lodging tax funding would support an increase to the Building for Equity cultural facilities grant program.

In addition to the lodging tax adjustments, there is also a \$354,000 reduction in contributions from capital projects for the 1% for Art program. According to Executive staff, the 1% for Art program is solely based on county agencies' capital budgets, so there can be significant variation between budget cycles. Beyond these revenue adjustments, there is a \$9,000 increase in General Fund support for the maintenance of the county's art portfolio. The total proposed General Fund support is \$317,000. A full discussion of the budget proposed by 4Culture for 2025 is scheduled to take place in a briefing of the Council's Committee of the Whole on October 21, 2024.

KEY ISSUES

Staff have not identified any issues for this budget.

CULTURAL ACCESS

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$72,879,178	\$72,879,178	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$104,242,336	\$94,770,336	0.0	0.0
2025 Proposed Budget	\$104,243,000¹	\$94,771,000	0.0	0.0
% Change from prior biennium, annualized	43.0%			
Dec. Pkg. as % of prior biennium, annualized	143.0%			

Major Revenue Sources: Cultural access sales and use tax

DESCRIPTION

This appropriation unit funds the Doors Open program using designated sales tax revenues. In December 2023, King County enacted the Doors Open cultural access program which is funded through a 0.1% sales tax for seven years. The program is administered by 4Culture, King County's Cultural Development Authority, with oversight by the 4Culture Board of Directors and the King County Council.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 43% increase in the Cultural Access appropriation in the Executive's proposed 2025 budget is largely due to 2025 being the first full year that the cultural access sales tax is being collected. Since the sales tax began in April 2024, the amounts from the first year in the 2024 annualized budget reflect only nine months of revenues. Smaller portions of the proposed increase in 2025 are based on the Office of Economic and Financial Analysis's forecasting for sales tax revenues and the inclusion of a \$9.5 million, or 10%, contingency to transfer additional revenues should actual collected amounts be higher than forecasted.

The Implementation Plan for the Doors Open program is currently being discussed by both the Committee of the Whole and the Regional Policy Committee. Final action to approve the plan is expected before the end of 2024.

KEY ISSUES

Staff have not identified any issues for this budget.

¹ The expenditure and revenue numbers in this column do not sum as they do for other appropriation units. Executive staff have stated that this is because 2024 funding was one-time funding, and is not considered part of the base budget for 2025 by the Office of Performance, Strategy, and Budget.

ARTS AND CULTURE TRANSFER

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$13,670,057	\$38,076,925	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$3,703,247	\$3,679,872	0.0	0.0
2025 Proposed Budget	\$17,374,000	\$41,757,000	0.0	0.0
% Change from prior biennium, annualized	27.1%			
Dec. Pkg. as % of prior biennium, annualized	27.1%			

Major Revenue Sources: Lodging Tax

DESCRIPTION

The Arts and Culture Transfer appropriation unit resides within the Lodging Tax Fund and is used to transfer revenues to the Cultural Development Authority appropriation unit, which are ultimately transferred to 4Culture,¹ the Cultural Development Authority that administers King County’s arts, culture, and heritage programs. The portion of King County’s Lodging Tax receipts that is available for 4Culture is 37.5%, as designated by King County Ordinance 18788.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2025 budget includes a \$3.7 million, or 27%, increase in the Arts and Culture Transfer. This increase is driven largely by a one-time \$2.2 million carryover of 2024 revenues that is attributed to the 2-month delay in receiving lodging tax revenues. The November and December 2024 lodging tax revenues would be received and transferred in early 2025.

In addition to this one-time carryover, there is a roughly \$1.2 million proposed increase in the transfer that reflects the Office of Economic and Financial Analysis’s forecasting, which projects a significant increase in Lodging Tax revenues over the 2024 annualized budget. While the expenditures for this appropriation are solely for arts and culture, the revenues include the total lodging tax revenues that are transferred to arts and culture, tourism, and housing and homeless appropriations. Those total lodging tax revenues are forecasted to increase 9% over the 2024 base budget amount.

KEY ISSUES

Staff have not identified any key issues with this budget.

BUILDING 4EQUITY ADVANCE

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$3,263,060	\$0	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$3,603,089	\$0	0.0	0.0
2025 Proposed Budget	\$6,867,000	\$0	0.0	0.0
% Change from prior biennium, annualized	110.4%			
Dec. Pkg. as % of prior biennium, annualized	110.4%			

Major Revenue Sources: Lodging Tax

DESCRIPTION

The Building for Equity Advance was appropriated in the Lodging Tax Fund, as established in a 2019-2020 budget supplemental.¹ The Building for Equity Advance was created to bond against future Lodging Tax revenue designated for 4Culture. The advance was used to provide 4Culture with \$20 million to pay for a Building 4Equity program to make equity-based investments in cultural facilities and cultural program capacity building.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Building for Equity transfer in the Executive's proposed 2025 budget would allocate the remainder of the appropriated \$20 million advance to 4Culture, which is approximately \$4.9 million. The budgeted amount of the transfer was adjusted based on 2023-2024 actual expenditures.

In addition to the \$4.9 million remainder of the advance, the expenditures also include \$2 million, which is a repayment of the advance from prior years. While 4Culture has repaid \$7.4 million of the \$15.1 million drawn down on the advance, this is the first year that the repayment has been treated as an expenditure in the budget. Executive staff indicated that treating the repayment as an expenditure improves transparency and reduces the manual workload for yearend accounting.

KEY ISSUES

Staff have not identified any key issues with this budget.

¹ Ordinance 18940

TOURISM

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$7,030,879	\$0	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$5,926,872	\$0	0.0	0.0
2025 Proposed Budget	\$12,958,000	\$0	0.0	0.0
% Change from prior biennium, annualized	84.3%			
Dec. Pkg. as % of prior biennium, annualized	84.3%			

Major Revenue Sources: Lodging Tax

DESCRIPTION

This appropriation unit resides within the Lodging Tax Fund and is used to allocate lodging tax revenues designated for tourism promotion. The portion of the Lodging Tax receipts allocated to the Tourism appropriation unit was established by King County Ordinance 18788. These revenues are to be used to repay bonds for 4Culture's Building for Culture program, support the Washington State Major League Baseball Stadium Public Facilities District (PFD), and support tourism promotion activities in King County.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2025 budget includes an approximately 84% increase for the Tourism appropriation. This is primarily driven by a \$3.8 million one-time carryover that transfers the lodging tax allocation to the Major League Baseball Stadium PFD. Because of the typical 2-month lag between the collection of lodging tax and the county receiving the revenues, there is also a delay in transferring those revenues to the Stadium PFD. The one-time carryover payment planned for January 2025 will transfer the lodging tax revenues collected from November 2023 through October 2024.

The second factor in the increased appropriation is a one-time use of \$2.1 million in accrued interest earnings for the tourism programs. This one-time proposed increase is in addition to the \$1 million allocation required by Ordinance 18788.

Overall, the roughly \$13 million in proposed expenditures for tourism would be allocated in the following way:

- \$2.2 million for Building for Culture debt service
- \$3.5 million for the 2025 allocation to the Stadium PFD

- \$3.8 million for the 2024 carryover allocation to the Stadium PFD
- \$3.1 million for tourism programs
- \$351,000 for contingency to account for the actual lodging tax revenues exceeding forecasted for the 2025 allocation to the Stadium PFD

Ordinance 18788 requires \$1 million each year to be allocated for "capital or operating programs that promote tourism and attract tourists in all parts of the county." The ordinance also requires that, out of that amount, \$25,000 a year will support Savor Snoqualmie's tourism promotion efforts in the Snoqualmie Valley. With the addition of the \$2.1 million in one-time accrued interest, the total \$3.1 million for tourism programs is proposed to be allocated in the following way:

- \$1 million for a competitive grant pool
- \$730,000 to Visit Seattle
- \$500,000 to the Community Business Connector Program from the Seattle Chamber of Commerce
- \$350,000 for the Cloud Break Music festival and film initiative to support the creative economy
- \$250,000 for Convention Center Marketing through Visit Seattle
- \$245,000 to Seattle Southside
- \$25,000 to Mountain to Sound Greenway (formerly Savor Snoqualmie)

KEY ISSUES

ISSUE 1 – ALLOCATION OF ACCRUED INTEREST

Council staff have identified that the \$2.1 million one-time allocation of accrued interest may be eligible for reprogramming for other lodging tax eligible expenditures. Ordinance 18788 contains the council's intent for any lodging tax revenues that exceed the annual baseline revenues, but the allocations required by Ordinance 18788 do not appear to apply to these one-time revenues. Analysis around both the eligibility for reprogramming the accrued interest and the potential options for expending it is ongoing.

HOUSING AND HOMELESS PROGRAM

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$18,955,881	\$0	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$15,828,896	\$0	0.0	0.0
2025 Proposed Budget	\$34,785,000	\$0	0.0	0.0
% Change from prior biennium, annualized	83.5%			
Dec. Pkg. as % of prior biennium, annualized	83.5%			

Major Revenue Sources: Lodging tax dollars

DESCRIPTION

The Housing and Homeless Program appropriation unit is used for lodging tax expenditures related to Transit-Oriented Development (TOD) affordable housing and Homeless Youth programs. To simplify the administration of lodging tax dollars, four appropriation units were created to track ongoing spending, but only one (the Arts and Culture fund) is used to record revenue, as well as administrative functions.

Ordinance 18788 guides the spending of lodging tax revenues, which allocates 34.9% towards TOD affordable housing and 2.6% for homeless youth programs. DCHS manages the TOD affordable housing and homeless youth programs, including awarding contracts.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed Housing and Homeless Program budget is \$34.8 million (an 83.5% increase from the 2024 revised annualized budget) with 0 FTEs. The two proposed decision packages are:

- A \$12 million funding adjustment to reflect an 8.5% increase in anticipated lodging tax revenues and to carryover unspent moneys from the 2023-2024 biennial budget; and
- A central rate adjustment to reflect debt service costs and the credit enhancement fee.

More information on lodging tax collections broadly can be found in the Arts and Culture fund write-up.

KEY ISSUES

Staff have not identified any key issues with this budget.

JOBS AND HOUSING PROGRAM

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$0 ¹	\$0	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$1,600,001	\$1,600,000	0.0	0.5
2025 Proposed Budget	\$1,601,000	\$1,600,000	0.0	0.5
% Change from prior biennium, annualized	N/A			
Dec. Pkg. as % of prior biennium, annualized	N/A			

Major Revenue Sources: Federal (COVID).

DESCRIPTION

The Jobs and Housing Program was established by the Council in the COVID 7 budget passed in 2021 and included an appropriation of CLFR dollars for a new initiative to support a jobs and rehousing program for individuals experiencing homelessness. The Jobs and Housing Program began operations in 2021 to provide temporary jobs, career preparation, housing, and support services to people experiencing homelessness. Program participants receive these services for up to one year so that they can secure permanent housing and exit the homelessness system. Subsidized jobs may be with King County or other community partners that were selected in two procurement rounds in late 2021 and early 2022.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed Jobs and Housing Program budget is \$1.6 million with no FTEs and 0.5 TLTs.

The decision package associated with this appropriation unit would reappropriate \$1.6 million in unspent CLFR funding allocated in the 2023-2024 biennial budget to continue implementation of the Jobs and Housing grant projects for service providers. This reappropriation would include 0.5 TLT for approximately six months for workforce development efforts and to closeout current programs and contracts.

¹ The total 2023-2024 Biennial Budget allocation for this appropriation unit was \$18.7 million, comprised solely of one-time CLFR funding. In determining the 2024 annual revised budget, PSB only accounts for ongoing expenditures and revenues for the biennium, then divides that in half. In the case of an Appropriation Unit with only one-time funding, the 2024 annual revised budget will total \$0.

KEY ISSUES

ISSUE 1 – SUNSET OF THE JOBS AND HOUSING PROGRAM

Once the remaining \$1.6 million in CLFR dollars is expended, the Jobs and Housing Program would sunset. In 2025, the following organizations are under contract and will receive the remaining CLFR dollars to provide support services to program participants:

- Workforce Development Council of Seattle/King County – career services support
- Neighborhood House – housing navigation & support
- Wellspring Family Services – housing navigation & support
- Catholic Community Services – housing navigation & support

Over the life of the program, 847 individuals experiencing homelessness were connected to subsidized employment or paid training. Of these, 406 individuals were connected to housing while in the program.

It is a policy decision whether to sunset the Jobs and Housing Program or to continue the program with a different funding source, particularly the General Fund.

DCHS ADMINISTRATION

ANALYST: APRIL SANDERS

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	\$11,392,800	\$11,283,484	36.0	0.0
2025 Base Budget Adjust.	\$636,976	\$0	0.0	0.0
2025 Decision Packages	\$1,992,159	\$2,738,438	11.0	0.0
2025 Proposed Budget	\$14,022,000	\$14,022,000	47.0	0.0
% Change from prior biennium, annualized	23.1%			
Dec. Pkg. as % of prior biennium, annualized	17.5%			

Major Revenue Sources: Federal, state, local, GC, interfund transfers.

