



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**April 28, 2015**

**Motion 14345**

**Proposed No. 2015-0069.2**

**Sponsors Lambert**

1           A MOTION approving an action plan related to the  
2           2015/2016 Biennial Budget Ordinance, Ordinance 17941,  
3           Section 98, Proviso P1, for changes to the food program  
4           permit fee structure.

5           WHEREAS, the 2015/2016 Biennial Budget Ordinance, Ordinance 17941,  
6           Section 98, Proviso P1, requires the executive to transmit an action plan and motion that  
7           approves the action plan for changes to the food program fee structure, and

8           WHEREAS, the plan includes changes to temporary and farmers market permits  
9           that result in lower permit costs and encourage vendor participation while maintaining  
10          food safety, and

11          WHEREAS, the plan considers recommendations from the 2013 county auditor  
12          performance audit of environmental health services; the Public Health - Seattle & King  
13          County 2014 Food Protection Program Review; and the Public Health - Seattle & King  
14          County 2014 Environmental Health Permit Time and Fee Study, and

15          WHEREAS, the plan incorporates preliminary feedback from food vendor and  
16          farmers market and event coordinator stakeholders with the intent to gather feedback as  
17          the plan continues to be developed, and

18          WHEREAS, the plan considers maintenance of health standards that confirm to  
19          local, state and federal regulations, and

20 WHEREAS, the plan considers the reasonableness of inspection requirements  
21 across different types of permits, and

22 WHEREAS, the plan considers cost impacts of permit fees on the permit holders'  
23 cost of doing business and potential options to standardize practices to minimize permit  
24 holders' cost, and

25 WHEREAS, the plan includes a review of the number of inspections needed for  
26 vendors and coordinators attending multiple events or farmers markets and review of the  
27 time needed to conduct an inspection of a vendor who has consistently demonstrated  
28 good performance, and

29 WHEREAS, the executive filed a report with near-term actions on December 12,  
30 2014, and

31 WHEREAS, as a result of near-term actions, the Food and Facilities hourly rate  
32 component of permit fees to be proposed to the board of health for adoption in 2015 is  
33 \$215, a \$5 reduction since the council adopted the 2015-2016 budget; and

34 NOW, THEREFORE, BE IT MOVED by the Council of King County:

35 The council acknowledges receipt of the action plan related to the 2015/2016  
36 Biennial Budget Ordinance, Ordinance 17941, Section 98, Proviso P1, for changes to the

- 37 food program permit fee structure, which is enclosed as Attachment A to this motion.  
38 The action plan is hereby approved.  
39

Motion 14345 was introduced on 3/2/2015 and passed by the Metropolitan King County Council on 4/27/2015, by the following vote:

Yes: 6 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,  
Ms. Lambert and Mr. McDermott  
No: 1 - Mr. Dembowski  
Excused: 2 - Mr. Dunn and Mr. Upthegrove

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



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Larry Phillips, Chair

ATTEST:



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Anne Noris, Clerk of the Council

**Attachments:** A. Report in response to King County Ordinance 17941, Section 98, dated 3-10-15

**Report in response to King County Ordinance 17941, Section 98, dated 3-10-15  
Environmental Health Proviso 1, King County 2015/16 Biennial Budget**

*“...Action Plan for Changes to the Food Program Permit Fee Structure, including, but not limited to, temporary and farmers market permits, that result in lower permit costs and encourage vendor participation while maintaining food safety, ...”*

## **Introduction**

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This is the second proviso response, providing a continuation of identifying actions to lower permit fees while maintaining food safety.

As identified in the first proviso response, the principles the Food Program used for development of mitigation strategies, and to assess them in the future, include the following:

- Food safety standards are maintained;
- Services and associated fees are equitably distributed; and
- A rate and fee structure that allows for full operational cost recovery is maintained.

In this report, the Food Program identified near-term actions that can be achieved for the 2015 permit cycle with a timeline for implementation. Actions are identified as mitigation strategies. Strategies that include a decrease in services are specifically marked as service reductions.

The program also identified long-term actions that will require research, analysis and development in 2015 to be applied to the 2016 permit cycle, with a timeline for implementation.

All action options are presented with explanations of anticipated public health impacts and rate and other financial impacts. Options include work plans and evaluation analysis necessary for these efficiency and programmatic restructuring efforts.

## Background

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To provide context on critical issues for consideration, this proviso response begins with: 1) background information on food safety and foodborne illness; and 2) detailed information about the fee calculation and hourly rate.

### **Why we do what we do – prevalence and impacts of foodborne illness**

Food safety is a priority for protecting the health of the public. Foodborne illness is common, dangerous, expensive, and preventable. The Centers for Disease Control and Prevention estimates that 1 in 6 people experience foodborne illness in the United States each year<sup>1</sup>. Research indicates the estimated economic burden per case of foodborne illness averages \$1,600, with the aggregated annual cost of illness surpassing \$77 billion<sup>2</sup>.

The Food Program aims to promote healthy people and healthy communities through education and regulation of food service establishments. Additionally, the program provides emergency response support when the food supply is compromised, and conducts foodborne illness investigations.

