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Metropolitan King County Council

Health, Human Service & Internal Service Panel of the Budget and Fiscal Management Committee

Tuesday, October 21, 2014 – 9:30 A.M.

Councilmembers: Jane Hague, Chair; Joe McDermott, Vice Chair; Rod Dembowski, Reagan Dunn, Larry Gossett, Kathy Lambert, Dave Upthegrove

Kelli Carroll (477-0876), Panel Lead
Patrick Hamacher (477-0880), Budget Manager
Wendy Soo Hoo (477-0890), Deputy Budget Manager
Analysts: Mary Bourguignon (477-0873), Rachelle Celebrezze (477-0897), Katherine Cortes (477-9733), Clifton Curry (477-0877), Jenny Giambattista (477-0879), Christine Jensen (477-5702), Polly St. John (477-0891), Amy Tsai (477-0893), Nick Wagner (477-0894), Leah Zoppi (477-0892)

Panel Assistant: Angelica Calderon (477-0874)

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		Analyst:	Giambattista/Zoppi

DIVISION/PROGRAM NAME- TECHNOLOGY CIP

BUDGET TABLE

	2013-2014 Adopted	2015-2016 Proposed	% Change 2013-2014 v. 2015-2016
Budget Appropriation	$21,408,478	$43,142,115	50.4%

Table 1: 2015-2016 Executive Proposed Technology Projects

Dept	Project Name	2015-16 Request[1]	Fund Source
Panel Approved in Week 1 and 2			
DPH	Emergency Medical Dispatch—CPR Quality Improvement Application Replacement	$134,463	EMS Levy
KCIT	IP Fax Service Project	$120,000	KCIT Rates
KCIT	Westin Network Upgrade	$432,716	KCIT Rates
KCIT	Enhance Wireless Connectivity	$1,329,265	KCIT Rates
DCHS	DDD Fiscal Improvement Program	$484,753	Developmental Disabilities Fund Balance
DES	Replacement of NEOGOV	$403,460	KCIT Rates
DNRP	Transfer Station Transaction Upgrade	$890,651	Solid Waste Account
DOT	HASTUS Planning Module	$398,539	Public Transportation Fund
DOT	Vanpool Information System Modernization	$0[2]	Public Transportation Fund
DOT	Power & Facilities Timekeeping	$216,978	Public Transportation Fund
KCIT	GIS Regional Aerials Project	$1,993,238	KCGIS O&M Rates, Imagery Fund Reserve, External Funding
Ready for Panel Review			
DES	Countywide Electronic Payment	$741,000	KCIT Rates
DES	Records & Licensing Software Application Replacement Project	$2,735,261	General Fund, Recorder's O&M eREET Technology Reserve
DJA	SCOMIS Replacement	$1,987,000	Debt Service—General Fund
DNRP	Parks Facilities Scheduling System Replacement	$401,921	Parks & Rec Operating (Parks Levy)
KCDC	District Court Unified Case Management	$7,660,242	Debt service – General Fund
KCE	Elections Management System Replacement	$468,000	Elections Operating Fund
Staff Analysis Continues			
DES	Managerial Accounting Software	$430,000	KCIT Rates
DOT	Transit Business Intelligence Reporting Database	$936,633	Public Transportation Fund
DOT	ORCA Replacement Planning	$884,000	Public Transportation Fund
DOT	Replacement of 4.9 Network and Mobile Access Routers	$14,711,713	Public Transportation Fund
DOT	Transit Signal Priority	$683,460	Public Transportation Fund
DOT	Vehicle Maintenance Dispatch	$1,853,305	Public Transportation Fund
DOT	Capital Management and Reporting	$2,520,460	Public Transportation Fund
DOT	Real Time Improvement	$625,565	Public Transportation Fund
DOT	Mobile Ticketing Pilot	$0[2]	Public Transportation Fund
	Total	**$43,142,115**	

[1]The amounts in the 2015-2016 Request column are from Attachment A to the 2015-2016 Budget.