DESCRIPTION

Community and Human Services Administration (DCHS Admin) provides oversight for all the programs and services within the Department of Community and Human Services (DCHS). It also includes costs and revenues associated with the DCHS Director's Office, which provides general oversight for all programs and services contracted or provided by the department and oversees critical business functions that connect the department and its 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. This function is set up like an internal service fund, with funds to support the Director's Office activities coming from a cost allocation formula applied to all the funds in DCHS.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed DCHS Admin budget is \$14.0 million (a 17.5% increase from the 2024 revised annualized budget) with 47.0 FTEs (11.0 more than the last biennium, 5.0 of which are current FTEs being moved from the Housing and Community Development fund).

The proposed budget would reappropriate \$550,000 of ARPA moneys for financial management of ARPA-funded programs.

Additionally, there would be a shift of 5.0 FTEs funded by DCHS overhead currently housed in the Housing and Community Development fund to the DCHS Administration fund to reflect that their administrative, program evaluation, and project management functions are department-wide in scope.

In addition to those shifting FTEs, the DCHS Admin budget would include 5.0 additional FTEs at a cost of approximately \$1.0 million. A summary of the requests for new FTEs can be found below. All FTEs would be paid for by interfund transfers from other DCHS funds, allocated through the Director's Office cost allocation methodology.

**Table 1.
Proposed FTE Changes**

Number of FTEs	Purpose	Costs
2.0	Compliance Capacity—provide DCHS staff and contracted agencies with support in complying with contract and federal requirements.	\$355,165
1.0	Senior Human Resource Analyst—TLT conversion to support recruitment and other HR services.	\$174,359
1.0	Revenue and Inflation Fiscal Analyst—TLT conversion to support DCHS in revenue monitoring and reporting, tracking inflation, and serving as the subject matter expert on the County's budget and reporting system.	\$165,084
1.0	Agiloft Functional Analyst—TLT conversion to support the Agiloft contracting and management tool, including training and support for end users, documenting business processes, monitoring system performance, among other duties. Agiloft is DCHS' legacy contract management system, providing a portal for contracted providers.	\$152,401
1.0	Performance Measurement and Evaluation (PME) Operations Manager— This position would oversee day-to-day operations of 40 PME staff and oversee the unit's organizational processes.	\$195,427

Other technical changes include central rate, revenue, and vacancy rate adjustments.

KEY ISSUES

Staff have not identified any key issues with this budget.

EMPLOYMENT AND EDUCATION RESOURCE

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$22,904,784	\$21,797,121	37.6	0.0
2025 Base Budget Adjust.	(\$310,456)	(\$336,178)	0.4	0.0
2025 Decision Packages	\$161,458	\$1,852,046	0.0	0.0
2025 Proposed Budget	\$22,756,000	\$23,313,000	38.0	0.0
% Change from prior biennium, annualized	(0.1%)			
Dec. Pkg. as % of prior biennium, annualized	0.1%			

Major Revenue Sources: Federal, state, GF, intragovernmental, interfund transfers, BSK, other.

DESCRIPTION

The Employment and Education Resources (EER) program of the Department of Community and Human Services (DCHS) provides education, job placement, training, and other services to youth and adults through a combination of contracted services and services provided directly by King County employees. Populations served by EER programs include youth who have dropped out of high school, youth in danger of dropping out of high school, gang-involved youth, low-income adult job seekers, homeless families, young parents with children, individuals with limited English proficiency, adults with prior criminal justice involvement, and displaced workers.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed Employment and Education Resource budget is \$22.8 million (a 0.1% decrease from the 2024 revised budget, annualized) with 38.0 FTEs (0.4 FTE more than the last biennium).

Notable proposed decision packages revolve primarily around shifting costs for certain programs from the General Fund to other sources, including:

- Shifting approximately \$220,000 in funding for the New Family Services (NFS) program from the General Fund to the Best Starts for Kids (BSK) Levy. This program is implemented in partnership with the Public Health – Seattle and King County Nurse Family Partnership (NFP) program. Nurses from NFP refer expecting first-time, low-income mothers to NFS case managers to provide social service, education, and employment navigation services. This shift, plus existing

support in the BSK Levy, accounts for a total of \$622,000 in funding for the program in 2025;

- Shifting \$157,000 in leadership costs in the Children, Youth, and Young Adult Division from the General Fund to the Best Starts for Kids Levy; and
- Carrying over \$250,000 in one-time Restorative Community Pathways (RCP) evaluation funding added in the 2023-2024 2nd Omnibus. Note that the 2025 ongoing base budget for RCP, excluding this one-time reappropriation, is approximately \$5.4 million, consisting of \$4.8 million in General Fund support, with the remainder coming from BSK School to Prison Pipeline and Office of Juvenile Justice Delinquency Prevention moneys.

KEY ISSUES

Staff have not identified any key issues with this budget.

HEALTH THROUGH HOUSING

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$77,765,546	\$71,425,381	13.0	0.0
2025 Base Budget Adjust.	\$182,619	\$0	0.0	0.0
2025 Decision Packages	\$9,750,247	\$2,669,536	1.0	0.0
2025 Proposed Budget	\$87,699,000	\$74,095,000	14.0	0.0
% Change from prior biennium, annualized	12.8%			
Dec. Pkg. as % of prior biennium, annualized	12.5%			

Major Revenue Sources: Health through Housing sales tax

DESCRIPTION

The Health through Housing (HtH) fund was created during the 2021-2022 Biennial Budget process and houses revenue for the 0.1% Health through Housing Sales tax. The Health through Housing Sales tax was established through Ordinance 19179, which required proceeds to be spent on the uses outlined in state statute, prioritizing those within the specified population groups in RCW 82.14.520(2)(b) and whose income does not exceed 30% of the King County area median income (AMI). Additionally, proceeds were required to be allocated with the objective of reducing racial and ethnic disproportionality among those experiencing chronic homelessness. The paramount goal of the tax is defined in K.C.C. 24.30.030 as "the creation and ongoing operation of 1,600 units of affordable housing with housing-related services for eligible households in King County that are experiencing chronic homelessness or that are at risk of experiencing chronic homelessness."

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed Health through Housing budget is \$87.7 million (a 12.8% increase from the 2024 revised annualized budget) with 14.0 FTEs (1.0 more than the last biennium).

The proposed decision packages are:

- An approximately \$9 million increase to expenditures and \$2.8 million increase in revenues to align revenues and expenditures with the Implementation Plan. The approximately \$6.2 million gap between the increase in expenditures and revenue would be funded utilizing fund balance remaining from sites opening

later than originally anticipated and would go towards rising costs in supportive services operations, including building maintenance; and

- Approximately \$169,000 to convert a TLT to an FTE for an evaluator to meet measurement and evaluation needs of the HtH program, including reporting and analysis of service data to support decision making. DCHS indicates that this would be the only evaluator position in the HtH program, though there is one data engineer position.

Other technical changes include central rate and revenue adjustments.

KEY ISSUES

Staff have not identified any key issues with this budget.

HOUSING AND COMMUNITY DEVELOPMENT

ANALYST: APRIL SANDERS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$419,484,214	\$370,081,200	73.7	0.0
2025 Base Budget Adjust.	\$1,987,842	\$0	0.0	2.0
2025 Decision Packages	\$70,955,492	\$94,035,695	(1.7)	0.0
2025 Proposed Budget	\$492,428,000	\$464,117,000	72.0	2.0
% Change from prior biennium, annualized	17.4%			
Dec. Pkg. as % of prior biennium, annualized	16.9%			
Major Revenue Sources: Recording fees, state, federal, interfund transfers, TOD bond, HtH bond, Hotel/Motel sales tax, short-term hotel tax, SHB 1406, CLFR-ARPA grants, state COVID-19 grants.				

DESCRIPTION

The Housing and Community Development (HCD) fund provides a mechanism for King County to administer several federal, state, and local funding sources that support homelessness prevention, housing repair, low-income and special needs housing development, and community development.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed Housing and Community Development budget is \$492.4 million (a 17.4% increase from 2024 revised annualized budget) with 72.0 FTEs (including 3 new FTEs and 4.7 FTE transfers out of HCD into the DCHS Administration fund, resulting in a net decrease of 1.7 FTEs).

A summary of the requests for new and transferring FTEs can be found below.

**Table 1.
Proposed FTE Changes**

Number of FTEs	Purpose	Costs	Other
2.0	Capital Program Staffing—2.0 FTEs and 3 TLTs to the Capital Program team	\$882,452	Revenue-backed by multiple sources
1.0	Director's Office Staffing—1.0 FTE and 1.0 TLT for special projects and initiatives	\$324,727	Revenue-backed by multiple sources
(4.7)	Transferring 4.7 FTEs to the DCHS Admin fund to reflect the department-wide work of those positions. to reflect that their administrative, program evaluation, and project management functions are department-wide in scope.	(\$1,197,803)	

Notable proposed decision packages include:

- A \$56 million Transit Oriented Development (TOD) Bond (see Issue 1);
- \$5 million for the Federal Way Red Lion Hotel rehabilitation (see Issue 2);
- \$9.2 million in CLFR reappropriations (summarized in Table 2 below);
- \$523,000 to fund an attorney in the PAO to support HCD's legal needs; and
- Increase operating, rental assistance, and supportive services support with short-term lodging tax dollars (see Issue 3).

**Table 2.
Proposed CLFR Reappropriations**

Downtown City Park Behavioral Health Outreach	\$800,000
Enhanced Shelters	\$2 million
Tiny House Villages	\$1 million
Deintensification Shelters	\$1.5 million
Homeless Outreach	\$750,000
Lighthouse Shelter	\$1.65 million
Burien Lot Micro-Modular Shelter	\$1 million
Chief Seattle Club's Eagle Village Shelter	\$500,000
TOTAL	\$9.2 million

The proposed budget would also include a net zero budget adjustment for the King County Regional Homelessness Authority (KCRHA), reflecting 2023-2024 appropriation levels detailed in Table 3 below.

**Table 3.
KCRHA Budget**

Source	Grant Name	Amount
Federal	CDBG	\$ 378,534.00
	CDBG-CV	\$ 110,000.00
	ESG	\$ 143,269.00
	Federal Total	\$ 631,803.00
State	State CHG	\$ 18,757,417.00
	State ESG	\$ 868,491.00
	Emergency Housing Fund	\$ 19,798,345.00
	State Total	\$ 39,424,253.00
Local	Document Recording Fee (DRF)	\$ 5,214,375.00
	Lodging Tax	\$ 659,000.00
	TrueBlood	\$ 73,759.00
	RAHP	\$ 319,700.00
	Local Total	\$ 6,266,834.00
Other	KC In Kind (Rent)	\$ 588,944.88
	ARPA	\$ 6,060,889.00
	Other Total	\$ 6,649,833.88
	Total	\$ 52,972,723.88

Several technical adjustments are included in the proposed budget, including vacancy rate adjustments, and revenue and expenditure adjustments to reflect the latest OEFA forecasts.

KEY ISSUES

ISSUE 1 – 2025 TOD BONDS AND ER 1

The proposed budget would issue \$56 million in TOD bonds in 2025 backed by lodging tax revenues. Expenditures would be guided by proposed Expenditure Restriction ER1.

ER1 would require that \$56 million in general obligation bonds be expended for "acquisition, development, or preservation of affordable workforce housing [...] within one-half mile of a transit station". The funding would then be allocated as follows:

- 1) Up to \$10 million for Metro's Kenmore or Shoreline sites;
- 2) Up to \$10 million for the Federal Way Sound Transit site;
- 3) Up to \$20 million allocated through RFP or to complete funding at previous sites. Priorities for new construction would include: one project in East King County, projects in areas facing displacement, and projects in other areas of King County;
- 4) Up to \$16 million for the preservation of existing TOD projects.

Funding would be allocated in three ways: RFP processes from DCHS, Metro, and Sound Transit for new projects; budget adjustments for previously funded projects; and a new ongoing application process for preservation funds.

If any identified project or location is found to be infeasible, unduly delayed, achievable with less money, or if another project can create affordable housing faster, dollars could be reallocated with advance notice to the council. The Executive would transmit a notification letter to council and could move forward unless council passes a motion rejecting the contemplated change within 30 days of transmittal.

Note that in the transmitted LTGO bond ordinance (Proposed Ordinance 2024-0307), there is a request for \$77.8 million in bond authorization for TOD projects. \$56 million of this request would be for the new bond authority requested in ER1, and the remaining \$21.8 million would be carryover from the \$45 million TOD bond authorized in the 2023-2024 Biennial Budget. Of the \$45 million, \$23.7 million was bond financed in 2023.

ISSUE 2 – FEDERAL WAY RED LION STABILIZATION

The proposed budget would appropriate \$5 million to fund capital rehabilitation and conversion work on the Federal Way Red Lion Hotel to build an emergency shelter. This cost estimate is pending final analysis of full rehabilitation and construction costs. Council approved the purchase of the Federal Way Red Lion through the 2nd Omnibus of the 2021-2022 Biennial Budget, but at the time, plans for the site were unknown.

This project would be fully revenue backed by multiple sources: \$3 million in CLFR-enabled revenue replacement, which will be requested as part of the 4th Omnibus, and \$2 million in revenue from document recording fees and other state dollars already included in the HCD budget appropriation.

The Executive indicates that the hotel is currently vacant and sustained extensive water damage caused by a broken pipe. The County is currently awaiting sign off from the City of Federal Way on the scope of the remodel.