Public Health–Seattle & King County epidemiologists and food inspectors conduct foodborne illness surveillance with three main goals:

- to identify outbreaks;
- to identify and eliminate sources of transmission; and
- to identify unsafe food preparation and handling practices, specifically in commercial food establishments.

### **Four key facts to know about foodborne illness:**

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<sup>1</sup> <http://www.cdc.gov/winnablebattles/foodsafety/index.html>

<sup>2</sup> SCHARFF, R. L. (2012). Economic Burden from Health Losses Due to Foodborne Illness. *Journal of Food Protection*, Vol. 75, No. 1, Pages 123–131.

Foodborne illness can come from most any food type	<ul style="list-style-type: none"> <li>Recent years show an upsurge of illnesses associated with fruits and vegetables</li> <li>WA experienced outbreaks from products including: ice cream, sprouts, caramel apples and shellfish in 2014</li> </ul>
Foodborne illness is dangerous	<ul style="list-style-type: none"> <li>Foodborne illness causes 120,000 hospitalizations and 3,000 deaths in the US each year</li> <li>In 2013, King County had 15 confirmed outbreaks, comprising 40% of outbreaks statewide</li> </ul>
Foodborne illness is expensive	<ul style="list-style-type: none"> <li>Preventing a single fatal case of E. coli O157 infection would save ~ \$7 million</li> <li>The National Restaurant Association estimates an outbreak costs a business an average of \$75,000</li> </ul>
Foodborne illness is preventable	<ul style="list-style-type: none"> <li>Simple food safety actions - washing hands and keeping foods at correct temperatures - prevents spread of illness</li> <li>Food safety must occur every day - in our homes and when we eat out</li> </ul>

### Fee calculation and breakdown of hourly rate

As identified in the first proviso response, Environmental Health (EH) is required to cover Food Program costs through permit fees including: labor, rent, equipment, supplies and all other costs of doing business to protect the public's health from foodborne illness.

Fees are calculated by multiplying an hourly rate by the average amount of time spent on each permit type.

$$\text{Fee} = (\text{Rate} \times \text{Time}) + \text{Reserve Fund Charge}^3$$

The hourly rate consists of three basic categories of costs: direct services, indirect support services, and overhead.

- **Direct services** are those that are directly linked to a specific permit, and could be thought of as billable time.
- **Indirect support services** are linked to permits and public health protection in general, but are not attributed to a specific permit.
- **Overhead** makes up administrative and capital costs.

Direct services make up the time portion of the fee equation. All overhead and indirect support service costs are integrated into the hourly rate, making up the rate portion of the fee equation.

<sup>3</sup> The Reserve Fund is required by King County financial policy to ensure financial sustainability in programs and appropriate planning for large periodic projects.

## Program costs that make up the rate



Figure 1 Examples of program costs by category

The three indirect support service items circled in Figure 1 – foodborne illness investigations, complaint investigations, and emergency response – are examples of work created by events that are beyond EH’s control. This work is central to protecting the public from foodborne illness and EH is expected to have the capacity to respond in instances when they occur. These services also represent work that is not attributed to an individual permit or permit type. Below are two recent examples of these indirect services critical to public health.

### Snapshot – A Recent Foodborne illness Investigation of Listeriosis

On Wednesday, December 10<sup>th</sup>, the EH Food Program’s Foodborne Illness Investigation Team (FIIT) was notified of two cases of Listeriosis, triggering the need for an investigation to find the source and prevent further illness. *Listeria monocytogenes* is the third leading cause of death from foodborne illness – most people with the infection require hospital care and about 1 in 6 people with the infection die.

The Foodborne Illness Investigation Team quickly assembled a multi-jurisdictional investigation team, and an on-site investigation was begun the same day. Interviews with kitchen and facility staff were done and samples taken of both food products and equipment. Through the multi-day investigation, King County FIIT correctly

Staff hours spent: 80 hours to date



## Snapshot – Emergency Response: Mercer Island Water Source Contamination

In September and October of 2014, testing of the City of Mercer Island’s water showed the presence of *E. coli*. This activated a host of response activities by Public Health, and other local and state authorities. Public Health’s Environmental Health Services Division has regulatory responsibility for retail eating establishments in King County, which is accomplished through enforcing the state Food Code. The state Food Code generally prohibits restaurants from operating without potable water.

Food Program staff were pulled off of routine activities to focus on providing regulatory and educational assistance to restaurants; schools; preschools, long-term care and nursing facilities and others who provide food to the public. Twenty-nine Food Program staff were involved in the Mercer Island response, providing on-call and on-site support to establishments. They assured that that all restaurants understood their obligations during a boil water order, and worked with them individually to create customized plans to enabling establishments to remain open throughout the boil advisory.

Staff hours spent: ~ 450 hours

### **Proposed Near-Term Actions**

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This section includes near term actions that will reduce the hourly rate and affect fees for the 2015 permit schedule.

#### **Mitigation strategy 1: Reallocate indirect costs of foodborne illness and complaint investigations**

Through this action, the Food Program is proposing to reallocate foodborne illness and complaint investigation time from indirect support services costs to direct service time, distributed proportionately to permit types.

