

Federal Funding Update

June 3, 2025

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A Reminder: Overall Approach

Overall Federal Revenue

- 2025 operating budget has over \$200M of federal revenue.
- Capital budgets often include expected federal revenue several years into the future.
- The County receives additional federal funding indirectly through the state.

Coordination

- An interdepartmental County team is evaluating risks to federal revenue, monitoring developments, and coordinating communications and responses.
- The current guidance to department staff is to:
 - Continue best-practice grant management, including prompt billing and reporting.
 - Alert leadership of any changes to access to billing or reporting systems.
 - All applications for new or renewed federal funds are being reviewed by the Executive Office legal team, with support from the PAO as needed.
- Communication with external partners and community groups includes:
 - For now, the work partners have been doing and continue to do under federally-backed contracts will be paid.
 - The situation is changing rapidly, and County leadership is continuing to monitor and analyze emerging federal activities as well as the court actions occurring in response.
 - If the County becomes aware of a potential impact to a specific funding stream, County staff will contact affected partners as soon as possible.

Four Types of Risk

- Some federal agencies have been directed to stop payments on existing grants or to impose new conditions on the funding. There are multiple lawsuits against these actions and injunctions are in place that require agencies to continue to provide funds. These injunctions are being appealed. Agency compliance with the injunctions varies but the County generally has been able to access funds.
- New grants or renewals of existing grants sometimes have conditions that violate the original appropriations, State law, or County policy. It is likely that the County will lose funds in such situations unless litigation is successful.
- The President's budget outline includes dramatic reductions in many programs. The House budget resolution for fiscal year 2026 also implies major reductions to domestic federal programs, such as Medicaid, SNAP, and clean energy. Medicaid and other reductions could reduce funding for Public Health and DCHS in October. It is unclear how many changes will be made in the Senate or whether the House will accept such changes. In addition to the programmatic effects, the resolution implies an increase in the deficit of \$3-5 trillion, which will raise interest rates.
- Elimination of federal staff can affect the ability of County agencies to provide services and deliver projects.

First the Good News...

- Courts continue to issue temporary restraining orders (TROs) and injunctions requiring the federal government to continue to provide funds for existing contracts funded from existing appropriations. The County recently has joined litigation by various non-profit organizations to preserve grants for helping organizations and homeowners respond to climate change, which are administered by Public Health.
- King County along with other jurisdictions is pursuing litigation to protect human services and transit funds that the administration is trying to condition in ways that violate appropriations acts. A TRO has been issued that now also covers King County International Airport and the Roads Services Division. Many other jurisdictions have now joined this litigation.
- King County has joined litigation initiated by the American Federation of Government Employees, AFL-CIO, which challenges the arbitrary elimination of many federal jobs that are essential to delivery of County services.

But the Bad News...

- Public Health is concerned that a series of grants for HIV/STD services will not be renewed, with potential effects starting this summer. The Executive Office and PSB are meeting with Public Health this week to develop a contingency plan.
- Several County departments are facing situations where critical federal staff have been eliminated. This covers a wide range of federal agencies, including the Army Corps of Engineers, NOAA, EPA, the Centers for Disease Control and Prevention, and FEMA.
- The administration plans to propose “rescissions” to Congress this week that would repeal existing appropriations for the current fiscal year. These are described as implementing actions originally taken by DOGE. The best information currently available suggests these will total \$9.4 billion and will affect foreign aid, PBS, and NPR. The administration has suggested that additional rescissions will be forthcoming. Congress has 45 days to approve, reject, or amend the proposal. Failure to act has the effect of rejecting the rescissions.

Fiscal 2026 Budget and Beyond

- If Congress can pass appropriations bills (hardly a sure thing), cuts in domestic discretionary funds and Medicaid could have substantial effects on funding for County departments.
- The Trump administration's budget proposal and other statements support substantial cuts to many programs and agencies, especially those that provide services for lower-income people. There are also public comments about substantially reducing or eliminating agencies that provide national coordination and support, including FEMA and many public health agencies.
- Medicaid and SNAP reductions likely will be done mostly by narrowing eligibility, which would hurt lower-income County residents and put more pressure on programs funded by the State and local governments and non-profits.
- There are significant risks to federal money that supports affordable and supported housing, which does not directly affect the County but will have substantial effects for housing authorities and non-profit providers.
- SNAP proposals in the House budget resolution require additional matching funding from states, which none of them have budgeted.
- Renewal of the Surface Transportation Act, which is slated for 2026, could have major financial effects on Metro and Sound Transit.

May 30, 2025

Number of residents on
Medicaid

[S. Porter]

Sponsor: Zahilay

Proposed No.: 2025-0149

1 **AMENDMENT TO PROPOSED MOTION 2025-0149, VERSION 1**

2 On page 1, on line 6, strike "1.9" and insert "1.8"

3 On page 1, at the beginning of line 7, strike "500,000" and insert "440,000"

4

5 **EFFECT prepared by S. Porter: *To correct the reference to the number of people***

6 ***enrolled in Medicaid in Washington State and King County. Data for Washington is***

7 ***from the Medicaid.gov January 2025 Medicaid & CHIP Enrollment Data Highlights.***

8 ***Data for King County is as of March 2025 according to data from Medicaid claims and***

9 ***the WA State Health Care Authority as prepared by Public Health—Seattle & King***