[2] There is no appropriation request for 2015-2016. Projects have prior appropriations and are seeking Council review of business case, cost-benefit analysis, and benefit achievement plan which not included as part of earlier appropriation request.

This staff report organizes the CIP technology issues into two areas: (1) projects for which staff analysis is complete and (2) projects for which staff analysis is ongoing.

ISSUE 1 – PROJECTS FOR WHICH COUNCIL STAFF ANALYSIS IS COMPLETE

Council staff have reviewed each of the projects identified in Table 1 to determine whether the project is based on a sound business case and has a completed Benefit Achievement Plan that clearly identifies the value of the project and includes measures for assessing whether those benefits have achieved. Staff will also review the contingency amount included in each project budget. The contingency amount is determined by each department, using guidelines from KCIT, to assess the risks to the project budget associated with each project.

As shown in Table 1 on the previous page, during Week 1 and 2 the HHIS Panel approved 11 projects. For Week 3, the following five projects are ready for review: (DES) Countywide Electronic Payment, (DES) Records and Licensing Software Application Replacement Project, (DJA) SCOMIS Replacement, (KCDC) District Court Unified Case Management, and (KCE) Elections Management System Replacement.

DES Countywide Electronic Payment Implementation Support

2015-16 Request	$741,000
Total Project Cost	$741,000
Fund Source	KCIT Rates

Project Summary: This project would enable more options for electronic payments by customers of King County services of all types across multiple departments.

This project is jointly sponsored by the Finance and Business Operations Division (FBOD) of the Department of Executive Services, and King County Information Technology (KCIT).

King County's electronic commerce management plan dates back to 2004, when the County first began accepting online payments for a handful of pilot programs, including pet licenses and property taxes. At the time, there was a decision to build a payment engine ("shopping cart" function) in-house, and to establish a policy that County agencies that needed such a function would have to use the in-house engine unless granted an exception by the FBOD director. FBOD reports that about half of County agencies currently use the county shopping cart and the remainder have had valid reasons for not using the shopping cart.

Over time, more options for both payment pathways (on-line and kiosk options) and payment types (credit/debit/e-check) have become widely available. These payment service packages may offer business models with less risk to the county and more customer convenience for King County than maintaining its own payment engine. In addition, customer demand for electronic payment options has increased.

To respond to these changes and to expand the payment options for King County customers, FBOD launched a three phased electronic payment expansion initiative in early 2014. The phases are:

(1) Inventory and assess existing electronic payment practices and policies, and develop strategic direction for expansion of electronic payment options for customers, throughout the County. This phase will include an analysis to determine whether to move to an enterprise-wide vendor-supported payment engine.

(2) Develop an RFP for a vendor enterprise solution to accept payments and interface with credit and debit card companies.

(3) Support County agencies to add new business applications with electronic payment options, or to convert current systems to the new payment engine.

FBOD expects to complete all of Phase 1 and some of Phase II in 2014. The costs of phase I are covered by 2014 FBOD existing resources. This includes (approximately $50,000, plus staff time) and some or all of phase II (approximately $80,000, plus staff time). The $741,000 appropriation request is to cover the balance of phase II and phase III. Specifically, the appropriation includes staff labor ($488,289) which would cover 1 TLT financial coordinator in FBOD for two years and a part-time project manager over the biennium. The proposed positions will work with existing FBOD and KCIT staff to provide an updated set of policies and procedures to help agencies make business decisions with respect to electronic payments. These policies will include fee and cost recovery principles, which will help agencies determine how to set fee policies in compliance with state law and County Code and policy, and so that fees are transparent and do not present unreasonable barriers to service access.