#### **Permit types affected: All**

Foodborne illnesses can, and does, come from any food source just as complaints can and are made against all food permit types. Therefore it is reasonable that all permit types should pay a portion of this cost.

The costs of foodborne illness investigations and complaint investigations are currently integrated into the hourly rate, and therefore equally distributed across all permit types. However, investigations in King County, consistent with data from the Washington State Department of Health, show that the majority of outbreaks are traced back to restaurants. The proposal is to move this cost from the hourly rate and redistribute it as a direct service cost in the form of additional time to ‘brick and mortar’ permits categories.

This strategy will have an impact on all permit types – as the hourly rate will be lowered for all permits, and time will be added to certain permits times.

**Timeline:** Near term

This strategy can be applied to fees for the 2015 permit cycle pending adoption by the Board of Health

**Financial impact:** Reduces hourly rate by \$4, no impact to overall revenues

The redistribution of costs include \$250,000 to PHSKC Communicable Disease Prevention – Epidemiology, and Food Program staff time for foodborne illness and complaint investigations averaging 600 hours and 900 hours respectively in the 2013 - 2014 permit year. Reallocating these costs is estimated to reduce the hourly rate by \$4. This will result in a fee increase for general food service permits and fee decrease for farmers markets and temporary events. Net revenues will remain the same from this strategy.

**Public health impact:** No change

Service level remains the same; no public health impact is anticipated.

**Equity impact:** Improves Equity

This change will create a more equitable distribution of program costs across the program, benefitting farmers markets and temporary events. Farmers markets and temporary events operate between 1-21 days a year, and make up a minority of the investigation indirect service time. Therefore, it is more equitable that they pay a smaller percentage of these costs than other food establishments, rather than paying an equal amount. The permit types that most frequently receive these services – general food establishments – will pay a higher portion of the cost of these services whereas permits who receive these services the least – farmers markets and temporary events – will pay a lower portion of these costs.

**Table 1: Table 1. Proposed Strategy 1 reduces program rate by \$4**

Current Rate	Initial proposed 2015 rate	Proposed rate including 2015-2016 Adopted Budget Assumptions	Proposed savings on program rate from strategy 1
\$201	\$225	\$220	\$4

**Mitigation strategy 2: Reallocate indirect costs of wineries and require permit**

In King County, wineries are a food business group that has been granted the opportunity to be exempt from permit requirements upon approval of a variance request. The indirect time spent on wineries (1000 hours) is currently incorporated into the hourly rate and distributed across other permit types. This strategy would remove the ‘exempt from permit’ status and require that wineries obtain annual permits.

Food Programs in many local health departments throughout the state permit wineries and tasting rooms as general food establishments, including Yakima, Benton/Franklin and Walla Walla – those with the highest density of wineries.

**Permit types affected:** All, and wineries specifically

Of the 130 known active wineries operating in 2014, thirty-two obtained a permit for which the Food Program received permit fees. Approximately 61 wineries completed the variance request process, and a 37 are yet to be resolved (not yet completed requirements of variance, non-responsive to program contact, etc.). It is anticipated that this will affect approximately 100 wineries – those who have gone through the variance process or are yet to be resolved.

**Timeline:** Near term for the hourly rate

This strategy can be applied to fees for the 2015 permit cycle pending adoption from the Board of Health. The process for changing the requirement for wineries will require informing stakeholders of the change, and providing a year for the businesses to comply with the change.

**Fiscal impact:** Reduced hourly rate by \$1; estimated to generate additional \$48,000 in revenue. Wineries would pay fees according to the food permit type appropriate for their operation – estimated to range from \$385 – \$900.

**Public health impact:** Improves public health

Public health is anticipated to improve, as this change creates a process for establishments currently operating unregulated to receive food safety oversight.

**Equity impact:** Improves equity

Currently all other permitted eating establishments cover the cost of the public health work conducted with wineries and tasting rooms. In a full cost recovery model, the cost of exempting a single business type from permit increases the cost across other permit types. This change will distribute costs more equitably across all permit types.

Table 2: Proposed Strategy 2 reduces program rate by \$1

Current Rate	Initial proposed 2015 rate	Proposed rate including 2015-2016 Adopted Budget Assumptions	Proposed savings on program rate from strategy 2
\$201	\$225	\$220	\$1

**Mitigation strategy 3: Maintain 2014 fees for the 2015 permit year for farmers markets and temporary events**

A one-time near-term strategy to reduce fees for farmers markets and temporary events is to use the 2014 fee structure for the 2015 permit cycle.

**Permit types affected:** Farmers market and temporary event coordinators and vendors

**Timeline:** Near term

The timing of the Board of Health fee adoption determines the extent that Environmental Health collects revenue to cover the expenditures appropriated in the 2015 budget. General food permit renewals occur on April 1, and a decision on new fees may occur by that cycle. Farmers market and temporary event permits are obtained all throughout the year. Market and event coordinators and vendors have already begun to pay for their permits for 2015.

**Fiscal impact:** One year savings of fees ranging from 42-131% for permit holders – the difference between 2014 fees and proposed 2015 fees. The strategy creates an estimated \$500,000 gap in Environmental Health budget between budgeted revenue and actual revenue collections. Environmental Health is communicating with the Board of Health, the Prosecuting Attorney’s Office and PSB to develop strategies to cover this gap.