The Executive further indicates that if the scope and cost of the remodel varies significantly from the \$5 million estimate, the project and budget would be revisited. The final cost analysis is not expected until late this year or early next year.

ISSUE 3 – SHORT-TERM LODGING TAX DOLLARS

Several decision packages would utilize short-term lodging tax dollars, a flexible funding source authorized by RCW 36.100.040¹ that provides the County broad authority to use

¹ [2015-S2.SL.pdf \(wa.gov\)](#)

their portion of revenues² “to support affordable housing programs, as determined by the County, in its sole discretion”. Due to the flexible nature of these dollars, several programs previously backed by the General Fund have shifted over the past biennium to be supported by the short-term lodging tax (e.g., A Regional Coalition for Housing, the Regional Affordable Housing Program, among others).

Table 4 below details how short-term lodging tax revenue would be allocated in 2025. Rows in white detail items in the base budget, with rows in highlighted in gray detail decision packages in the proposed budget.

**Table 4.
Proposed Utilization of Short-Term Lodging Tax Dollars**

Expenditure	2025 Allocation
<i>Estimated 2025 Revenue</i>	<i>\$5,916,700</i>
<i>Balance Carry Forward</i>	<i>\$7,317,637</i>
6% Admin Reserve	\$376,442
\$25 M GO Bond Debt Service	\$3,407,477
ARCH Dues	\$228,000
Pacifica	\$150,000
Equitable Development Initiative	\$1,000,000
Policy Planning and Special Projects Team (AHC, Comp Plan staff)	\$1,434,465
HCD Current TLTs and Central Rates (Capital and Housing Stability team)	\$2,133,205
Community Investment Lead	\$202,387
Senior Advisor to Capital Programs	\$192,319
Housing Finance Program TLT	\$166,113
Housing Finance Program TLT	\$149,115
Asset Management TLT	\$192,319
Senior Advisor to the Deputy Director (TLT Conversion)	\$129,300
Community Program Specialist (TLT Conversion)	\$348,667
PAO	\$344,667
Increasing ORS Budget ³	\$1,000,000
Mary's Place General Fund Swap ⁴	\$329,000
<i>Estimated 2025 Balance</i>	<i>\$1,629,413</i>

² Note, the short-term lodging tax is imposed by a public facilities district and RCW 36.100.040 establishes requirements for what funding must be distributed to the city and county in which the convention and trade center is located.

³ \$1 million for the Operating, Rental Assistance, and Supportive Services (ORS) program would shift from the General Fund to the short-term lodging tax. This program provides operating support for housing those moving out of homelessness, primarily for permanent supportive housing. Document recording fees and VSHSL also fund ORS, but available funds have reduced while costs to operate permanent supportive housing have increase.

⁴ Mary's Place Coordinated Intake Line, currently funded with \$329,000 from the General Fund, would instead be funded by the short-term lodging tax.

COMMUNITY SERVICE OPERATING

ANALYST: JAKE TRACY

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$7,903,026	\$7,041,740	13.6	0.0
2025 Base Budget Adjust.	\$383,468	\$0	0	0.0
2025 Decision Packages	\$3,374,905	\$4,523,704	1.0	0.0
2025 Proposed Budget	\$11,662,000	\$11,566,000	14.6	0.0
% Change from prior biennium, annualized	48.0%			
Dec. Pkg. as % of prior biennium, annualized	42.7%			

Major Revenue Sources: General Fund, State funding, Interfund transfers

DESCRIPTION

The Community Service Operating (CSO) appropriation unit is operated by the Department of Community and Human Services (DCHS) and is used to gather and distribute revenue to other divisions, funds, or appropriation units in support of a wide variety of human service activities and contracts. Prior to the 2015-2016 budget, this fund was known as the Children and Family Service Fund. The CSO Fund includes the Community Services Division Admin fund (CSD Admin). The Community Services Division Admin Fund (or CSD Admin) has functions include: (1) administration; (2) community services contracts; (3) General Fund-funded or other special revenue funded projects and emergent needs; and (4) Adult Services Economic Development Programming.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed Community Service Operating appropriation unit is \$11.6 million (a 48% increase from 2024 annualized) with 14.6 FTEs (1 more than the last biennium, although the addition is a technical adjustment due to an error in a previous omnibus).

Federal COVID-19 moneys, which supported the appropriation unit in recent years, are no longer available. However, state funding in the amount of approximately \$6 million is expected to support the appropriation unit in 2025.

Notable proposed decision packages include:

- Elimination of the King County Jobs Initiative program (discussed in Issue 1 below);
- Elimination of the Record Relief and Legal and Financial Obligation Expungement program (discussed in Issue 2 below); and

- Addition of \$5.9 million in revenue-backed funding for housing and social services for asylees and refugees. This is separated into two categories:
 - A \$5 million reimbursable grant from the state general fund made by direct earmark in the 2024 legislative session to continue providing long-term housing supports for unsheltered, recently arrived individuals and families; and
 - \$950,000 for the remaining funding from a state Department of Commerce grant to stabilize new refugees by providing emergency social services.

KEY ISSUES

ISSUE 1 – KING COUNTY JOBS INITIATIVE PROGRAM ELIMINATION

The King County Jobs Initiative (KCJI) program paid for contracts with service providers to cover job training, skill development, job placement, and supportive services for King County adults who are re-entering the workforce and have been involved in the criminal justice system, are low-income or have high barriers to sustainable living wage employment options. The program was not contracted in 2023 and 2024, so these services have not been provided for the past two years. Executive staff state that this is because the CSO-funded portion of the program has been winding down as the Workforce Development Council took over this work. In 2022, when the program was still receiving King County funding, 651 participants were served, 61% of whom had improved employment or education outcomes.

The Executive’s proposed 2025 budget would eliminate the KCJI program and disappropriate all funding for it, driven by General Fund reduction goals. The budget narrative states that elimination of funding for the KCJI would mean services would no longer be available to individuals seeking this service through King County. However, Executive staff note that these services will continue to be provided by the nonprofit Workforce Development Council.

ISSUE 2 – RECORD RELIEF AND EXPUNGEMENT PROGRAM ELIMINATION

The Record Relief and Legal and Financial Obligation (LFO) Expungement Program began as a response to the 2021 Blake Decision, which made criminalizing possession of controlled substances unconstitutional. To support individuals disproportionately impacted by the criminal justice system resulting from the now unconstitutional law, King County appropriated funding for this program with Marijuana Excise Tax Revenue. The funding was used to contract with five community-based organizations, who assisted individuals in navigating the expungement and collateral financial consequence relief related to drug and drug-related convictions.

The program received \$2.8 million in the 2021-2022 Biennial Budget, and this amount was reduced to \$2 million in the 2023-2024 Biennial Budget. In the second omnibus for 2023-2024, funding for 2024 was cut in half. Executive staff stated that the Marijuana

Interbranch Team (since renamed the Cannabis Interdepartmental Team) intended this program to be ramped down as resources shifted to more long-term investments, like youth prevention and sustained community-directed investments. The 2024 reduction accelerated the ramp down in response to the structural deficit in the General Fund.

Executive staff report that the program served roughly 426 clients annually, about half of whom were connected to relief supports, and about 78% of whom achieved at least one goal relating to addressing the impacts of a drug-related criminal record or LFO.

The current proposal would eliminate the program altogether and disappropriate related funding. The marijuana excise tax revenue for 2025 that would otherwise be committed to this program, estimated at \$642,000, would now be uncommitted. Executive staff state community engagement is needed to determine what to do with the marijuana excise tax revenue. If the Council chooses to eliminate the Record Relief and LFO Expungement program, the Council could provide direction on how the tax revenue should be used in 2025.

VETERANS, SENIORS, AND HUMAN SERVICES LEVY (VSHSL)

ANALYST: MIRANDA LESKINEN

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$97,019,000	\$81,372,818	78.7	0.0
2025 Base Budget Adjust.	\$1,823,657	\$0	0.0	0.0
2025 Decision Packages	\$19,049,107	\$5,393,692	(1.0)	0.0
2025 Proposed Budget	\$117,892,000	\$86,767,000	77.7	0.0
% Change from prior biennium, annualized	21.5%			
Dec. Pkg. as % of prior biennium, annualized	19.6%			

Major Revenue Sources: Levy lid lift

DESCRIPTION

In August 2023, King County voters approved a six-year (2024-2029) renewal VSHSL.¹ The levy is currently projected to generate approximately \$556.1 million over its six-year collection period.² The renewal VSHSL will continue to provide funding for regional health and human services throughout the county for veterans and servicemembers and their families, seniors and their caregivers, and resilient communities (VSHSL's priority populations). Additionally, the new levy establishes funding for regional impact initiatives that provide or support responses to issues that affect all three of these populations and which regional health and human services can help address.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The VSHSL 2025 budget is proposed at approximately \$117.9 million with 77.7 FTEs, which represents an increase of 21.5% from 2024, and a 1.0 FTE authority decrease.

Notable proposed changes for the 2025 budget include adding \$750,000 to provide funding for two strategies (*HL-16 Support Food Security* and *HL-17 Assessing Opportunities to Promote Health Insurance Coverage for Newly-Eligible Populations*) included in the levy's implementation plan that were unfunded subject to the availability of uncommitted levy proceeds.

Additionally, \$700,000 would be added for levy planning and administration to account for increases in labor costs, central rates, and the department's overhead allocation. This would mean approximately 9% of levy expenditures would go to planning and administration in 2025, according to Executive staff.

¹ Ordinance 19604 placed the 2024-2029 VSHSL proposal on the ballot for voter approval.

² Based on the August 2024 revenue forecast.

Also of note, the proposed budget would reappropriate approximately \$32.7 million in estimated 2024 underspending, primarily in several new and expanding strategies for the 2024-2029 VSHSL. According to Executive staff, as the current levy is in its early implementation stage, new investments like the *FS-6 Human Services Workforce Stabilization* strategy required additional startup time. Additionally, some strategies have experienced spending delays due to the structure of their programming. According to Executive staff, reappropriation is needed to fully implement these strategies in accordance with the levy's implementation plan. Table 1, provided by Executive staff, identifies current estimated 2024 underspend by levy strategy.

Table 1.
Current Estimated 2024 VSHSL Underspending (by strategy)

Strategy	Amount
New investments	
HS-2 Veteran Facility Operations and Capital	\$10,000,000
FS-6 Human Services Workforce Stabilization	\$8,304,126
SS-9 Resource Access Team	\$240,000
Delayed spending due to program structure	
HS-1 Affordable Housing and Shelter Operations and Capital & HS-4 Senior Home Repair and Age in Place Modifications	\$12,907,793
FS-4 King County Veterans Fellowship	\$200,000
SS-1 Veteran Outreach and Resource Programs	\$32,000
Delayed release of funds at partner's request	
HL-12 Addressing Regional Gun Violence	\$1,076,675
Total:	\$32,760,594

Lastly, the proposed budget would correct a prior technical mistake to restore 1.0 FTE to Community Services Operating and make a corresponding decrease in VSHSL (there is also a companion technical correction in CSO).

KEY ISSUES

Council staff have not identified any key issues with this budget.

VETERANS SERVICES

ANALYST: MIRANDA LESKINEN

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$3,282,773	\$3,549,455	11.0	0.0
2025 Base Budget Adjust.	\$179,274	\$0	0.0	0.0
2025 Decision Packages	\$189,767	\$71,510	0.0	0.0
2025 Proposed Budget	\$3,652,000	\$3,621,000	11.0	0.0
% Change from prior biennium, annualized	11.2%			
Dec. Pkg. as % of prior biennium, annualized	5.8%			
Major Revenue Sources: Property tax revenues (RCW 73.08.010)				

DESCRIPTION

The King County Veterans Program provides services to low-income, homeless, disabled, and at-risk veterans and their families, as required by RCW 73.08.010. Veterans Program services are provided by the Department of Community and Human Services (DCHS) at two offices, located in Tukwila and Seattle. Services provided include emergency financial assistance, housing assistance, employment guidance and assistance, case management, life stability, veterans' benefits counseling, and mental health referrals.

RCW 73.08.010 states that the veteran's assistance program shall be funded, at least in part, by property tax revenues authorized under and required by RCW 73.08.080. King County established the Veterans Services Fund in K.C.C. 4A.200.748. Other services provided by the Veterans Program for veterans, servicemembers, and their families are also funded by a dedicated portion of the Veterans, Seniors, and Human Services Levy (VSHSL) and accounted for in the VSHSL appropriation unit.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Veterans Services proposed budget for 2025 is approximately \$3.6 million, an 11% increase from 2024, with no change in FTEs. Budget changes reflect central rate technical adjustments to align revenues with the current revenue forecast and to add budget authority for increased staffing costs in 2025. According to Executive staff, this is chiefly related to three term-limited temporary project manager positions hired in 2024.

KEY ISSUES

Council staff has not identified any issues with this budget.