The proposal also includes $300,000 to meet agency-specific needs, such as migrating current applications to the new payment engine if analysis determines a new engine is appropriate and to provide technical support for interfaces between individual agency and centralized vendor-supported payment solutions. FBOD will also collaborate with other county agencies and departments to provide economic and business analysis for those considering offering electronic payment options in order to help determine the best technical solution for fee payment and to evaluate the reasonableness of transaction fees charged by vendors if a project does not use the county's centralized payment engine. FBOD will also collaborate with departments and agencies to assess the business and equity and social justice impacts of absorbing all or part of a fee or passing on fees to customers. For example, in some cases if an agency absorbs the fee, it may result in operational savings from avoiding in-person or cash transactions.

In addition to this project, there are four IT projects in the 2015-2016 budget (discussed in this staff report) which include an electronic payment component. These projects include:

- Records and Licensing Software Application Replacement Project
- SCOMIS Replacement
- Parks Facilities Scheduling System Replacement
- District Court Unified Case Management

All of these projects will need to make decisions regarding which "shopping cart" they will use and how the credit card processing fees will be handled. If the projects simply follow current policies, projects are required to consult with FBOD, but often it is done after key

technical decisions have already been made by the department, thus limiting FBOD's expertise and input into a project. In order for FBOD's subject matter knowledge to be utilized in options review and to achieve consistency in the application of policy, it would be more beneficial if projects consulted with FBOD early in the process. Option Two below directs staff to include a proviso on each of the four projects that involve an electronic payment option, directing departments to consult with FBOD prior to issuing an RFP for their project. In meetings with Council staff, FBOD concurred with the importance of early consultation on electronic payments.

This project would be funded out of countywide IT project rates and includes a contingency of 20 percent. KCIT/FBOD determined the contingency level based on their preliminary assessment of risks related to the migration of current electronic payment application to a vendor-supported payment application.

Review of the Benefit Achievement Plan: The primary anticipated benefits of this project are improved customer service due to the ability to offer electronic payment options for an increased array of King County services and products.

Option 1: Approve as proposed. This option would allow each department to issue an RFP prior to consulting with FBOD.

Option 2: Approve as proposed and direct staff to draft a proviso for the four proposed IT projects (Records and Licensing Software Application Replacement, SCOMIS, Parks Scheduling, and District Court Unified Case Management) requiring each of those projects to consult with FBOD prior to issuing an RFP.

Records & Licensing Software Application Replacement Project

2015-2016 Request	$2,735,261
Total Project Cost	$2,735,261
Fund Source	General Fund, Recorder's O&M eREET Technology Reserve

Project Summary: This project would replace the technology used by the Recorder's Office that maintains and stores electronic images of recorded documents, and process and allocate real estate excise taxes.

The software that is currently in place to support these functions was first implemented in 1999, with the last major upgrade in 2002. The vendor has eliminated support for the software, except maintenance support or changes required by law. The business case states that the current software has limited functionality for online access to electronic recording and fee processing; that certified copies of electronic documents are not available online (only unofficial copies); and that the current method for indexing of documents leads to a significant delay in searching for the documents online. This results in inefficiencies in recording public documents, and exposes the County to potential litigation as a result of inaccuracies and delays in the recording process, especially related to property transfers. Further, the division has identified lean process improvements that

cannot be implemented using the current software. The business case states that new, modern software would have this functionality.

This project would implement an off the shelf solution for a records and tax collection software. The preliminary project schedule calls for issuing an RFP in May 2015, beginning implementation in July 2015, and closing out the project by March 2016. The project has a detailed cost estimate, and the budget includes: $1.27 million for hardware and software costs, $700,000 for consulting services, and $281,000 for KCIT and departmental labor costs. The ongoing operating costs are estimated to be $230,000 in 2016, including KCIT labor costs and hardware and software maintenance fees. The software and hardware maintenance fees are approximately $88,000 (40 percent) higher than the current software. The project budget includes a 20 percent contingency based on the department's assessment of the risk of implementing new software.

Electronic filing would include additional use of credit card payments. Records and Licensing has not determined how to cover the associated transaction fees with credit card usage.

The project is proposed to be funded by the General Fund, using bond financing, as well as $600,000 from the eREET Technology Reserve (funded from real estate fees) in the Recorder's Operations and Maintenance fund.