**Public health impact:** No change

Service level remains the same; no public health impact is anticipated.

**Equity impact:** Reduces equity

This strategy is inequitable across general food permits because it keeps the affected permit types at a lower cost for a year, while general food permit fees increase.

**Service reduction 1: Restructure mobile and commissary permits**

Mobile Food vendors are required to utilize a commissary facility where food prep is done off the mobile vehicle. Currently, the Mobile vendor is required to have a separate permit for the commissary, which increases operating costs for this type of food business. This service reduction strategy will include restructuring the permits into one, requiring that one inspection per year occurs at the commissary with the mobile unit.

**Permit types affected:** Mobile food vendors

Restructuring of this permit will affect all mobile food vendors, of which there are ~ 470. It is anticipated that this change will reduce services (and fees) by one inspection per permit.

**Timeline:** Near term

The Food Program is poised to implement this strategy in the near term due to previous work and analysis conducted by the food program. During the rapid increase in food trucks in King County between 2008-2012, the Food Program created a ‘Mobile Team’ of staff members to evaluate the

process of overseeing mobile food permits. This strategy was identified by the Mobile Team as an efficiency with low health risk trade-offs.

**Fiscal impact:** Approximately 20% savings, roughly \$200 to each permit holder

An initial costs savings of roughly 20% is estimated for mobile food permits. Evaluation of implementation will be required to assess time spent on the permits, and the permit fee for future years.

**Public health impact:** low risk

Food Program staff anticipate low health risks are associated with this change. Staff have worked to create a new permit structure that creates efficiency while maintaining oversight for the full food production and operation for mobile units. Evaluation of implementation will be required to assess the health implications.

**Equity impact:** improves equity

Restructuring mobile and commissary permits creates a more affordable option for permit holders.

## Potential Long-Term Actions

Long-term actions listed below include mitigation strategies and potential service reductions that could decrease permit fees. Mitigation strategy 4 is planned for implementation in the 2015 year. Service reductions strategies 2 and 3 will be developed through 2015 to be ready for implementation for the 2016 permit year. Service reductions 4 and 5 are potential reductions to reduce costs and are not currently planned for implementation.

### Mitigation strategy 4: Restructure staffing model

The Food Program will restructure the staffing model to reduce overtime costs and achieve a more efficient use of staff time. As part of a King County Performance Audit of Environmental Health Services, the Food Program was assessed for productivity compared to other counties in the state (King County Auditor's Office, Kymber Waltmunson - King County Auditor, 2013). On average, King County Food Program inspectors conduct 870 inspections per year. The county with next highest rate of inspections per year is 687 per inspector.

Historically, overtime is a tradeoff for this efficiency, as the Food Program has incurred overtime costs averaging over \$200,000 annually for the past three years. The program is seeking ways to restucture the staffing model to maintain the inspection rate while decreasing overtime.