BEST STARTS FOR KIDS
ANALYST: MIRANDA LESKINEN

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$141,789,534	\$147,078,325	53.0	0.0
2025 Base Budget Adjustments	\$961,403	\$0	0.0	0.0
2025 Decision Packages	\$32,288,122	\$8,139,703	2.0	0.0
2025 Proposed Budget	\$175,040,000	\$155,219,000	55.0	0.0
% Change from prior biennium, annualized	23.5%			
Dec. Pkg. as % of prior biennium, annualized	22.8%			

Major Revenue Sources: BSK Levy

DESCRIPTION

In August 2021, King County voters approved a 2022-2027 renewal Best Starts for Kids (BSK) Levy, which is a six-year property tax levied at a rate of \$0.19 per \$1,000 of assessed valuation in 2022, with an increase of up to 3% for each of the five subsequent years of the levy—2023 through 2027. The levy is anticipated to generate a total of approximately \$909.5 million in revenues over the six-year levy period, based on the August 2024 revenue forecast.

Per Ordinance 19267, 22.5% of the first-year levy proceeds (after accounting for attributable election costs) are to be allocated toward the Youth and Family Homelessness Prevention Initiative (YFHPI), a new affordable childcare program, a new child care workforce demonstration project, and continuing technical assistance and capacity building programs. In the subsequent levy years (2023-2027), rather than specifying an annual percent allocation, it is broadly directed that the amount to be distributed to these “First Allocation” programs be allocated so that the six-year levy investment for these purposes totals at least \$240 million including \$1 million annually to go toward a grant program to support capacity building and developing infrastructure in areas lacking services/services infrastructure.

All remaining levy proceeds are to be disbursed as follows to plan, provide, and administer the following:

- 50% for Investing Early strategies (ages 0-5)
- 37% for Sustain the Gain strategies (age 5 or older)
- 8% for Communities of Opportunity
- 5% for performance measurement, evaluation, and data collection; Children and Youth Advisory Board (CYAB) stipends; and pro-rationing mitigation (if

authorized by ordinance) for applicable local metropolitan parks, fire, and public hospital districts.

The renewal levy will also invest up to \$50 million (subject to levy revenue projections) to establish a new capital grants program for facility/building repairs and expansion and to support the construction of new buildings/facilities that will serve children and youth. Program funding will be subject first to reduction (meaning reduced before reductions to other program funding) if total levy revenue projections fall below \$872 million.

In November 2021, council approved Ordinance 19354, which adopted the BSK implementation plan to govern the expenditure of levy proceeds from 2022 through 2027.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed BSK Fund budget is approximately \$175 million, which is a 23% increase from 2024, and would increase FTE authority by 2.0. Notable items proposed in the BSK 2025 budget include:

- Increase funding to several BSK programs (totaling approximately \$3.5 million), including the levy's childcare investments. Please note that a few programs proposed for increased funding that are administered through Public Health have corresponding decision packages in the Public Health budget.
- Add funding for BSK staffing (totaling approximately \$995,000), such as adding an Equity, Inclusion, and Belonging Manager to provide consultation, coaching, and support for BSK leadership and staff, and converting a TLT childcare program support position to an FTE position. Please note that proposals for levy-funded positions in Public Health have corresponding decision packages in the Public Health budget.
- Extend an existing consulting contract through 2025 to build BSK leadership and staff capacity and skills to strengthen anti-racist practices (totaling \$135,000).

The proposed BSK budget would also make several technical adjustments, including:

- Adjust revenue and expenditures to align with the levy's implementation plan and current revenue projections.
- Reappropriate \$17 million in 2023-2024 underspend in childcare (\$6 million) and capital programs (\$11 million) to honor contract commitments and align to the levy's implementation plan.
- Add \$231,000 for New Family Services to maintain the program given a reduction in General Fund revenue (corresponding decision package in the Employment and Education Resources fund).
- Add \$157,000 to support DCHS Children, Youth, and Young Adult Division leadership costs given a reduction in General Fund revenue (corresponding decision package in the Employment and Education Resources fund).

Also of note, as reflected in the 2025 proposed BSK financial plan, the BSK fund's rainy-day reserve would be updated to 60 days (from 90 days) beginning in 2025. This change would still adhere to the county's financial management policy relating to rainy day reserves.

KEY ISSUES

Staff have not identified any issues with this budget.

PUGET SOUND TAXPAYER ACCOUNTABILITY ACCOUNT

ANALYST: MIRANDA LESKINEN

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	\$7,845,288	\$9,785,000	7.0	0.0
2025 Base Budget Adjustments	\$116,653	\$0	0.0	0.0
2025 Decision Packages	\$1,959,813	(\$4,675,000)	0.0	0.0
2025 Proposed Budget	\$9,922,000	\$5,110,000	7.0	0.0
% Change from prior biennium, annualized	26.5%			
Dec. Pkg. as % of prior biennium, annualized	24.9%			

Major Revenue Sources: State revenue from the state Puget Sound Taxpayers Accountability Act Fund.

DESCRIPTION

The Puget Sound Taxpayers Accountability Account (PSTAA) is funding solely supported by state moneys associated with a sales tax offset assessed on Sound Transit 3 projects. PSTAA funds are to be distributed to King, Pierce, and Snohomish counties proportionately based on the population of each county that lives within Sound Transit's jurisdictional boundaries. An April 2020 forecast by Sound Transit estimated that the County will receive \$318 million in funding between 2019 and 2035 to be invested in early learning facilities, the King County Promise (post-secondary educational support), and community-based support for K-12 learnings. The council adopted Motion 15492 in August of 2019 that allocates funding over the life of the fund and approved an implementation plan (Motion 15673) in September of 2020 that further governs how the funds will be used.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Motion 15492 requires that up to 7% of proceeds over the life of the account be used for evaluation and administrative costs. Of that, up to 10% of each year's evaluation and administration moneys will be used to provide for technical assistance and capacity building for small organizations, partnerships, and groups to provide services like legal, accounting, human resources, and leadership development support.

The remaining proceeds would then be distributed over the 15-year life of the fund among the three priority areas identified in Motion 15492 as follows:

- 52% for Early Learning, including up to 7.5% for home care provider dedication.
- 38% for King County Promise, distributed as follows:

- 45% to K-12
- 45% to Postsecondary
- 10% to Community Based Organizations
- 10% for K-12 Community Based Organizations (identified as Love and Liberation in the implementation plan)

The 2025 proposed PSTAA budget is approximately \$9.9 million, which is a 26% increase from 2024. The proposed budget includes a technical adjustment to align revenues and expenditures based on the most recent Sound Transit revenue projections from October 2023. According to Executive staff, PSTAA is proposing to deploy its stabilization reserve¹ to offset 2025’s revenue reduction and sustain its current levels of program implementation. Table 1, provided by Executive staff, shows planned PSTAA spend across implementation plan categories through 2025.

**Table 1.
PSTAA Expenditures (by Category) through 2025**

Imp Plan Investment Area	Spend Proj thru 2025	To-Date	Target	
Evaluation and Administration	\$ 7,236,082	19%	7%	% of total spend
Early Learning Facilities	\$ 13,909,938	45%	52%	% of program spend
King County Promise	\$ 10,337,424	33%	38%	
Community-Based Organizations Supports for K-12	\$ 6,701,295	22%	10%	

As noted by Executive staff:

- The cumulative spend through 2025 represents only ~12% of lifetime anticipated PSTAA revenues.
- The near-term investment allocations seen in the table were intentionally designed in partnership with stakeholders to best support PSTAA programming goals, including equity considerations, following reduced revenue forecasts reported by Sound Transit in 2021.
- Investment allocations adjust over time to balance to the [PSTAA] implementation plan; however, these continue to be refined over time in response to ongoing revenue forecast updates and program implementation needs.

¹ The Rate Stabilization Reserve, identified in the PSTAA financial plan, buffers against revenue volatility to sustain program and contract commitments.

KEY ISSUES

ISSUE 1 – REVENUE MONITORING

Council may desire to regularly track the progress of PSTAA revenue projections and investments during 2025 and beyond.

DEVELOPMENTAL DISABILITIES

ANALYST: MIRANDA LESKINEN

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$99,449,064	\$100,568,704	39.8	0.0
2025 Base Budget Adjust.	\$619,179	\$0	0.0	0.0
2025 Decision Packages	\$13,514,848	\$11,564,587	6.0	0.0
2025 Proposed Budget	\$113,584,000	\$112,133,291	45.8	0.0
% Change from prior biennium, annualized	14.2%			
Dec. Pkg. as % of prior biennium, annualized	13.6%			
Major Revenue Sources: State and federal funds, local cities, outside grant funds, philanthropies.				

DESCRIPTION

The Developmental Disabilities and Early Childhood Supports Division (DDESCD) is a division of the Department of Community and Human Services that, as part of its services portfolio, provides services for King County residents with developmental disabilities and their families. Services include early intervention for infants and toddlers with developmental delays, employment services for youth and adults, informational outreach, resource coordination for families of children with developmental disabilities, school to work training, independent living and community integration, and more.

The provision of direct services is mostly carried out through contracts with community non-profits, with department staff performing strategic planning, coordination, contract management, compliance, and billing functions.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2025 budget for Developmental Disabilities is approximately \$113.5 million, a 14% increase from 2024, with a net additional 6.0 FTEs. Notable proposed budget changes include:

- Elimination of the General Fund-backed Grants Application and Capacity Building (GACB) program (approximately \$813,000 and 2.0 FTEs) to address the General Fund deficit. The program contracts out to consultants that help community-based organizations in contracting with the county. According to Executive staff, although

this is a reduction in service, there are still other potential avenues for accessing similar technical assistance services backed by non-General Fund sources (e.g., BSK and VSHSL technical assistance and capacity building services).

- Adds \$1 million in budget authority (covered by existing fund balance) for provider stability supports (e.g., targeted rate enhancement and technical support) across DCHS systems supporting individuals with intellectual and developmental delays and disabilities and their families.
- Adds approximately \$1.3 million and 8.0 FTEs for positions including:
 - Adult Services Evaluator (converting a TLT to an FTE);
 - Lived Experience Lead;
 - Special Projects Coordinator;
 - Early Support for Infant and Toddlers (ESIT) Workforce Development Lead;
 - ESIT Referral Specialist;
 - Development Promotion Team Lead;
 - School to Work Team Lead; and
 - Equity Inclusion and Belonging (EIB) Lead.

According to Executive staff, none of these proposed positions would be General Fund-backed.

The proposed 2025 budget would also make a few technical adjustments, including revenue and expenditure authority alignments and a vacancy rate adjustment to capture salary savings from employee turnover.

KEY ISSUES

ISSUE 1 – GACB PROGRAM ELIMINATION

Whether to eliminate the GACB program represents a policy choice.

BEHAVIORAL HEALTH

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$392,088,857	\$393,874,679	177.1	0.0
2025 Base Budget Adjust.	\$3,461,665	(\$165,625)	4.5	0.0
2025 Decision Packages	\$33,072,877	\$43,006,334	9.0	0.0
2025 Proposed Budget	\$428,624,000	\$436,716,000	190.6	0.0
% Change from prior biennium	9.3%			
Dec. Pkg. as % of prior biennium	8.4%			

Major Revenue Sources: Medicaid, state non-Medicaid money for crisis behavioral health system (including involuntary treatment), federal block grant, behavioral health & developmental disabilities property tax, interfund transfers from MIDD and Health Through Housing funds.

DESCRIPTION

The Behavioral Health Fund supports the Behavioral Health and Recovery Division (BHRD) in the Department of Community and Human Services (DCHS). BHRD provides oversight and management of the publicly funded mental health and substance use disorder (behavioral health) service system for eligible county residents. Since 2016, the behavioral health system in Washington has gone through a state-mandated transformation culminating in what is known as fully integrated managed care (FIMC) for the Medicaid healthcare system. The goal of FIMC is whole person coordinated care for both physical and behavioral health¹. As such, BHRD now contracts with five Managed Care Organizations (MCOs) that operate in the county to administer the King County Integrated Care Network (KCICN).

The KCICN is the Medicaid-funded network of integrated physical and behavioral health providers. BHRD continues to serve as the Behavioral Health Administrative Services Organization (BHASO) to administer the state-funded crisis behavioral health system, including the Involuntary Treatment Act Court and other non-Medicaid-funded behavioral health services. BHRD also manages programs funded through the Mental Illness & Drug Dependency (MIDD) 1/10th of 1 cent sales tax.²

¹ The term "behavioral health" encompasses both mental illness and substance use disorders.

² The various MIDD funds have separate decision packages and are discussed elsewhere in this staff report.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed budget would increase the appropriation to the Behavioral Health Fund by approximately \$36.5 million. Of this, \$3.4 million are base budget adjustments, followed by \$5.5 million in CLFR reappropriations. The largest decision package is a technical adjustment of \$21 million to “adjust 2025 expenditures and revenues to reflect updated estimates for existing programs, including reflecting ongoing impacts of 2023-2024 changes such as Medicaid rate increases.”

Of note, while the financial plan’s ending undesignated fund balance of \$52.4 million in 2025 appears robust, Executive staff indicate this is comprised primarily of Medicaid revenues that were higher than eligible expenditures since the onset of the COVID-19 pandemic when the Medicaid eligible population increased. Medicaid dollars are not flexible and cannot be spent on other behavioral health related purposes. These dollars are expected to be transferred back in late 2024 and 2025 as the State finishes its Medicaid reconciliation.

Decision packages of note are further summarized below.

