

Public Health Fiscal Outlook

State and Federal Funding

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King County

June 2, 2026

Briefing Focus

General Fund

Public Health Fund

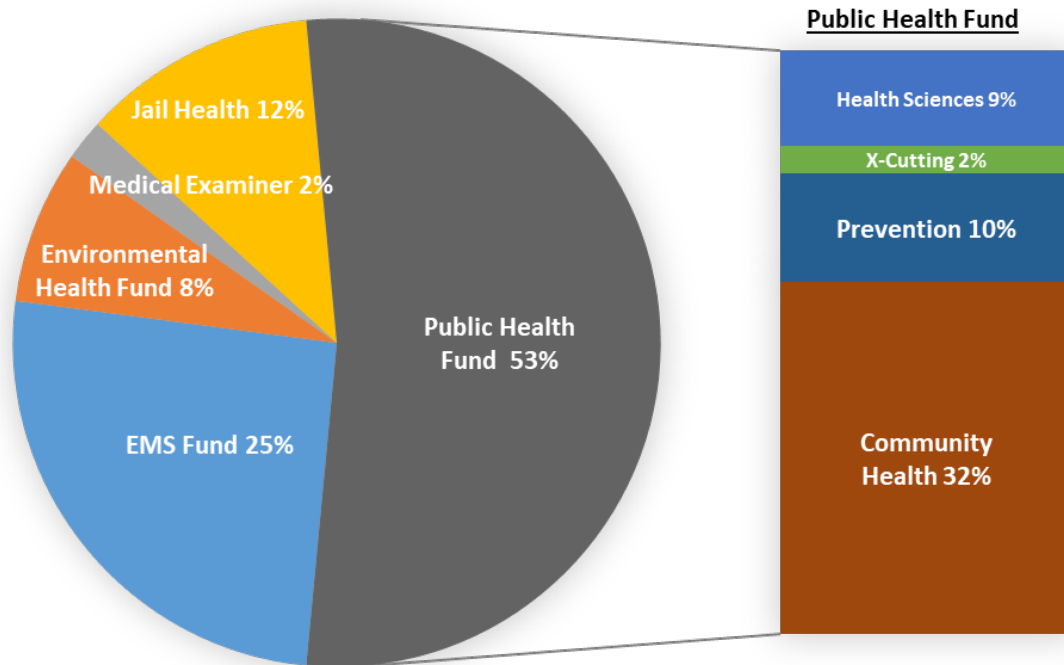
Revenue Outlook

General Fund Context for Public Health

- One of several distressed County funds, including the Public Health Fund and Environmental Health Fund
- Projected \$75M deficit by the end of 2029
 - Does not include funding increases for Public Defense
 - Can fluctuate with later revenue forecasts
- Broad effort to tighten financial management
 - Implementing cost-saving measures
 - Closely tracking one-time expenditures
 - Reprioritizing base budgets
- Considering options for new revenue tools in 2nd omnibus – including HB 2242 opportunities
- Reductions may be necessary in the 2nd omnibus