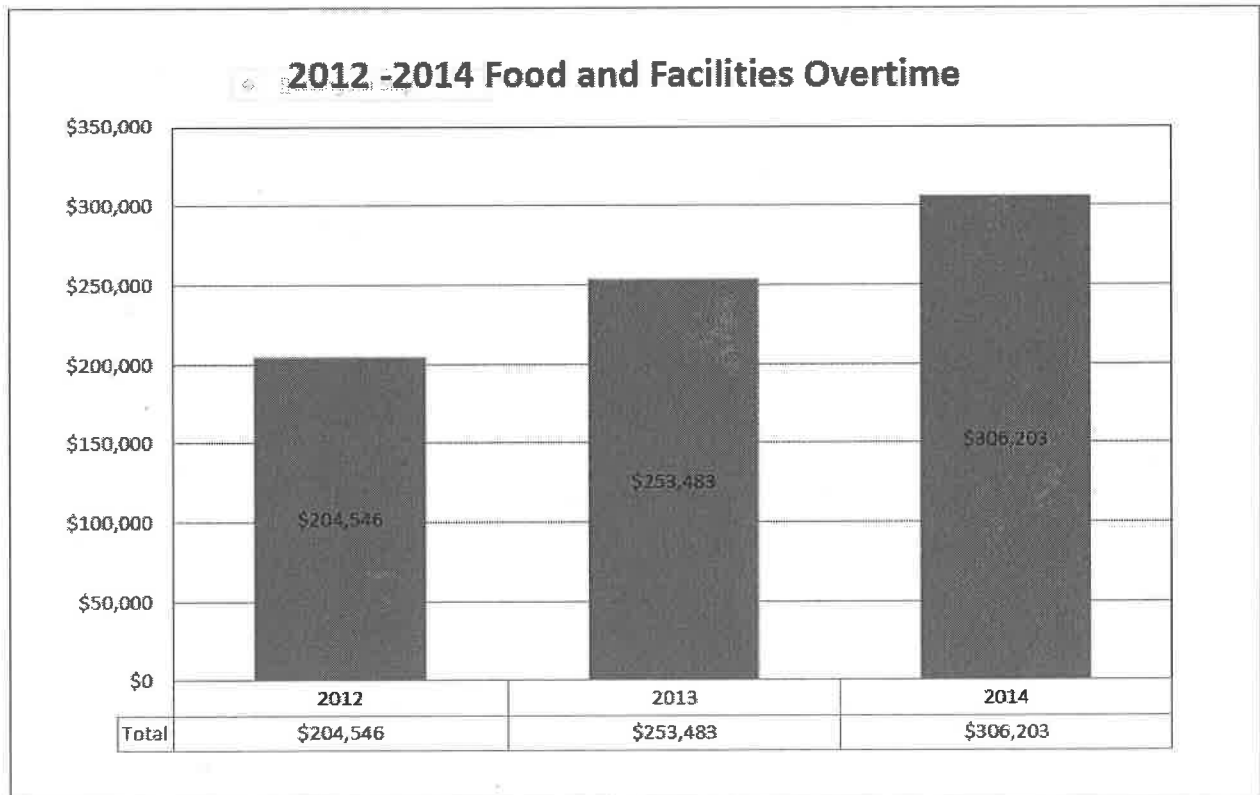


Figure 2: Recent history shows increase in overtime to cover Program service work

**Permit types affected:** All/none

This strategy is an internal change and will affect all permit holders equally. The Program anticipates that permit holders will likely experience no direct impact from this internal change.

**Timeline:** Long term

Restructuring the staffing model will require creating alternative schedules for newly hired positions, working with staff and labor to explore alternative schedule options for current staff.

**Fiscal impact:** Greater staff efficiency

In 2014, the Program identified this strategy as a process improvement to focus on in 2015. As part of this plan, the Program incorporated planned savings into the 2015-2016 biennium budgets. This strategy will not create any additional reduction in the hourly rate because the reduction was already accounted for.

**Public health impact:** No change

Service level remains that same; no public health impact is anticipated.

**Equity impact:** No change

Service levels remain the same; no community equity impact anticipated.

**Service reduction 2: Create new permit structure for market and event coordinators**

Farmers market coordinator permits are currently the same price regardless of the number of permitted vendors attending the market (note: permits are not required for farmers selling and sampling produce). Stakeholders provided feedback that they would like to see a permit structure that is scaled based on the size and structure of the markets being served. The Food Program will develop a new permit structure to meet this need, including identifying services to be associated with each permit type.

**Permit types affected:** Farmers market and temporary event coordinators

Based on 2014 permits, a new coordinator permit structure would affect roughly 65 permit holders. It is possible with the new structure that more or less event models will fit within the new category.

**Timeline:** Long term

This strategy can be applied to fees for the 2016 permit year. The Food Program will conduct stakeholder outreach with farmers market and temporary event coordinators regarding development of the new structure.

**Fiscal impact:** To be determined

Cost of the new permit scale will be determined upon further analysis.

**Public health impact:** Low risk

Food Program staff anticipate low health risks associated with this change. Coordinators provide a supportive role of added oversight for vendor food safety practices. Staff will develop a permit structure to maintain food safety oversight, and continue to work closely with coordinators to refine the roles and responsibilities associated with the coordinator permit. Evaluation of implementation will be required to assess the health implications.

**Equity impact:** Improves equity

Permit fees will be more affordable for markets and events smaller in size, resulting in permits costs being more equitably distributed across markets by scale.

**Service reduction 3: Create new permit structure for market and event vendors**

Temporary food vendors are currently required to get a permit for each event they attend. Vendors who attend farmers markets obtain a seasonal permit for each farmers' market location they participate in (not each market day). The new permit model will create a multiple permit structure that enables vendors to attend multiple temporary events for a lower price.

**Permit types affected:** Farmers markets and temporary event vendors

The Food Program oversees approximately 2,700 temporary event permits and 220 farmers market vendor permits annually. Single businesses are able to attend multiple events, meaning the total number of unique businesses affected by this change is expected to be less than 2,920, the sum of permits indicated above.

**Timeline:** Long term

Creating a new vendor permit model will require program redevelopment. In the early part of 2015, the Food Program will consult with neighboring counties and national public health colleagues to gather best practices for structuring and enforcing temporary event permits. The Food Program began this process by meeting with Tacoma-Pierce County in December of 2014 to learn how their farmers market and temporary event vendors are regulated. The Food Program will develop a model proposal and will conduct stakeholder outreach with farmers market and temporary event vendors regarding development of the new structure. The new permit structure will be ready for implementation for the 2016 permit year.

**Fiscal impact:** To be determined

Development and rollout of the new model will include analyzing and evaluating the financial implications to business owners and the Food Program.