CLFR Reappropriations - \$5.5 million

Culturally Appropriate Behavioral Health Care Services: \$200,000

Reappropriate funding to expand culturally appropriate behavioral health services for people disproportionately impacted by COVID-19. Culturally appropriate care is being defined as care, “informed by a client’s cultural identity, beliefs, and practices in order to better serve populations experiencing inequities.” Some examples of culturally appropriate behavioral health services include providing information in the client’s native language, integrating client coping styles into treatment, incorporating cultural and religious beliefs into treatment plans. Executive staff indicate that when CLFR moneys expire, awardees for this programming have built the skills and knowledge to apply for federal funds, or are in the process of securing future funding.

DESC Mobile Behavioral Health Services: \$2,500,000

Reappropriate funding to continue DESC’s mobile behavioral health services for people who have transitioned from homelessness into Health Through Housing facilities and permanent supportive housing. In the coming years, DCHS is planning an integrated approach to streamline mobile behavioral health response in King County, “to provide community-based mobile response services across all settings, and to maximize the use of Medicaid across all mobile teams.”

KCICN Emergency Behavioral Health Fund: \$1,000,000

Reappropriate funding to continue work to stabilize the community behavioral health system through three key programs: Dialectical Behavior Therapy (DBT) training, Cognitive Behavioral Therapy for Psychosis (CBTp) training, and full access to the Relias Learning Management System (LMS) for KCICN providers. When CLFR dollars expire at the end of 2025, DCHS plans to propose the use of Crisis Care Centers Levy and Mental Illness and Drug Dependency funds to support these programs, under their associated workforce strategies.

DESC ORCA Center: \$1,700,000

Reappropriate funding to support DESC's Opioid Recovery & Care Access (ORCA) Center in the Morrison at 517 Third Avenue in Seattle. This funding will provide continued support for the renovation project to provide a larger and more effective space for outpatient behavioral health. DESC expects to increase capacity to provide treatment to an additional 15 people per day through existing programs and staff, and support a new post-overdose subacute stabilization center. Executive staff indicate these moneys are being used for capital improvements only and no additional funding is needed after CLFR dollars expire. The Client Engagement Team from the ORCA Center is planned to be funded by Crisis Care Center Levy dollars.

Rural Behavioral Health Care Services: \$100,000

Reappropriate funding for expanded behavioral health services for rural King County residents disproportionately impacted by the COVID-19 pandemic. Strategies from this program are planned to be continued using MIDD dollars after CLFR expires.

Converting TLT's to FTE's *No additional appropriation requested.*

Assisted Outpatient Treatment (AOT) Positions: 3.0 FTEs

AOT is a community-based behavioral health treatment available under the Involuntary Treatment Act. These positions are revenue-backed through ongoing BHASO (state non-Medicaid) and are required by state law. This includes an AOT Monitor and two Peers. These positions have been TLT since early 2023.

Information and Data System Positions: 3.0 FTEs

The Information and Data System team supports the backend systems for payments to behavioral health providers, which includes complex processes. This includes two Functional Analyst II and a one IV. These positions have been TLT and cannot be extended past September and February 2026, respectively.

Recovery Navigator Program Manager: 1.0 FTEs

Each BHASO is required to have a Recovery Navigator Program with a dedicated Program Manager. This position has dedicated funding from the state. The position has been TLT since August 2021 and expires August 2026.

Utilization Management and Care Coordination: 1.0 FTEs

This position manages delegated tasks from the Managed Care Organizations (MCO) to approve substance use disorder residential treatment for low-income people in King County. This position has been TLT and cannot be extended past May 2026.

Other Decision Packages

Community Prevention and Wellness Initiative (CPWI) Matching Funds: \$137,824

Increase the CPWI to maximize financial support for youth coalitions in North Highline, Vashon, SE Seattle/Skyway, Snoqualmie, South Seattle, and Auburn as recommended by the KC Cannabis Inter-Departmental team. This allocation would cover required CPWI matching funds for alcohol, cannabis, tobacco, opioid, and other drug prevention programs in local communities and schools.

Behavioral Health Outreach Program: \$2,195,153

This decision package is characterized as a technical adjustment to continue funding for the behavioral health outreach pilot program responsible for responding to behavioral health crises in City Hall Park, Burien and Aurora Village Transit Centers, and the downtown light rail stations. Staff provide assistance and/or intervention for people who are experiencing crisis or issues related to homelessness. Sound Transit and Metro fund the pilot program through 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

CRISIS CARE CENTERS

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$85,936,000	\$120,077,254	30.0	0.0
2025 Base Budget Adjust.	(\$80,420,866)	(\$120,077,254)	(1.0)	0.0
2025 Decision Packages	\$117,095,627	\$122,749,313	6.0	0.0
2025 Proposed Budget	\$122,611,000	\$122,750,000	35.0	0.0
% Change from prior biennium	42.6%			
Dec. Pkg. as % of prior biennium	136.2%			

Major Revenue Sources: Crisis Care Centers Levy property tax revenue

DESCRIPTION

The Crisis Care Center Levy is a levy lid lift approved by voters in 2023 to create five new regional Crisis Care Centers (CCC) throughout the county, with one center designated to serve youth. The CCC Levy also prioritizes the restoration of behavioral health residential treatment capacity, the expansion of treatment availability and sustainability in King County, and support for behavioral health workforce needs. The initial levy rate of \$0.145 per \$1,000 of assessed value in 2024 is projected to generate approximately \$1.2 billion during the nine-year levy period. The CCC Levy implementation plan was adopted through Ordinance 19783 in June 2024 and governs CCC Levy expenditures from 2024 through 2032.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Proposed Budget would increase the appropriation authority for the CCC Fund by \$36.6 million to align with the proposed investments outlined in the CCC Implementation Plan adopted through Ordinance 19783 in June 2024. Executive staff state that due to timing issues between approval of the supplemental budget for this fund (Ordinance 19784) in late June, the remainder of the ongoing CCC budget was not already included in the 2025 base budget in the budgeting system, which is why the base budget adjustments appear to be substantial.

Executive staff state that the removal of 1.0 FTE in the base budget adjustment is an error. Executive staff indicate the proposed budget should have 36.0 FTEs as proposed in the agency request. Council may wish to make a technical amendment to fix this error.

Table 1 shows allocations for the CCC Fund in the Executive proposed 2025 budget. The proposal aligns with the Implementation Plan approximate allocation by strategy that appears on page 103 of the adopted Implementation Plan.¹

Table 1. Exec Proposed 2025 CCC Levy Strategy Allocations

Strategy	Allocation Description
<u>Strategy 1</u> : Create and Operate Five Crisis Care Centers	\$60 million to support the creation and operation of the first two of five crisis care centers. Approximately \$57 million be used for capital expenses with approximately \$3 million budgeted for startup and investments in providers specializing in culturally and linguistically appropriate (CLAS) post care follow up services.
<u>Strategy 2</u> : Restore, Expand, and Sustain Residential Treatment Capacity	\$33 million to increase residential treatment capacity and providing for rehabilitation and/or maintenance for existing residential facilities. Of this, \$1 million is designated for rehabilitation and/or maintenance for a residential facility with an existing physical site. Another \$32 million is designated for capital development activities for two new facilities. Given the timing of the RFP, specific projects and awards are not known at this time.
<u>Strategy 3</u> : Strengthen the Community Behavioral Health Workforce	\$12 million is budgeted to support Strategy 3 to address BH workforce shortages through programs such as career pathways and the state registered apprenticeship, plus employer funded training.
<u>Strategy 4</u> : Early Crisis Response Investments	\$6 million in continued investment in the early crisis response system
<u>Strategy 5</u> : Capacity Building and Technical Assistance	\$2 million for behavioral service provider capacity increases and technical assistance needs
<u>Strategy 6</u> : Evaluation and Performance Measurement	\$1 million for DCHS Performance Measurement and Evaluation costs to assess the levy's impact.
<u>Strategy 7</u> : CCC Levy Administration	<p>\$7.5 million in crisis system administrative costs to manage the CCC levy implementation process. Most of the CCC levy's administrative budget in Strategy 7 covers DCHS staff costs, including 30 FTEs added in 2024 and 6 additional FTEs requested in the proposed budget. Executive staff indicate the 6 additional FTEs requested were anticipated to be hired in the 2026-2027 biennium, but the Department is requesting to have them sooner to improve operational efficiency.</p> <p>These six additional FTEs are:</p> <ul style="list-style-type: none"> • 2 - PPM II Provider Relations/Contracts Specialists • BFO I Fiscal Specialist • BFO III Accounts Payable • PPM III Utilization Management, Residential Treatment • PPM III CCC Behavioral Housing Specialist

¹ Ordinance 19783, Attachment A. Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, <https://mkcclegisearch.kingcounty.gov/View.ashx?M=F&ID=13025061&GUID=89CB8088-8133-4C85-9B9E-B432B556387D>

Executive staff indicate that of the 30.0 currently approved FTE positions, 20.0 have been hired, 2.0 offers are being made soon, 2.0 positions are being advertised, and 4.0 employees are working in TLT positions anticipated to be converted into career service positions once recruitment capacity exists.

KEY ISSUES

Staff have not identified any key issues with this budget.

MIDD

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$92,689,281	\$94,549,638	23.0	0.0
2025 Base Budget Adjust.	\$785,241	\$0	0.0	0.0
2025 Decision Packages	\$21,504,006	\$2,016	0.0	0.0
2025 Proposed Budget	\$114,979,000	\$94,552,000	23.0	0.0
% Change from prior biennium	24.0%			
Dec. Pkg. as % of prior biennium	23.2%			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

DESCRIPTION

The Mental Illness and Drug Dependency (MIDD) fund is comprised of sales tax revenue dedicated by state law to supporting new or expanded behavioral health (substance use disorder and mental health) treatment programs and services, and for the operation of therapeutic court programs and services. The King County Council last renewed the MIDD sales tax in 2016 and it will expire at the end of 2025. The sales tax is planned to be renewed in 2025 as MIDD III.

According to DCHS staff, “to prepare for a renewal proposal, DCHS is engaging communities, service participants, providers, and councilmembers this fall around behavioral health system needs and priorities, and is assessing existing MIDD services, to inform the renewal of the MIDD tax. [...] DCHS expects to develop a proposal to the council for a renewed behavioral health sales tax that draws upon councilmember perspective, community input, analysis of current regional behavioral health needs, and review of existing MIDD programming. DCHS anticipates that this analysis and input, as well as the proposal, will be made available to the council and the community, though the specific form and timing of transmittal(s) to the council have not yet been determined.”

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would increase the appropriation authority for the MIDD Fund by \$22.2 million for 2025, the final year of MIDD 2. Of this, \$14.6 million is a reappropriation of funding previously committed to capital improvements, operations, and maintenance of the following facilities:

- \$5.8 million for provider facility/capital improvements
- \$5.3 million for Sobering Center capital

- \$3.5 million for Cascade Hall maintenance and operations

The remaining \$7.6 million represents decision packages that would extend one-time funding through 2025, replace expired COVID funding, or support a pilot program. These are:

- \$121,500 to supplant a reduction from the Seattle School District to maintain the Recovery High School program at existing levels through 2025. The Recovery High School is supported by \$193,000 Substance Abuse Block Grant budgeted in the Behavioral Health Fund, which is projected to be exhausted by September 2025.
- \$250,000 to maintain MIDD funding through 2025 for the Housing and Recovery Through Peer Services (HARPS) program providing housing support and short-term housing subsidies to eligible individuals exiting inpatient behavioral health facilities, including Western State Hospital.
- \$314,000 to extend one-time MIDD funding provided in the 2023-2024 biennium to increase capacity for VITAL, the Intensive Care Management Team is a strategy of the former Familiar Faces Initiative.
- \$250,000 to maintain MIDD funding for Youth Support Services that is set to expire in 2024.
- \$134,000 to cover an increase in the cost of methadone dosing in the King County Correctional Facilities (KCCF). The contract has not increased costs in 10 years and for Jail Health Services to secure a contract the budget needed to increase from the \$215,600 currently in the base Behavioral Health Fund which has no capacity to increase.
- \$106,440 to maintain the Assessor in Jail Health Services (JHS) serving Regional Mental Health Court Housing program services through 2025. The JHS SUD Assessor is a substance use disorder professional providing in-custody SUD assessments at KCCF for Regional Mental Health Court/Regional Veterans Court referrals and participants.
- \$350,000 to resume MIDD funding for the Washington Recovery Alliance (WRA) in 2025 which utilized ARPA funding through 2024.
- \$467,400 to add one-time funding to maintain the current School Based Screening, Brief Intervention, and Referral to Services/Treatment (SBIRT) to cover increased license costs for the digital screening tool and to supplant expiring COVID funding for two school districts who joined the program between RFP cycles.
- \$100,000 to fund the web-based Strength at Home¹ pilot program for those self- or court-identified as having difficulties with domestic violence. The Department of Public Defense and Prosecuting Attorney's Office selected the program because, "in clinical trials, individuals who engaged in Strength at Home saw physical

¹ [Welcome to Strength at Home - Strength At Home](#)

aggression reduced by 56% and also saw a significant decrease in psychological aggression, alcohol misuse, and PTSD symptoms.”

- \$146,482 to maintain Mental Health First Aid through 2025.