Review of the Benefit Achievement Plan (BAP): The BAP identifies the primary improvements as increasing the number of self-service transactions available on-line (marriage license applications, recording documents, accessing certified electronic documents). The BAP also notes the project will streamline internal business processes by automating recording functions, improve accuracy through automated functions, and minimize risk when meeting the County's legal requirements for recording documents in a timely manner. Additionally, the BAP reports staff time will be freed up to spend more time on quality assurance activities, and to provide additional hours of customer service at the downtown office and potentially at the county's community service center located in Kent. Council staff will work with RALS to include direct feedback from customers to measure improvement in customer service.

The project does not appear to have any policy issues requiring further analysis.

Option 1: Approve as proposed

Option 2: Direct staff to delete funding

Superior Court Management Information System (SCOMIS) Replacement Project

2015-16 Request	$1,987,000
2017-18	$1,974,000
Total Project Cost	$3,960,829
Fund Source	Debt Service—General Fund

*Project Summary***:** This project would replace the state controlled Superior Court Management Information System (SCOMIS) and provide the case management functionality needed to track and record index information about cases at the Superior Court level. This system provides the public record that the public and government use to locate Superior Court records.

The Department of Judicial Administration (DJA) has the statutory responsibility to track and index Superior Court records and facilitate public and government access to those records. The Superior Court Management Information System (SCOMIS) is the statewide system through which DJA has fulfilled those responsibilities. SCOMIS is engineered from extremely old and inflexible mainframe technology, the functional limitations of which have forced the establishment of multiple IT systems and related processes in order to perform DJA's record-keeping and case management responsibilities. DJA is also dependent upon an Administrative Office of the Courts (AOC) statewide finance module that is decades old and built on antiquated technology.

The State is scheduled to replace SCOMIS and the finance module within the next three to four years. After extensive analysis and consultation with KCIT and other County stakeholders, the DJA determined the state's replacement systems will not meet King County's high case volume and complex business needs. A decision was made for King County to withdraw from the statewide project in 2013. Consequently, DJA needs to implement its own court records solutions.

The proposed SCOMIS replacement project replacement includes three components:
1) Case management system or "index" to case files stored in DJA's Electronic Case Record (ECR) system. This is the function for which DJA currently uses SCOMIS.
2) Financial management system. DJA currently uses an AOC-supported finance module which is attached to SCOMIS.
3) Data exchange with AOC's current solution (SCOMIS) and later the AOC's replacement solution (Tyler Odyssey)

DJA anticipates purchasing an off the shelf solution and doing minor customization to accomplish these required components. DJA has already begun work developing the requirements and the business case and anticipates issuing an RFP or RFPs for multiple components in 2015. DJA is confident its solution will ensure outcomes that exceed the capabilities of AOC's current or future case index solutions. For example, AOC's anticipated off-the-shelf replacement solution, Tyler Odyssey, does not include case scheduling functionality, exhibit management, or e-filing.

DJA is evaluating combining this project with a 2012 project to replace DJA's Electronic Court Record (ECR) system that has an unspent appropriation of $2.2 million. Ideally, a system could be implemented that meets the needs for a case management system (SCOMIS replacement), financial management module, and electronic court records system. However, it is unknown at this time if a reasonable technology solution is available to cover all of those needs. DJA anticipates issuing an RFI by the end of the year to identify solutions or sets of solutions that can perform all of these necessary functions.

The proposed project includes a 2015-2016 appropriation request of $1,987,000. Additionally, a 2017-2018 appropriation request of $1,974,000 is referenced in the Executive's transmitted budget materials. According to DJA and PSB, the total project

costs of $3.9 million was intended to be included in the appropriation request for 2015-2016 in order to facilitate contract signing. To address this error, PSB is requesting that the Council increase the appropriation request for this project by $1,974,000. Since this project is proposed to be debt-financed, if Council were to increase the 2015-2016 appropriation request by $1,974,000, it would not impose additional demands on King County funds. The project budget includes a contingency of 20 percent, largely reflecting that this is an off-the-shelf solution.