**Public health impact:** Medium risk

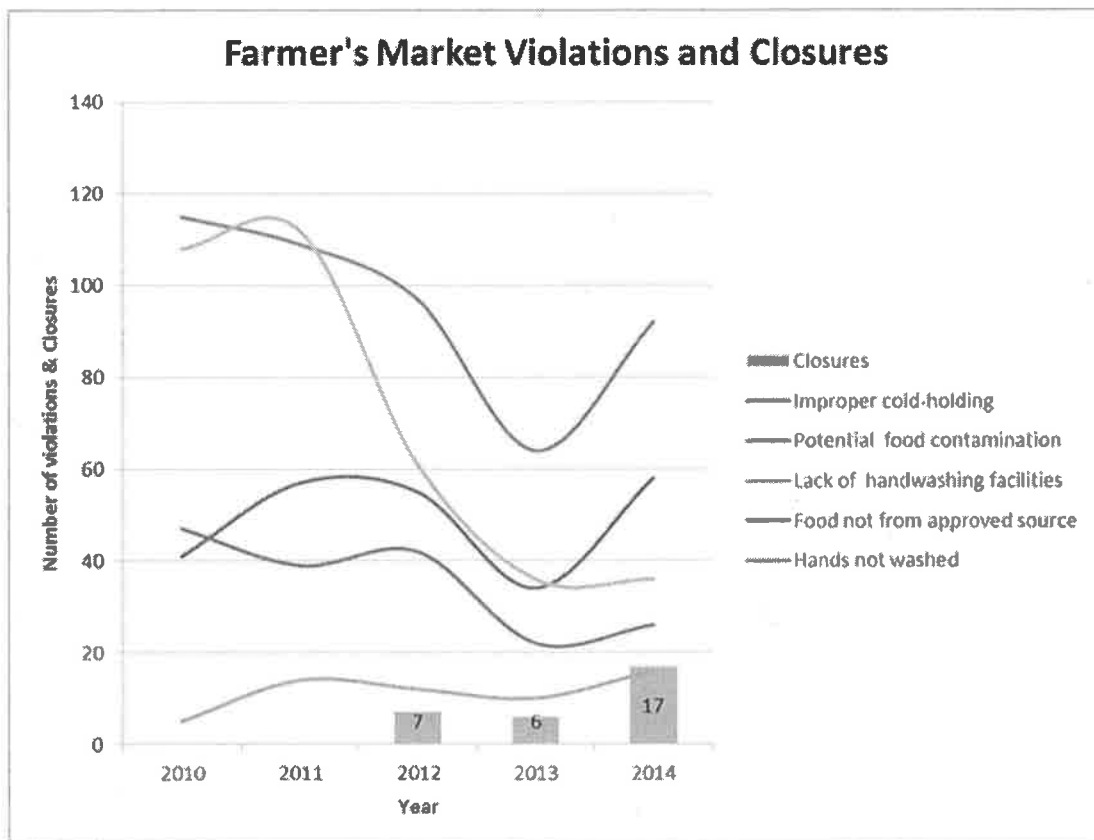
Temporary events and farmers markets differ from general food establishments in that they occur in changing facilities, often without permanent sanitation facilities (plumbing for hand washing, produce washing, restroom access, etc.). Additionally, many event vendors are not full time food service professionals. The current temporary event structure is designed to provide food safety oversight for such varied food service landscapes, with inspections being conducted for the vast majority of permits. With this level of oversight and event coordinator support, 2014 showed an increase in market vendor violations and even closures. Figure 3 on the following page shows violation trends of farmers markets.

A new structure that provides multiple-event permits for a lower price will mean less food safety oversight and will require new and different food safety compliance assurances. Implementing this strategy poses a medium risk to public health. Evaluation of implementation will be required to assess the health implications. Figure 3 shows violation trends of farmers markets.



**Equity impact:** Improves equity

Stakeholders expressed concern that temporary event and farmers markets fees for events that operate only a few days a year cost as much or more than brick and mortar food establishments. Stakeholders also communicated that high permit fees limit community organizations from creating fundraisers and community gatherings and small business' ability to participate in the market place – both limiting food access. A new permit structure with lower fees creates more equity (in terms of vendor permit costs) among permit types, and may encourage vendors to attend more markets and events than they are currently.



**Figure 3. Food safety violations and closures at farmers markets increased in 2014**  
(Note: Farmers markets are inspected 2 times per year.)