KEY ISSUES

Council staff have not identified any key issues with this budget.

DISTRICT COURT MIDD

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$2,397,237	\$0	15.0	0.0
2025 Base Budget Adjust.	\$296,140	\$0	0.0	0.0
2025 Decision Packages	\$145,455	\$0	0.3	0.0
2025 Proposed Budget	\$2,839,000	\$0	15.3	0.0
% Change from prior biennium	18.4%			
Dec. Pkg. as % of prior biennium	6.0%			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

DESCRIPTION

The District Court MIDD appropriation unit is where District Court's therapeutic court costs are budgeted. District Court operates the Regional Mental Health Court, Regional Veterans Court, and the Community Courts.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would increase the District Court MIDD allocation by \$441,000, of which \$296,000 is due to base budget adjustments. The single proposed direct service change would add \$92,000 of expenditures, including 0.3 FTE, to implement a new community court in the City of Bellevue. The Bellevue Community Court would be the fourth community court for King County District Court. The standard arrangement for MIDD-funded community courts would apply to this arrangement, in which the City of Bellevue would pay for the space and security and District Court would provide the judge and support staff. Court staff indicate that Bellevue has included their costs for the proposed court into their base budget for 2025. The proposed 0.3 FTE in this appropriation unit is split between two positions: 0.1 Judge and 0.2 Clerk to be assigned to Bellevue Community Court. According to Court staff, this portion of their salary would otherwise be paid by the General Fund. Community Courts also provide resources and connections to services to the broader community as well as court-involved individuals. The remainder of the allocation would support supplies and other service charges.

KEY ISSUES

Staff have not identified any key issues with this budget.

DEPARTMENT OF JUDICIAL ADMINISTRATION MIDD

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$2,049,851	\$0	12.7	0.0
2025 Base Budget Adjust.	\$129,774	\$0	0.0	0.0
2025 Decision Packages	\$103,273	\$0	12.7	0.0
2025 Proposed Budget	\$2,283,000	\$0	12.7	0.0
% Change from prior biennium	10.20%			
Dec. Pkg. as % of prior biennium	5.03%			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

DESCRIPTION

The Department of Judicial Administration (DJA) Mental Illness and Drug Dependency (MIDD) appropriation unit is where costs associated with Adult Drug Court are budgeted. Adult Drug Court is a therapeutic court for offenders with substance abuse issues, combining treatment and judicial supervision.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2025 Budget would increase the DJA MIDD allocation by approximately \$232,000. Of that, approximately \$130,000 consists of base budget adjustments due to inflation and general wage increases affecting labor costs. The remaining increase consists of a \$100,000 increase to the drug court restitution fund that was previously funded as a pilot program in the 2023-2024 Budget. The fund received a total allocation in 2023-2024 of \$247,000, which included \$100,000 for restitution and \$147,000 for a position to administer the fund. The fund pays mandatory restitution costs for Drug Court participants to allow them to graduate from the program. According to Executive staff, participants are often unable to graduate from Drug Court due to mandatory restitution they are unable to pay. In August 2024, the Executive Committee of King County Drug Diversion Court met and increased the maximum allowable per participant payout from the fund from \$7,500 to \$10,000. If there is not funding available within the Restitution Fund, participants will still be expected to pay restitution.

KEY ISSUES

Staff have not identified any key issues with this budget.

PROSECUTING ATTORNEY'S OFFICE MIDD

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$1,383,900	\$0	10.6	0.0
2025 Base Budget Adjust.	\$330,813	\$0	0.0	0.0
2025 Decision Packages	\$2,587	\$0	10.6	0.0
2025 Proposed Budget	\$1,718,000	\$0	10.6	0.0
% Change from prior biennium	24.1%			
Dec. Pkg. as % of prior biennium	0.9%			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

DESCRIPTION

The Prosecuting Attorney's Office (PAO) MIDD appropriation unit is where the PAO's therapeutic court-related costs are budgeted. The PAO participates in the Regional Mental Health Court/Regional Veterans Court, Adult Drug Court, Juvenile Drug Court, and Community Court.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2025 budget would make a \$333,400 increase to the Prosecuting Attorney MIDD appropriation unit due to base budget and central rate adjustments. There are no decision packages in this appropriation unit.

KEY ISSUES

Staff have not identified any key issues with this budget.

DEPARTMENT OF PUBLIC DEFENSE MIDD

ANALYST: SAM PORTER

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	\$2,802,597	\$0	14.3	0.0
2025 Base Budget Adjust.	\$87,185	\$0	0.0	0.0
2025 Decision Packages	(\$85,220)	\$0	0.0	0.0
2025 Proposed Budget	\$2,804,532	\$0	14.3	0.0
% Change from prior biennium	0.1%			
Dec. Pkg. as % of prior biennium	(1.5%)			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

DESCRIPTION

The Department of Public Defense (DPD) MIDD appropriation unit is where DPD costs associated with therapeutic courts are budgeted. DPD participates in Adult Drug Court, Family Treatment Court, Juvenile Drug Court, Regional Mental Health/Regional Veterans Court, and Community Court.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would make an approximately \$2,000 change to the budget authority for DPD MIDD representing the general wage increase. According to DPD, the roughly \$85,000 base budget adjustment was made in error due to a KCIT central rate being charged during proforma. There are no substantive decision packages in this appropriation unit.

KEY ISSUES

Staff have not identified any key issues with this budget.

SUPERIOR COURT MIDD

ANALYST: SAM PORTER

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	\$2,978,617	\$0	18.3	0.0
2025 Base Budget Adjust.	\$231,357	\$0	0.1	0.0
2025 Decision Packages	\$11,190	\$0	0.0	0.0
2025 Proposed Budget	\$3,222,000	\$0	18.4	0.0
% Change from prior biennium	7.53%			
Dec. Pkg. as % of prior biennium	0.37%			

Major Revenue Sources: Mental Illness and Drug Dependency sales tax

DESCRIPTION

Family Treatment Court and Juvenile Drug Court costs are budgeted in the Superior Court MIDD appropriation unit. The Family Treatment Court is a therapeutic court alternative to Dependency Court for parents who need access to drug and alcohol treatment, judicial monitoring of sobriety, and other individualized services. Juvenile Drug Court is a therapeutic court for youth charged with an offense who have alcohol or drug problems. Juveniles in the program attend treatment and are monitored by the Juvenile Drug Court judge.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Proposed Budget would increase the budget authority for Superior Court MIDD by \$242,000 and 0.1 FTE. There are no decision packages for this appropriation unit; the entirety of the changes proposed for 2025 are due to base budget adjustments and central rates. According to Executive staff, the 0.1 FTE increase is to the Family Treatment Court Attorney from 0.5 FTE to 0.6 FTE based on workload associated with changes in practice and policy.

KEY ISSUES

Staff have not identified any key issues with this budget.

HARBORVIEW 2020 PROP 1 BOND CAPITAL FUND

ANALYST: SAM PORTER

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$121,490,636	\$196,227,834	\$196,227,834
Expenditures	\$121,490,636	\$196,227,834	\$196,227,834

Major Revenue Sources: HMC 2020 Prop 1 Bond revenue , LTGO bonds.

DESCRIPTION

Harborview Medical Center is a 413-bed hospital and Level 1 trauma center serving Washington, Alaska, Montana, and Idaho. The hospital is owned by King County, governed by the county-appointed Board of Trustees, and operated by the University of Washington. A \$1.74 billion capital bond was approved by voters after being placed on the November 2020 ballot by King County Ordinance 19117. A revised program plan for the 2020 Harborview Bond was approved by Motion 16435, known as the Ordinance Workgroup (OWG) Report.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed ordinance would make an appropriation of \$121.5 million of 2020 Harborview Bond levy revenue to the Harborview 2020 Prop 1 capital fund to support the new tower project. The new bed tower is the primary component of the OWG Report approved through Motion 16435. The bed tower would have seven finished inpatient bed floors, three shelled inpatient bed floors, 12 operating rooms, an expanded single floor emergency department, expanded behavioral health services for the Psychiatric Emergency Services and Crisis Stabilization Units, an observation unit for patients needing less than a 24 hour stay, “right-sized” essential services (pharmacy, lab, clinical engineering, etc.), parking, and two helicopter pads with a third if feasible.

The OWG Report was developed in response to the \$889 million increase in costs to construct the original planned components of the 2020 Bond project developed by the Harborview Leadership group from December 2018 through January 2020.

Executive materials describing the proposed 2025 budget request state that the tower project is in the planning phase and the proposed appropriation is intended to pay for a share of the project management consultant costs, design, and other services, permitting and legal costs, and a combination of county and Harborview staffing. Executive staff indicate that a request for qualifications for a design-build contract was issued on September 30, with statements of qualifications due on October 8. A request for proposals

is anticipated to be issued to short-list statement of qualifications submitters in January 2025. A notice to proceed is planned for July 2025 with preliminary design estimated to finish in January 2026.

Executive staff provided the following expected expenditures for the new tower project in 2025:

- \$100 million design-build contractor design services
- \$15 million consulting services
- \$6 million county and Harborview staff labor costs

KEY ISSUES

Staff have not identified any key issues with this budget. However, in July 2024, Ordinance 19790 was adopted which made a supplemental appropriation of \$52 million of Harborview 2020 Bond revenue to purchase vacant property adjacent to Harborview at 755 Alder Street in Seattle in the Yesler Terrace Master Plan Community. During those deliberations, Executive staff stated that the Executive intended to perform an interfund loan and reimburse the 2020 Bond Fund from the proposed county hospital property tax authorized by RCW 36.62.090 for that purchase. As is discussed in the UTGO appropriation unit staff report, whether to change the funding source for that purchase could still be considered as council deliberates on Proposed Ordinance 2024-0316, which would levy the new hospital property tax; staff would make any necessary corresponding technical changes to relevant appropriation units.

HMC CAPITAL PROGRAM 2020 PROP 1 OTHER REVENUES FUND

ANALYST: SAM PORTER

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$5,000,000	\$0	\$0
Expenditures	\$5,000,000	\$0	\$0

Major Revenue Sources: Washington State Department of Commerce grant

DESCRIPTION

This fund is proposed to be codified through Proposed Ordinance 2024-0305 that was transmitted with the budget. This proposed fund would account for “alternative revenue” to support projects “associated to,” but not funded by the 2020 Harborview Proposition 1 bond. The only revenue source for this proposed appropriation in 2025 is a \$5 million grant from the Washington State Department of Commerce grant.

Harborview Medical Center is a 413-bed hospital and Level 1 trauma center serving Washington, Alaska, Montana, and Idaho. The hospital is owned by King County, governed by the County-appointed Board of Trustees, and operated by the University of Washington. A \$1.74 billion capital bond was approved by voters after being placed on the November 2020 ballot by King County Ordinance 19117. A revised program plan for the 2020 Harborview Bond was approved by Motion 16435, known as the Ordinance Workgroup (OWG) report.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would make an appropriation of a \$5 million grant from the Washington State Department of Commerce to the “FMD HMC Ninth and Alder Project.” The Ninth and Alder property was purchased by the county in July 2024 using 2020 Harborview Prop 1 Bond revenue.¹ Executive staff indicate that this allocation is for the predesign of a behavioral health facility and renovation of the Pioneer Square Health Clinic. Executive staff state that any long-term plan for specific construction would come to the council per the provisions of the OWG report.

KEY ISSUES

Staff have not identified any key issues with this budget.

¹ Ordinance 19790

HARBORVIEW MEI 2000 BOND PROJECTS

ANALYST: SAM PORTER

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	(\$24,750,000)	\$0	\$0
Expenditures	(\$24,750,000)	\$0	\$0

Major Revenue Sources: HMC/MEI 2000 Bond fund balance, LTGO bonds.

DESCRIPTION

Harborview Medical Center (HMC) is a 413-bed hospital and trauma center serving as the only Level 1 trauma center for Washington, Alaska, Montana, and Idaho. The hospital is owned by King County, governed by a 13-member County-appointed Board of Trustees, and operated by the University of Washington. Ordinance 13947 placed a \$193 million bond on the November 2000 ballot that was adopted by voters. Proceeds were spent on demolition of seismically unsound buildings, construction of replacement buildings, seismic renovations for hospital facilities including the Medical Examiner. This appropriation unit holds levy dollars from the 2000 Harborview Bond.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would make a disappropriation of \$24.75 million from the HMC/MEI 2000 Projects budget for the Ninth and Jefferson Building (NJB) project. This amount was moved in the 2025 HMC Annual Budget adopted through Ordinance 19803 and will pay for the construction of four outpatient operating rooms (OR) and support spaces in the Ninth and Jefferson Building. Currently there is a single standalone OR in the Eye Institute for eye surgeries. Executive staff state that Harborview needs more inpatient OR space to accommodate the fast-growing inpatient census and population, and building more outpatient OR's in the Ninth and Jefferson Building will increase some capacity until the new bed tower is built as part of the 2020 HMC Bond program. Executive staff added that without enough ORs, patients stay in the hospital longer than needed waiting for an OR to be available. Executive staff state that the Sleep Clinic will move from the 4th floor of the Ninth and Jefferson Building to the Pat Steel Building to make room for this project.

KEY ISSUES

Staff has not identified any issues with the proposed budget.