10 ***County, Assessment, Policy Development & Evaluation Unit.***

King County Jail Health Services

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Proviso Response: Plan to Address the Needs of Jail Residents Using Medication for a Substance Use Disorder as They Transition from Prerelease to Postrelease Treatment

June 3, 2025
Health, Housing and Human Services Committee
King County Council

Agenda

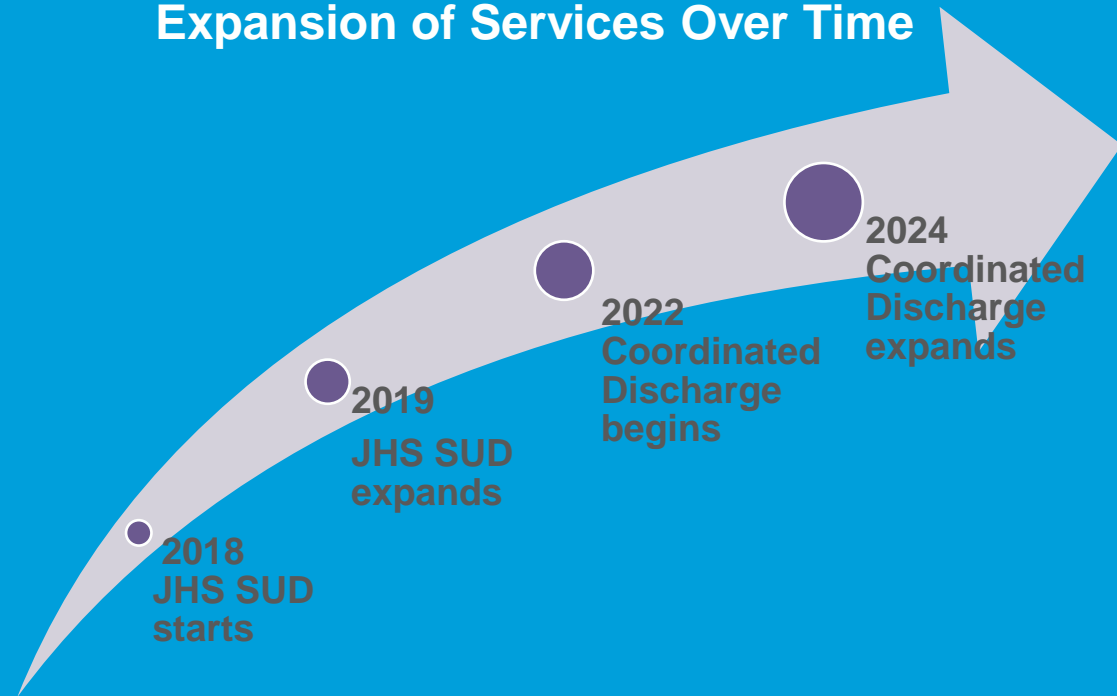
- Background: Jail Health Services Substance Use Disorder (SUD) Care
- Comparison of care models:
 1. Status Quo
 2. Reentry Demonstration Initiative
 3. Program operated by a third-party private contractor
- A discussion of patient experience
- Evaluation of likely effectiveness of each care model
- Status of JHS participation in the Reentry Demonstration Initiative

Background: Jail Health Services SUD Care

Jail Health Services (JHS) began an official Substance Use Disorder program in 2018, starting with continuing treatment for residents who were already engaged in opioid use treatment prior to incarceration.

The program has expanded to better serve the incarcerated population prior to release and facilitating supported release services through a coordinated discharge program.

Expansion of Services Over Time





Status Quo

- JHS staff screens patients for opioid use disorder, provides in-custody medication options, and linkage to care at release
- Services are offered to patients that meet a specific priority criteria
- In-house model using existing resources, and internal processes for timely case management, and data sharing
- Staffing, budget, and workspace limit scalability



Reentry Demonstration Initiative

- Builds on the Status Quo by expanding services to Medicaid-eligible patients
- Patients receive a broader set of services including 30-day supply of medications at release
- Serving a larger population might require adjustments in staffing and infrastructure
- Medicaid rate reimbursement must cover all new costs associated to expanding services



Third-Party Private Contractor

- Expands continuity of care at release through close collaboration with JHS staff
- Ensures patients receive 30-days of extended community-base care after release
- Requires additional resources to implement
- Limited access to court and jail data system which may lead to delays or gaps in service delivery



Patient Experience

Status quo:

- Comprehensive health screening at booking
- SUD evaluations and case management
- At release, seven-day supply of medications and coordinated transitional care

Reentry Demonstration Initiative:

- Expands services to more patients than under the status quo model; more people would have SUD evaluation, case management
- At release, a greater supply of medication provided – a 30-day supply

Third-party contractor model:

- Providers would work closely with the existing medical and social services teams at King County jails
- Potential improved care coordination and resource linkage – particularly individuals with substance use disorders and other health-related social needs – because they will receive comprehensive support both before and after release



Evaluation

- **Status Quo:** follows evidence-based standards for providing MOUD in jail
- **Reentry Initiative:** enhances Status Quo by targeting a larger population and increasing access to medication at release
- **Third-Party Contractor:** care at release is provided by a single community-based provider who can extend care continuity and medication adherence

Status of JHS participation in the Medicaid Waiver Reentry Initiative

Jail Health Services is:

- Assessing feasibility to participate in the Reentry Demonstration Initiative
- Meeting with other facilities in the state planning to participate to understand their approach, and challenges

Questions?