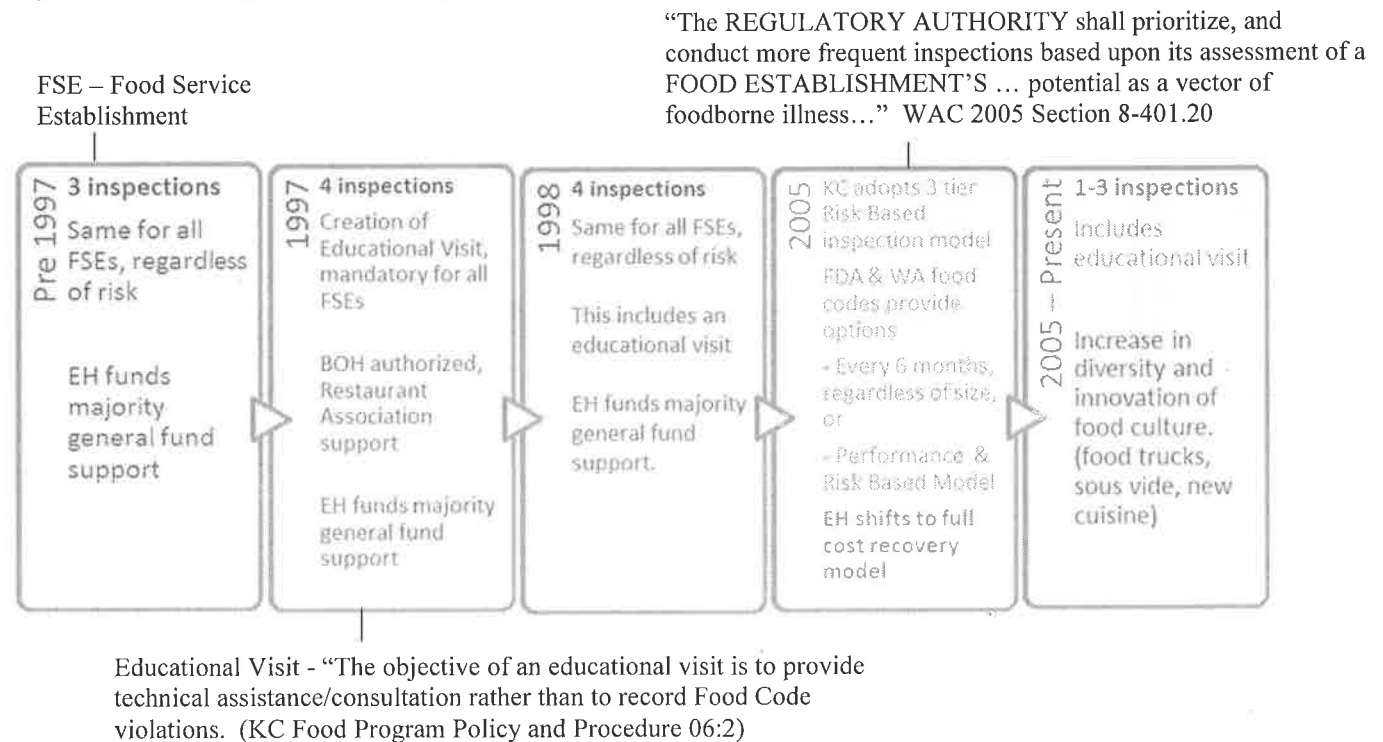
**Service reduction 4: Eliminate educational visit**

**Permit types affected: All**

Educational visits are not scored inspections – they are an opportunity for health inspectors to provide training and assistance to establishments regarding food safety best practices and health department expectations. All permits will be affected, as any customer/business may currently request educational inspections. Educational visits are built into the permit structure for food establishments in risk categories 2 and 3. These permits, of which there are approximately 9,000, will experience noticeable reduction in services they receive.

Educational visits in King County were authorized by the Board of Health in 1997 with support from the Restaurant Association. At that time, all establishments received 3 annual inspections and the additional educational visit. The Food Program maintained conducting 4 site visits (3 inspections and 1 educational) through 2005. During this time, Environmental Health received general funds. The Food Program shifted to fewer inspections per establishment, 1-3 including the educational visit in 2005, the same year Environmental Health shifted to a full cost recovery model.

**Figure 43: Historical perspective of inspections and educational visits in King County**



**Timeline:** Long term

Eliminating educational visits will require programmatic changes to occur throughout 2015 and 2016 for implementation in 2017. Changes would include revamping the inspection process, updates to all program outreach materials, and outreach to stakeholders.

**Fiscal impact:** To be determined

Elimination of the educational visit may result in an estimated 2,000 -3,000 fewer site visits (some categories of establishments may require more inspections in place of the educational visit). This would reduce staffing by 2-4 full time employees. While this may provide some savings, it is anticipated that costs would arise in other forms – through an increase in foodborne illness and complaint investigations, and less staff capacity to be available in emergency response efforts. Development and rollout of the new model will include analyzing and evaluating the financial implications to business owners and the Food Program.

**Public health impact:** Anticipated high risk  
Evaluation of implementation will be required to assess the health implications.

In a 2013 survey of food establishments in King County, 73% reported that they “learn a lot from educational visits”.

**Equity impact:** Inequitable  
Elimination of the educational visit would have a disproportionately negative impact on small businesses and non-English speaking business owners who value educational visits as part of their annual staff training.

**Service reduction 5: Eliminate risk-based inspection model and shift to all establishments receiving 1 inspection per 6 months**

The Washington State Retail Food Code specifies two options for structuring food inspections. One is to create a performance and risk based model and the other is to conduct an inspection every 6 months. King County currently operates with a risk-based inspection model, as do many local health jurisdictions throughout Washington including Benton/Franklin, Kitsap, Pierce, Skagit and Spokane counties.

Figure 5: Comparison of inspection models

<p align="center"><b>Current model</b> <b>Performance &amp; Risk Based</b> WAC 2013 Section 8-401.20</p>	<p align="center"><b>Alternate WAC model</b> <b>1 inspection every 6 months</b> WAC 2013 Section 8-401.10</p>
<ul style="list-style-type: none"> <li>• Allocates time and resources according to food safety risk               <ul style="list-style-type: none"> <li>– Risk 1 =&gt; one inspection (1,812 permits)</li> <li>– Risk 2 =&gt; 1 inspection, 1 educational (2,109 permits)</li> <li>– Risk 3 =&gt; 2 inspections, 1 educational (7,623 permits)</li> </ul> </li> <li>• Provides equitable access to educational opportunity</li> <li>• 2013 stats (11,544 establishments, 28,899 inspections)</li> </ul>	<ul style="list-style-type: none"> <li>• Allocates time and resources equally. Establishments receive same food safety oversight, regardless of risk</li> <li>• No educational visits included</li> <li>• Designed for local health districts with limited capacity</li> <li>• Projection of inspections based on 2013 stats               <ul style="list-style-type: none"> <li>– 23,088 Inspections, a reduction of 5,800 inspections</li> </ul> </li> </ul>

**Permit types affected:** All

All general food permits will be affected by this change – approximately 11,500 permit holders.