Review of the Benefit Achievement Plan: The primary anticipated benefit of this project is the ability to maintain service levels by replacing older technology. Secondary benefits anticipated include improved customer service (better public access to information and payments of Legal Financial Obligations) and internal services (reduction in manual entry and enhanced ability to respond to business changes).

DJA has not identified significant operational efficiencies associated with implementing this project, for two reasons. First, DJA reports it previously reduced 29 positions in implementing its core ECR replacement. Second, the SCOMIS replacement has not yet been selected, and the ways in which DJA will integrate with the state replacement solution are still to be determined, so any potential efficiencies are not clear. In the worst case scenario, DJA would need to do double entries into both the state's systems and its own system. DJA will revisit possible reductions once the software product has been chosen and the state interface methodology better defined, and update the BAP annually and at key project milestones.

Given that some aspects of the project, including the preferred product to replace SCOMIS for King County, and the interface with the current and future State solutions, are not yet known, Council may wish to receive status reports on this project as these milestones are achieved.

Option 1: Direct staff to amend the budget ordinance to increase the appropriation request by $1,974,000 to reflect the total anticipated projects appropriation needed in 2015-2016. This would not affect 2015-2016 General Fund resources as this project has always been planned to be debt financed.

Option 2: Direct staff to draft a proviso requiring DJA to transmit progress reports upon the completion of key milestones on this project.

Option 3: Approve as proposed.

Parks Division Facilities Scheduling Upgrade (CLASS Replacement)

2015-16 Request	$401,921
Total Project Cost	$401,921
Fund Source	Parks & Rec Operating (Parks Levy)

Project Summary: This project would replace the Parks scheduling software used to manage registration, scheduling, user fees, and entrepreneurial activities

The Parks Division currently uses an information system from CLASS Software Solutions (now called The Active Network) to manage registration, scheduling, user fees, and entrepreneurial activities for Parks facilities. The Division currently processes over 26,000 bookings, 3,000 user groups, and $4 million in revenue annually through this system. Currently, these bookings all require customers to call, e-mail, visit a park in person, or mail Parks a reservation request. Staff then manually enter the relevant data into the system.

The Active Network is phasing out CLASS Software Solutions and has announced that it will no longer support the software system beyond 2017. As a result, the Parks Division is seeking a replacement off the shelf software solution to support registration, scheduling, user fees, and business functions. The new solution would interact with County systems such as Oracle and E-commerce (the current CLASS software does not). This scheduling system would also allow for a new feature of on-line park reservations and scheduling. Although Parks staff notes that it will continue to accept reservations and bookings to be made over the phone and in person to provide multiple options for community members. Parks has not yet determined how to cover the associated transaction fees with credit with credit card usage.

The appropriation request of $401,921 includes $200,000 for hardware and software and a $165,386 for labor costs. This project would be funded by Parks & Recreation Operating Funds raised by the Parks Levy and has a proposed contingency of 10 percent.

Review of the Benefit Achievement Plan: The primary anticipated benefits of this project would be avoiding system failures and providing new services – such as on-line scheduling and reservations – to the public. The Parks Division has committed that the BAP will be updated to include benefits to the public prior to the budget adoption. Parks notes that there are several methods that could measure public satisfaction with the new system, including a survey at the end of the online reservation process or direction to existing feedback mechanisms. Council staff will also continue to work with Parks prior to the budget adoption to discuss whether the BAP can include operational efficiencies as more customers use on-line reservation system.

The project does not appear to have any policy issues requiring further analysis.

Option 1: Approve as proposed.

Option 2: Direct staff to delete funding.

District Court Unified Case Management System

2015-2016 Request	$7,660,242
Total Project Cost	$7,660,242
Fund Source	Debt Service – General Fund

Project Summary: This project would replace District Court's 34-year old case filing system and several side systems with an integrated case management system. Replacement with

an integrated system is expected to significantly improve operations enabling District Court to reduce personnel costs.