COUNTY HOSPITAL LEVY

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	N/A	N/A	N/A	N/A
2025 Base Budget Adjust.	N/A	N/A	0.0	0.0
2025 Decision Packages	\$70,145,411	\$75,620,000	0.0	0.0
2025 Proposed Budget	\$70,146,000	\$75,620,000	0.0	0.0
% Change from prior biennium	N/A			
Dec. Pkg. as % of prior biennium	N/A			

Major Revenue Sources: Revenue from the proposed councilmanic property tax levy authorized by RCW 36.62.090.¹

DESCRIPTION

This appropriation unit is for revenue from the proposed councilmanic property tax levy allowed by RCW 36.62.090. The proposed tax is included in the annual property tax authorization ordinance, Proposed Ordinance 2024-0316, and would be certified by Proposed Ordinance 2024-0324. As allowed by state law, revenue from this tax could pay for the operation, maintenance, and capital expenses of the county hospital, any outpatient clinics operated by the hospital, and for the payment of principal and interest on bonds for such purposes. The tax may not exceed 20 cents per thousand dollars of assessed value. The Executive’s proposed levy rate for 2025 is 8.5 cents which would raise \$75.6 million. Further policy directives related to the proposed county hospital tax would be effectuated through additional legislation transmitted with the budget.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive’s proposed budget would allocate county hospital tax levy revenue through three main decision packages in this appropriation unit:

1. \$44 million for Harborview Medical Center, of which \$25 million would support hospital operations and the contribution to the mission population support in Public Health, and \$19 million for ongoing maintenance.²
2. \$25 million to support operations for 11 Public Health – Seattle & King County clinics, the Sexual Health Clinic, and the Tuberculosis Control Program Clinic.

¹ Proposed Ordinances 2024-0316 and 2024-0324

² The appropriation for specific projects would be made as part of the annual Harborview repair and replacement budget that occurs midyear.

3. \$1.14 million for a County Hospital District Director, and for temporary labor, legal, and consultant costs to support county hospital coordination and the Harborview Board of Trustees support.³

The remaining amount would support administrative costs to implement operations and contribute to the fund's rainy-day reserve.

The proposed budget includes an expenditure restriction in this appropriation unit of \$25 million that "shall not be expended or encumbered to support Harborview Medical Center until an ordinance takes effect approving a new or updated hospital services agreement that includes a plan for ensuring ongoing public health services for public health clinic patients."

KEY ISSUES

ISSUE 1 – COUNTY HOSPITAL TAX RELATED LEGISLATION AND ELIGIBLE EXPENDITURES

In addition to the legislation described above, the Executive transmitted three pieces of legislation related to the proposed county hospital tax:⁴

1. PO 2024-0321 (referred to the Budget and Fiscal Management Committee): Creating the office of the county hospital and making substantive changes to KCC chapter 2.42 pertaining to Harborview Medical Center.
2. PO 2024-0318 (referred to the Committee of the Whole): Establishing a workgroup to make recommendations to modernize public health and hospital operations.
3. PM 2024-0320 (referred to the Committee of the Whole): Expressing the Council's intent regarding the long-term use of the levy authority.

Proposed Ordinance 2024-0321 would create the Office of the County Hospital and amend KCC chapter 2.42, pertaining to Harborview Medical Center. Chief among these changes would be to eliminate the use of the term Harborview and replace it with the term "county hospital," and making the "medical center" a component of the county hospital. As transmitted, this legislation does not include the county's public health clinics as part of the of the county hospital. This means that, under the proposal currently before council, the public health clinics would not be an eligible expenditure for the new hospital tax proceeds as the public health clinics would not be "outpatient clinics operated by the hospital" as required by RCW 36.62.090. Staff analysis of this issue is ongoing.

³ The corresponding decision package in the Office of the Executive would allocate \$645,411 of this \$1.145 million to support the Office of the County Hospital in the Office of the Executive appropriation unit, including 1.0 FTE for the County Hospital District Director. Executive staff indicate that the remaining \$500,000 would remain in the hospital levy fund to cover any central rates, overhead charges, or other costs that may post to the county hospital fund based on actual expenditures.

⁴ In addition, PO 2024-0303 and PO 2024-0305, both referred to the Budget and Fiscal Management Committee, would create a special revenue fund to account for revenue from the proposed county hospital tax and create an "Other revenue" HMC 2020 Prop 1 Capital Fund.

The proposed levy rate as it appears in Proposed Ordinance 2024-0316 represents a policy choice for council. According to Executive staff, each cent would generate approximately \$8.5 million in revenue. The full 20 cents would generate about \$170 million in 2025.

Council staff analysis is ongoing for this issue and will be discussed in the staff reports corresponding to the legislation described above.

PUBLIC HEALTH

ANALYST: SAM PORTER

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$265,869,999	\$268,467,281	971.0	7.3
2025 Base Budget Adjust.	\$13,895,925	\$2,890,358	(2.5)	(6.3)
2025 Decision Packages	\$27,218,286	\$22,706,754	23.6	4.0
2025 Proposed Budget	\$306,985,000	\$294,065,000	992.0	5.0
% Change from prior biennium	15.4%			
Dec. Pkg. as % of prior biennium	10.2%			

Major Revenue Sources: General Fund, Medicaid Patient Generated Revenues, Local, State, and Federal Grants and Contracts, American Rescue Plan Act, VSHSL, BSK, MIDD, Harborview Agreement Funds, Medicaid Administrative Claiming, State Foundational Public Health Revenue.

DESCRIPTION

Public Health — Seattle & King County (PHSKC) works to protect and promote public health and ensure that people in King County have accessible, quality health care. PHSKC aims to improve the health and well-being of all people in King County as measured by increasing the number of healthy years that people live and eliminating health disparities. PHSKC is organized into eight areas:

1. Assessment, Policy Development, and Evaluation unit; Communications; Preparedness; Health Policy and Planning; and local government relations including the King County Board of Health;
2. Prevention, including the Medical Examiner’s Office and Vital Statistics;
3. Chronic Disease and Injury Prevention;
4. Community Health Services;
5. Environmental Health;
6. Emergency Medical Services;
7. Jail Health Services; and
8. Administrative Services which include Public Health leadership, Finance and other services that support Public Health.

The Medical Examiner’s Office, Environmental Health, Emergency Medical Services, Jail Health Services, and Administrative Services have separate funds and thus separate appropriations discussed elsewhere in this staff report. The remaining areas are covered under the Public Health fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed \$27.2 million in expenditures for the biennium represents a 15% increase in expenditures from 2023-2024. The proposed budget would also increase the FTEs for Public Health by 23.6. Notable decision packages include:

Designated Funding – Fully Revenue Backed

Opioid Settlement \$3,586,022¹, 3.5 FTEs

Would increase appropriation authority as opioid settlement program is ramping up and align resources to address the ongoing opioid epidemic. The proposed budget would add a half-time communications position, an additional settlement program manager, an overdose prevention policy manager, and a community engagement manager. According to Executive staff, the program anticipates spending over \$200,000 in harm reduction supplies by end of 2024, with some unspent funding available in 2025. Executive staff indicate that a new allocation of settlement money is not being requested for harm reduction supplies in 2025 as they are eligible for other funding sources. The majority of King County cities contribute 10% of their settlement moneys to support the administration of the Opioid Abatement Council (OAC) which approves proposals for how settlement dollars will be spent.

WIC Nutrition Assistance: \$209,972, 2.0 FTEs

Would add 2 Nutrition Assistant positions in anticipation of Women, Infants, and Children (WIC) caseload increase. Funded by an increase in Washington Department of Health WIC dollars.

CSO Program Elimination (\$477,283), (3.0) FTEs

Would eliminate the Community Service Office (CSO) sexual health program and related vacant FTEs. Due to declining demand, the state terminated the contract in January 2024. These services continue to be provided through the Community Health Service Sexual & Reproductive Health and Maternity Support Services clinics.

Emergency Preparedness Program Reduction (\$130,701), (1.0) FTEs

Proposed elimination of a vacant administrative assistant position in the Emergency Preparedness program due to insufficient State funding.

¹ The OAC and related programs are fully revenue backed from settlement dollars but the budget book shows 2025 revenues being less than expenditures due to revenue being collected ahead of spending. The financial plan includes a dedicated reserve for settlement money for this purpose.

BSK Funded – Fully Revenue Backed

Family Ways Program Expansion: \$1,127,574, 6.0 FTE

Would expand the Best Starts for Kids (BSK) funded Maternal Child Health-Home Based Services program. The program is community-designed to directly address rising rates in maternal mortality and reduced utilization of prenatal care among the communities most impacted by race inequities in health and social support. The program provides culturally relevant, participant-centered, strengths-based pregnancy and parenting services for families and children up to age five. The proposed 6.0 FTEs include a nutritionist, three education specialists, and two program managers.

Maternal Child Health: \$267,000

Would add BSK funding allocated in the Implementation Plan but inadvertently excluded from prior budgets. This program provides direct client services, such as teen parenting programming and dissemination of educational materials to reduce infant mortality.

Community Wellbeing Initiative: \$150,000

Would expand the Community Wellbeing Initiative to build a strong, supported pipeline of BIPOC mental health professionals, focusing on LGBTQ+ populations and youth.

Grants & Philanthropy – Fully Revenue Backed

CDC: COVID-19 and Health Equity Grant Expansion: \$750,000

Would extend the Centers for Disease Control and Prevention (CDC) COVID-19 and Health Equity (CHE) grant through mid-2026. This grant allows Public Health to maintain collaborations with community organizations to address COVID-19 and social determinants of health through community programs and policy and system changes.

CDC: Public Health Infrastructure Grant: \$886,949, 3.0 TLTs

Would extend the CDC Public Health Infrastructure grant through November 2027. This grant allows Public Health to continue addressing infrastructure, workforce, and data systems issues as well as building and implementing workforce strategies and foundational capabilities.

CDC: HIV Prevention Grant: \$464,301, 2.0 FTEs

Would allocate CDC funding through May 2029 to improve and scale up HIV prevention and care services at the Sexual Health Clinic. This funding would support 2.0 new FTEs, one Disease Research Intervention Specialist assigned to

the SCORE jail and the Kent City Corrections Facility to perform testing and conduct partner services, and a Program Manager working in the Sexual Health Clinic. These positions will perform testing, improve data systems and analysis, lead outreach work, and oversee the program.

Street Medicine Expansion to Weekend: \$1,137,563, 5.0 FTEs

Would allocate new philanthropic funding from the Ballmer Group over three years to expand the Public Health Street Medicine program. The team currently operates Monday through Friday, and this funding would allow the group to expand into the weekend. According to Executive staff, Street Medicine is a nationally recognized model operating locally since 2019 to address the need to bring health services directly to those living unsheltered. Services provided include, but are not limited to: Health checks and assessments, STI/STD, HIV, Hepatitis C, Syphilis tests, wound care, foot care, pregnancy tests and birth control, Narcan, Suboxone, and Immunizations.

The FTEs are:

- 1.0 Advanced Registered Nurse Practitioner as the lead provider of medical care,
- 2.0 Public Health Nurses to provide health checks and assessments, tests, immunization, wound care, etc.,
- 1.0 Social Services Professional focusing on outreach, benefits enrollment, behavioral health assessments, linkages to other behavioral health services, etc., and
- 1.0 nurse leader supervising the team.

Office of Regional Gun Violence Prevention

The proposed budget would appropriate \$7,909,752 to extend funding for the Regional Peacekeepers Collective (RPKC) to address the regional gun violence crisis. This allocation would support the continuation of contracts initiated in 2021 with community-based organizations and supports needs and gaps identified by community partners. RPKC Partners include Alive & Free, Community Passageways, Freedom Project, Progress Pushers, Urban Family, Boys & Girls Club of King County – SE Network SafetyNet, and UW Harborview Medical Center. The RPKC uses a public health approach to address gun violence through common language, practices, protocols, and co-created accountability measures to provide a comprehensive model of care and support for the highest risk youth and their families.

This allocation is supported in 2025 by King County General Fund, CLFR/ARPA, Fund Surplus from 2021-2022, Department of Commerce Prevention and Intervention grants, VSHSL dollars, and funding anticipated from the City of Seattle as part of their fall budget process.

Administrative Service Changes and Technical Adjustments of Note

Of note, the administrative service changes include:

1. 3.0 BSK-funded TLTs being converted to FTEs for the BSK Contracts and Data Evaluation teams,
2. 2.6 FTEs added for the CDC's Respiratory Virus Hospitalization Surveillance Network (RESP-NET) grant funded through 2028,
3. 1.0 FTE General Fund backed ADA coordinator added as recommended by the Internal Disability Accessibility Assessment to support Public Health in furtherance of its commitment to providing equitable and accessible services in all of its programs and services, focusing initially on Jail Health Services.

According to Executive staff, the technical adjustment for "revenue and expenditure true up" would continue past practice of using this decision package to update ongoing grants and contracts, largely focused on inflationary increases.