**Timeline:** Long term

Moving away from the risk-based inspection model will require programmatic changes to occur throughout 2015 and 2016 for implementation in 2017. Changes would include revamping the inspection process, creating new permit information, updating all program outreach materials, outreach to stakeholders and analyzing project change outcomes.

**Fiscal impact:** To be determined

Shifting from a risk-based model to two inspections a year for all establishments would reduce the number of inspections conducted by approximately 5,800 inspections. This would reduce staffing by 6-8 full time employees. While this may provide some savings, it is anticipated that costs would arise in other forms – through an increase in foodborne illness and complaint investigations, and less staff capacity to be available in emergency response efforts. Development and rollout of the new model will include analyzing and evaluating the financial implications to business owners and the Food Program.

**Public health impact:** High risk

The risk-based model is designed to enable local health jurisdictions to allocate resources according to risk. Shifting away from the risk-based model would mean that all establishments, regardless of complexity of operation and risk of food type, would receive the same amount of oversight. Low risk permit holders who currently receive one inspection will receive an additional inspection with this model. Conversely, high risk establishments who currently receive three inspections per year will receive one less. This is anticipated to create high risk for foodborne illness. Evaluation of implementation will be required to assess the health implications.

The 2014 Food Program Stakeholder subcommittee provided the following recommendations:

- Keep 3-tier risk based model
- Keep educational visits. Make them more accessible, enable online requests and provide tailor trainings specific to food establishment operations

**Equity impact:** Inequitable

This action would be inequitable to low-risk businesses and to the public. Equalizing the permit structure across all businesses would make permit fees the same for all businesses, regarding of size or type of operation. It would decrease food safety oversight for those who may need more assistance to manage high risk activities, and increase it for those who don't.

## Timeline and next steps

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Timelines and next steps include internal and external factors. At the January Board of Health meeting, Environmental Health and the Board of Health fee sub-committee brought forward a briefing of a fee proposal for the full Board including potential mitigation strategies. The Food Program is moving ahead with near-term actions to be ready for the 2015 permit cycle. A potential vote will occur at a future meeting, ideally before the end of the first quarter of 2015, and may integrate some or all of the near-term actions into the fee adoption. The Food Program will begin outreach to other counties regarding temporary events and farmers markets to begin developing a new permit structure here. The program has scheduled quarterly stakeholder meetings to keep stakeholders updated, and will schedule stakeholder specific meetings as needed. Environmental Health will work with staff and labor to identify staffing plans for Proviso 2 due on August, 2015.

**Table 4: Timeline for next steps for 2015**

Action items	Q1 – 2015	Q2 – 2015	Q3 – 2015	Q4 – 2015
Integrate near-term mitigation strategies				
Board of Health adopts 2015 fees				
Work with staff and labor regarding staffing plans				
Conduct outreach with other counties				
Identify best practices for farmers markets and temporary events				
Develop new permit structure for farmers markets and temporary events				
Conduct stakeholder outreach				

## Mitigation Strategies and Potential Service to Lower Food Program Fees

Mitigation Strategy	Permit types affected	Near/mid/long term	Estimated Cost/time Savings	Public Health Impact	Equity impact
1. Reallocate indirect costs of foodborne illness and complaint investigations	All	Near term	Reduces hourly rate by \$4	No change	Improves equity
2. Reallocate indirect costs of wineries and require permit	All	Near = hourly rate Mid-term = permit	Reduces hourly rate \$1 Estimated revenue \$48,000	Improves public health	Improves equity
3. Maintain 2014 fees for the 2015 permit year	farmers markets/ temporary event vendors and coordinators	Near	One year saving on fees ranging from 42-130%  (Creates \$500k gap in EH budget)	No change	Inequitable to all, more equitable to these permit types
4. Restructure staffing model	All	Long term	Increase in efficiency	No Change	No Change

Service Reduction	Permit types affected	Near/mid/long term	Estimated Cost/time Savings	Public Health Impact	Equity impact
1. Restructure mobile and commissary permit	Mobile food trucks	Near term	Approximately 20% savings to permittee	Low risk	Improves equity
2. Create new permit structure	Farmers market and temporary event coordinators	Long term	Analysis needed	Low risk	Improves equity
3. Create new permit structure	Farmers market and temporary event vendors	Long term	Analysis needed	Medium risk	Improves equity
4. Eliminate educational visit	All	Long term	Reduction of ~ 9,700 educational visits, increase of ~7600 inspections	High risk	Inequitable
5. Eliminate risk-based model	All	Long term	Reduction of ~ 5,500 inspections	High risk	Inequitable