Public Health Fund Budgeted Operating Gap

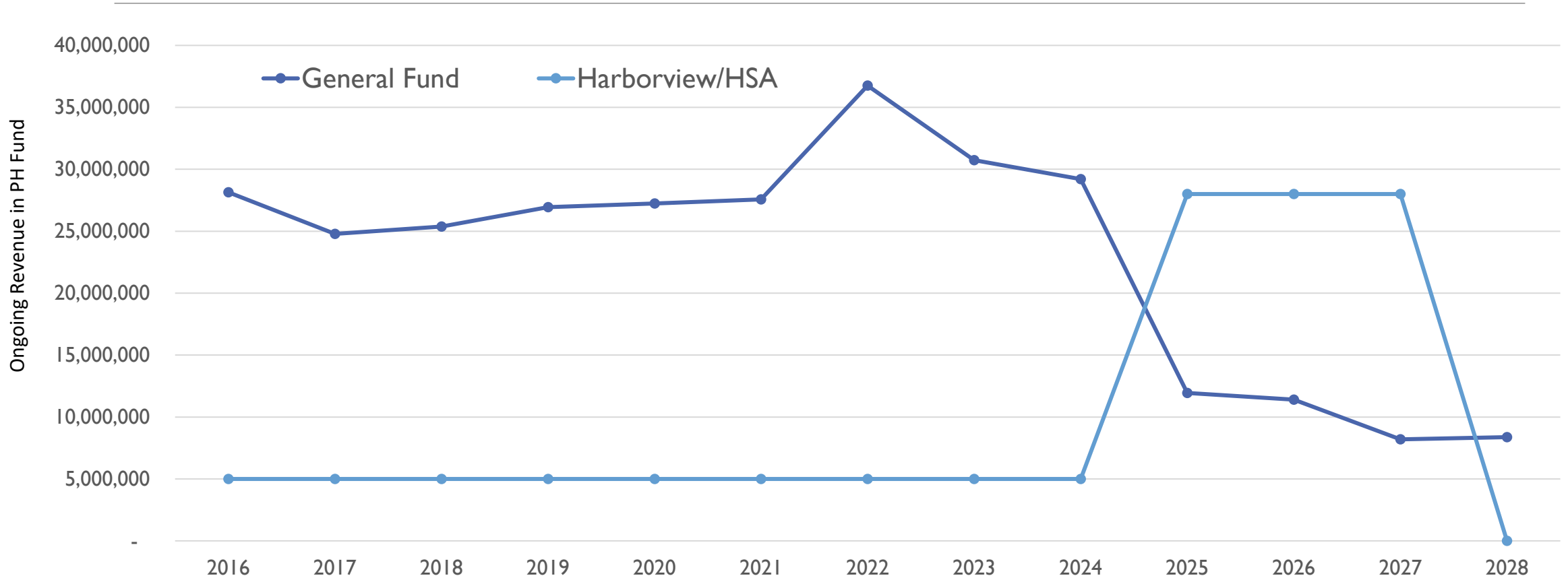
Department \$1.2B 2026-2027 Budget



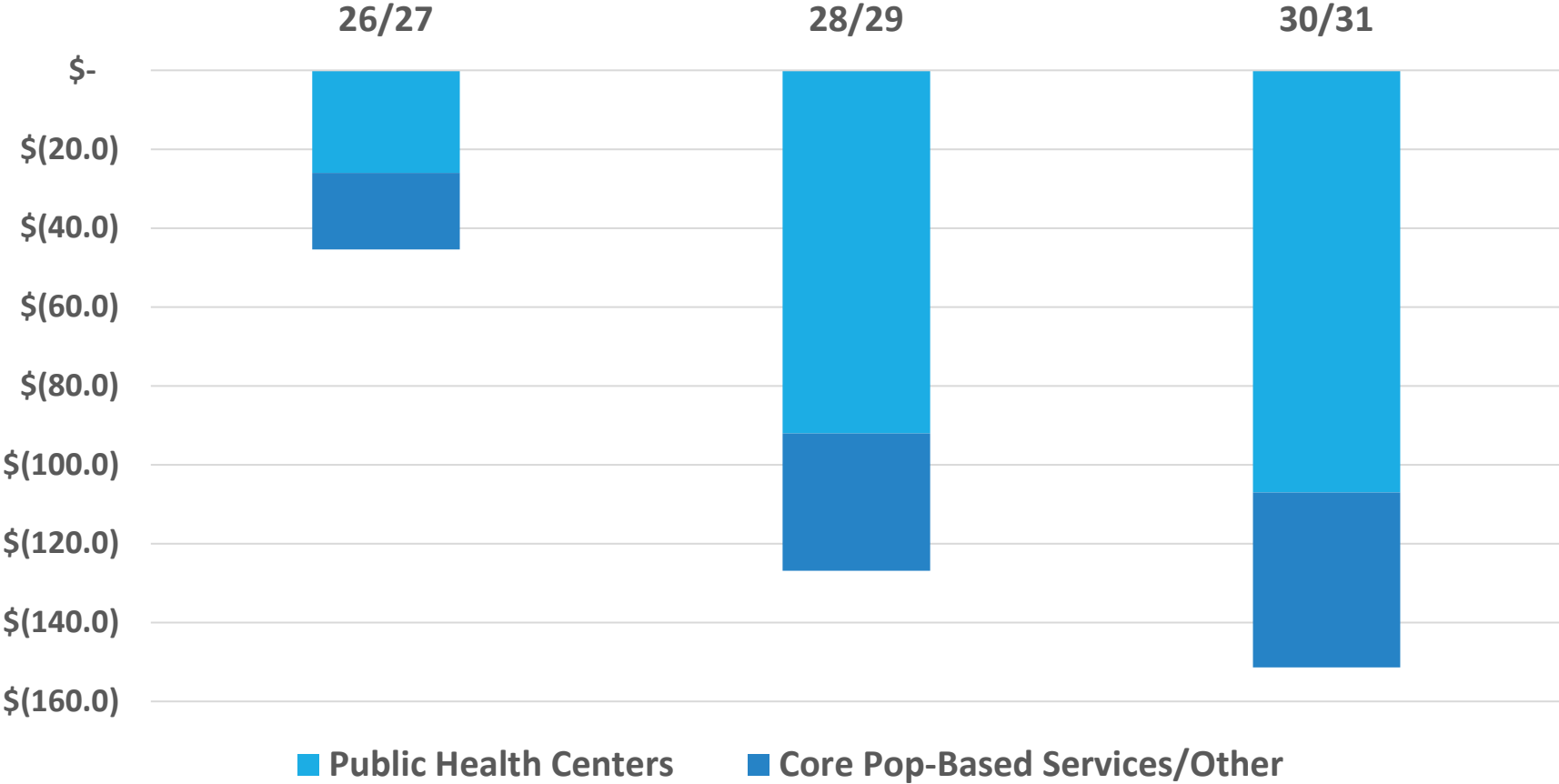
Notes: Chart does not include the PH Admin Fund, which spreads as Dept Overhead across divisions.

- Public Health fund budget
 - Revenue \$585 M
 - Expenditures \$631 M
 - Relies on reserves for 2026-2027 gap of \$45 M
- Both Jail Health and the Medical Examiner are part of the General Fund

GF and Hospital Services Agreement in PH



Operating Deficits by Service Area



Some Good News: Local and State Outlook

- Implementing the HB2442 public health clinic property tax could raise up to \$40-45 million per year
 - Only addresses the gap associated with clinical operations
 - Amount assessed by Council can vary each year, beginning as early as 2027
- Foundational Public Health Services (FPHS) funding faced two threats in the recent state legislative session – a reduction in the governor’s budget and a statewide revenue shortfall
 - The risk to Public Health was roughly \$3-4M per year, on top of the ongoing challenge of managing costs backed by a revenue that is not indexed for inflation
 - The legislature restored the proposed reduction, leaving the \$21M statewide revenue shortfall
 - ***The allocation of the \$21M shortfall, however, will not lead to an FPHS reduction for Public Health***

Some Challenges: Federal Outlook

- Some grants have ended without renewals
 - EPA Toxic Exposure Prevention grant suspended in 2025
 - TB Epidemiologic Studies Consortium (TBESC) grant was not renewed for the first time in 25 years
 - Immunization rate improvement award was not renewed after having been available since 2018
- Medicaid access restrictions in HR1
 - Preliminary estimates suggest the number of uninsured King County residents could increase substantially.
 - Medicaid currently provides roughly one-third of the revenue for Public Health clinics; however, it is unclear how a reduction in coverage could affect demand at the clinics, particularly for primary care, where Public Health clinics have a relatively small role countywide.
- A new federal fiscal year starting in October provides another opportunity for Congressional action
- Evolving use of terms and conditions in grants leading to continued legal analysis