KEY ISSUES

ISSUE 1 – COUNTY HOSPITAL TAX REVENUE

The proposed budget relies on \$25 million of revenue from the proposed county hospital tax being transferred into the Public Health in 2025 to replace \$22.3 million of General Fund backing for the public health clinics. As transmitted, the package of legislation to effectuate changes pertaining to the county hospital tax would not move the operations of the PHSKC clinics to the county hospital which is a crucial step in making the clinics eligible for county hospital tax revenue. This issue is discussed in more detail in the County Hospital Levy appropriation unit and in the suite of related legislation transmitted with the budget to implement this proposed tax authority. This "transfer in" continues in the out years and is projected to be approximately \$53 million in 2026-2027 and \$57 million in 2028-2029.

ISSUE 2 – RESERVE FOR OUT YEARS

While the Public Health Fund ending fund balance and reserves appears healthy for the proposed 2025 budget, there is a "reserve for out years" designated in the financial plan that is projected to dwindle by the end of 2027, resulting in a reserve shortfall of nearly \$50 million three years from now. Additionally, if the PHSKC clinics are not eligible for the County Hospital Levy, this "reserve for out years" would be depleted sooner.

ISSUE 3 – LONG-TERM FUNDING FOR GUN VIOLENCE PREVENTION

According to Executive staff, the 2025 budget proposal maintains current levels of service for gun violence prevention programming but faces insufficient funding beyond that. Two

related proviso reports were transmitted to council in September 2024: gun violence prevention and response plan (Proposed Motion 2024-0297) and a plan identifying revenue to replace the loss of APRA and CLFR dollars (Proposed Motion 2024-0296). According to the revenue replacement report, “With the loss of CLFR moneys, the Regional Office of Gun Violence Prevention (Regional Office) will have an estimated \$970,000 shortfall in 2025, which Public Health plans to fill from its one-time fund reserves.” The report outlines existing federal revenue sources, grant funding, and potential revenue sources available to King County including levies and taxing authority such as the proposed county hospital tax, a sales tax for criminal justice and other purposes, and a bill eliminating the “non-supplant” requirement for voter-approved property taxes. There is \$1 million proposed for reappropriation in the External Support appropriation unit that was included in the third omnibus for 2023-2024 to develop and implement programs as part of a gun violence prevention plan. As stated in that section of the staff report, according to Executive staff, the \$1 million has not been programmed due to uncertainty about how to support the strategies called for in the gun violence prevention plan on an ongoing basis. The council may wish to direct by expenditure restriction how to utilize these General Fund dollars.

**2025 Proposed Financial Plan
PUBLIC HEALTH / 000001800**

Category	2023-2024 Estimated	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	71,255,268	125,505,065	112,585,253	60,393,986
Revenues				
Licenses and Permits	1,035,000	520,000	1,083,942	1,144,267
Federal Grants Direct	128,722,745	31,122,139	58,697,139	61,632,586
Federal Shared Revenues	-	-	-	-
Federal Grants Indirect	83,648,356	32,817,782	55,039,634	57,792,169
State Grants	16,632,477	6,673,286	13,910,493	14,684,653
State Entitlements	52,296,614	27,670,502	57,679,281	57,679,281
Grants from Local Units	13,287,065	6,722,000	14,012,038	14,791,849
Charge for Services	154,976,220	80,565,134	167,938,369	177,284,633
Fines and Forfeits	33,678	3,000	6,254	6,602
Miscellaneous Revenue	6,849,526	2,527,671	5,268,941	5,562,173
Non Revenue Receipts	-	-	-	-
Transfers In	183,877,957	100,232,715	206,691,193	218,194,165
Revenue from Sub Fund 1802 - Tobacco and Opioid Settlements	23,414,427	5,210,164	11,765,509	15,496,261
Total Revenues	\$ 664,774,064	\$ 294,064,393	\$ 592,092,793	\$ 624,268,639
Expenditures				
Wages and Benefits	269,554,337	152,708,261	315,463,374	332,182,933
Supplies	24,673,069	6,631,095	13,822,546	14,591,811
Services-Other Charges	235,128,329	101,437,591	211,447,096	223,214,748
Intragovernmental Services	72,217,554	39,757,637	86,992,436	97,257,543
Capital Outlay	259,966	754,656	1,573,084	1,660,630
Debt Service	79,951	-	-	-
Intragovernmental Contributions	1,691,596	117,662	257,453	287,775
Contingencies	22,904	22,904	-	-
Applied Overhead	(945,985)	-	-	-
Expenditures from Sub Fund 1802 - Tobacco and Opioid Settlements	7,842,546	5,554,399	14,728,073	18,536,453
Total Expenditures	\$ 610,524,267	\$ 306,984,205	\$ 644,284,060	\$ 687,731,893
Estimated Underexpenditures				
Other Fund Transactions				
Other Adjustments				
Total Other Fund Transactions	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 125,505,065	\$ 112,585,253	\$ 60,393,986	\$ (3,069,269)
Reserves				
Expenditure Reserve (Restricted)	1,423,334	-	-	-
Fund Balance Reserve for Sub Fund 1802 - Tobacco and Opioid Settlements	15,571,881	15,227,646	12,265,082	9,224,890
Emergency Reserve	7,631,553	7,674,605	8,053,551	8,596,649
Technology/Capital Reserve	-	2,000,000	3,500,000	3,500,000
Rainy Day Reserve (60 days)	15,362,972	21,784,353	23,680,671	25,428,351
Reserve for Out Years	85,515,325	65,898,649	12,894,682	-
Total Reserves	\$ 125,505,065	\$ 112,585,253	\$ 60,393,986	\$ 46,749,889
Reserve Shortfall	-	-	-	49,819,158
Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -

Financial Plan Notes

All financial plans have the following assumptions, unless otherwise noted in below rows.

2025 Proposed Budget ties to PBCS.

Outyear **projections columns** : revenue and expenditure inflation assumptions are consistent with figures provided by PSB's BFPA guidance.

Revenue Notes:

One Time Revenue in 2025 for FEMA, CLFR and VSHSL for the Regional Office of Gun Violence Prevention removed from 2026 and out years.

Expenditure Notes:

The rainy day reserve was calculated using a 60 day expenditures average, adjusted for grants and inter-County revenues, including KC General Funds, Best Starts for Kids, the Mental Illness and Drug Dependency, and Veterans, Seniors and Human Services Levy. COVID one-time expenditures removed from out year projections. Applied Overhead is negative in 2023-2024 as some staff costs posted in other funds.

Reserve Notes:

The "Reserve for Out Years" is funding that is needed to close the structural budget gap in the fund in the out years.

The Restricted Expenditure Reserve includes funding for Regional Gun Violence.

The Emergency Reserve of 5% of expenditures for 6 months is set aside for specific public health emergencies and is to be used based on a future appropriation and revised as needed. The Capital Reserve is calculated at the level of recent capital project requests and anticipated increases as technology need evolve and expand.

Last Updated September 3, 2024 by Laura Pitarys using data from PBCS and BFPA assumptions.

ENVIRONMENTAL HEALTH SERVICES

ANALYST: WENDY SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$38,829,233	\$36,961,249	179.8	1.0
2025 Base Budget Adjust.	\$2,192,073	(\$39,147)	0.0	(1.0)
2025 Decision Packages	\$4,411,385	\$4,482,679	11.0	0.0
2025 Proposed Budget	\$45,433,000	\$41,405,000	190.8	0.0
% Change from prior biennium, annualized	17.0%			
Dec. Pkg. as % of prior biennium, annualized	11.4%			

Major Revenue Sources: License and permit fees and state and federal revenues.

DESCRIPTION

Environmental Health Services (EHS) is a division within Public Health – Seattle & King County. The EHS Division provides fee and grant-based regional services focused on prevention of disease through sanitation, safe food and water, proper disposal of wastes and toxics, and promotion of safe and healthy environmental conditions. EHS is organized into four sections:

- Food and Facilities Section, which permits food establishments and water recreation facilities and monitors water quality at King County beaches;
- Community Environmental Health Section, which permits plumbing and gas piping and on-site sewage systems;
- Community Toxics Science and Policy Section, which permits solid and biomedical waste facilities and pet businesses, as well as working on climate change, lead poisoning prevention, land use planning, and other issues; and
- Operations Section, which handles permit requests, and provides administrative support and workforce development.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 budget for Environmental Health is proposed to increase from a revised, annualized 2024 budget of \$38.8 million to \$45.4 million. Some of the key changes include:

- **\$382,000 and 3.0 new FTE for plumbing and gas piping inspections.** This request would be funded by a proposed increase in the rate (discussed further in Key Issues);
- **\$329,000 and 2.0 FTE for on-site septic permitting program staff.** This request would be funded by a proposed increase in rates, which will be taken up by the Board of Health. This proposal is intended to support compliance with SB 5290, which requires building and land use permits to be reviewed within a set timeframe, effective January 1, 2025. According to Executive staff, current review timelines are at 80 to 100 days and with the addition of the 2.0 FTE and other process improvements, review timelines are expected to fall below 30 days.
- **\$500,000 and 3.0 FTE for food program staffing.** This would also be funded by a proposed increase in rates, which will be taken up by the Board of Health. According to Executive staff, these positions would allow for program improvements to enhance customer service and efficiency, including through:
 - Improved engagement with customers via newsletters and regular meetings for permit holders and English/Spanish meetings with mobile food vendors;
 - A lead position to better support permitting and inspections for temporary events and farmers markets;
 - Creation of a searchable online database of commissary kitchens; and
 - Reduced wait time for food plan reviews.
- **\$1.4 million for permitting system enhancements.** This appropriation is requested to complete a permitting system replacement project that was previously appropriated \$2.4 million.¹ According to the proposed budget book, the additional request is needed to support additional planning, final design, implementation, and close out. The new permitting system is expected to go live in mid- to late-2025. The new system will allow for new data analytics and reports, enabling more detailed analysis for rate studies; mobile functionality for field work; and improved document management. Customers will also be able to do more online, such as paying for permits and reviewing permit information.

KEY ISSUES

ISSUE 1 – ADDITION OF 3.0 FTEs AND \$382,000 FOR PLUMBING AND GAS PIPING INSPECTIONS, BACKED BY PROPOSED FEE INCREASE

EHS performs plumbing and gas piping inspections in unincorporated King County, Seattle, Clyde Hill, and Beaux Arts. The 2025 EHS budget is proposed to include 3.0 additional FTEs at \$382,000 for plumbing and gas piping permitting and inspections. Currently, 2.0 TLTs and a partial FTE from the section's plan review program are

¹ The project previously received appropriation authority in the 2019-2020 Biennial Budget (Ordinance 18835).

supporting the inspection program. Approval of the 3.0 additional FTEs would bring the program to 14.0 FTEs.

Executive staff indicate that 3.0 additional FTEs are needed to be able to meet its goal of completing 95% of inspections within 24 hours.

**Table 1.
Plumbing and Gas Inspections and Percentage Completed in 24 Hours**

	2018	2019	2020	2021	2022	2023	2024 through Aug.
Inspections Performed	26,951	27,190	23,586	26,936	25,602	27,816	18,536
% Performed in 24 hours	94%	89%	92%	90%	87%	90%	96%

Note that while the proposed addition of the FTEs would only cost \$382,000, the proposed fee increases are anticipated to generate approximately \$1.3 million in additional revenue. Executive staff indicate that fees have not been increased since 2011, so the program has been operating at a deficit for the past few years and this would rebuild reserves.

The proposed fee increase (Proposed Ordinance 2024-0313) will be considered by the Budget and Fiscal Management Committee on October 29th or 30th.

EMERGENCY MEDICAL SERVICES

ANALYST: WENDY SOO HOO

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$132,794,005	\$120,376,751	144.6	0.0
2025 Base Budget Adjust.	\$1,675,591	\$0	0.0	0.0
2025 Decision Packages	\$4,159,222	\$7,415,764	1.0	0.0
2025 Proposed Budget	\$138,629,000	\$127,793,000	145.6	000.0
% Change from prior biennium, annualized	4.4%			
Dec. Pkg. as % of prior biennium, annualized	3.1%			

Major Revenue Sources: Emergency Medical Services levy

DESCRIPTION

Emergency Medical Services (EMS), a division of Public Health – Seattle & King County (PHSKC), operates a coordinated regional partnership providing a continuum of care for people in need of emergency medical care services (Medic One) and oversees a tiered regional model for emergency medical care and training throughout the county. EMS is primarily funded by a countywide, voter-approved six-year EMS levy which will expire at the end of 2025. The EMS levy moneys supporting this budget are restricted by state law and can only be spent on EMS-related activities.

This system operates in a coordinated partnership with five dispatch centers, five paramedic providers, and 28 fire departments. This partnership also requires collaboration with local hospital emergency departments, private ambulance companies, and other organizations.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 EMS budget is proposed to increase by approximately 4% over the revised, annualized 2024 budget, from \$132.8 million to \$138.6 million. Various changes are proposed to update allocations to regional partners, King County Medic One, regional services, and strategic initiatives based on the Medic One/EMS 2020-2025 Strategic Plan.¹

A King County Medic One administrator position (1.0 FTE and \$230,000) is proposed to be added to help with office management and data analysis. The proposed budget would also include \$282,000 for the STRIVE IT project ongoing licensing costs. This

¹ These changes are based on formula-driven allocations and cost reimbursement requirements as set in the strategic plan.

project supports continuing education requirements for paramedics and emergency medical technicians.

KEY ISSUES

Staff have not identified any key issues with this budget.