According to the business case, District Court's current case management system has deficiencies that lead to false arrests, dismissals due to speedy trial errors, and redundant data entry and document scanning that consumes court resources. The system also lacks important functions like eFiling and the ability to run reports and metrics that assist with business planning.

This project would implement a new, off the shelf case management system. It would also replace several outdated and stand-alone systems with one integrated system that includes: an eFiling program, a probation management system, a court calendaring system, a document management system, a financial system, witness management, a search warrant database, and interpreter web.

This project would involve virtually all District Court employees and re-engineer and improve all of the court's workflows and business processes, currently designed around a 34-year old operating system, to adapt to a modern case management system. The project also would include cleaning up approximately 500,000 old cases.

Project costs: The budget request for this project is based upon market research and detailed analysis of the costs to District Court to integrate such a system into their operations. The appropriation request of $7,660,242 includes $1.15 million for hardware and software costs; $1.73 million for vendor services including project management, data conversion, customization, and implementation; and $2.72 million in labor costs for KCIT TLTs for technical work and district court TLTs to backfill for day to day duties of the department staff working to implement this project. District Court will absorb $3.8 million in labor costs over the course of the project for extensive work with the vendor to plan implementation and configuration of the system, lean activities and business process improvements, department-wide training, and case clean ups.

This project would be debt financed and supported by the General Fund. It includes a 20 percent contingency based on the associated project risk. The ongoing operating costs are estimated to average $345,571.

The project is expected to pay for itself six years after implementation through operating efficiencies, new fee revenue, cost avoidance, and reduced FTE needs. The primary cost savings of $5.19 million is expected to come from a net reduction of 16 FTEs (and the overhead costs associated with these FTEs) through attrition within three years of project completion.

Equity and Social Justice Impact: District Court interacts daily with individuals of all race and economic backgrounds as well as with those for whom English is a second language. According to the business case, a new integrated system will allow the court to more efficiently and effectively: communicate with customers in multiple language and formats (such as e-mail or text message), serve customers by shifting resources from data entry to public engagement, and track data to evaluate access to court resources and justice. The introduction of eFiling through this project is also expected to reduce filing costs and improve convenience for members of the public and the Prosecutor and Public Defense.

Schedule: District Court has conducted extensive preparation, planning, and research for this budget submittal and prepared a detailed benefit achievement plan and business case in support of this project. The project team is currently completing a thorough and detailed process to identify the technical requirements of this project. District Court intends to release a Request for Proposals (RFP) by the beginning of 2015 and begin working with the vendor early in 2015 in order to have the project go-live by the end of 2016. Project close out activities will continue into 2017.

Review of the Benefit Achievement Plan (BAP): District Court has developed an exemplary BAP for this project that identifies and includes measures for a variety of benefits such as improving convenience to the public through the option to eFile, freeing up staff time by improving business processes, and improving accuracy by reducing redundant data entry. The annual BAP report will be a tool for monitoring the benefits achieved by this project.

The project does not appear to have policy issues requiring further consideration.

Option 1: Approve as proposed.

Option 2: Direct staff to delete funding

Elections Management System Replacement

2013-14 Expenditure	$104,413
2015-16 Revised Request	$285,000
Total Project Cost	$389,662
Fund Source	Elections Operating Funds

*Project Summary***:** Elections proposes to implement an updated Election Management System (EMS), the hardware and software that allows Elections to maintain a voter registration database (that interfaces with the state voter registration database) and support other election management functions such as maintaining information regarding candidates, election measures, and precincts (GIS information), and tracking receipt of ballot envelopes to credit voters with participation.

This project would replace the current solution in use by Elections, which the department indicates has not kept pace with changes in elections processes in King County, nor with the department's standards for statistical and quality assurance tracking and reporting. As a result, Elections staff needs to customize and support system modifications in-house. There are currently about 135 of these modifications to the existing system. They expect that the new EMS product would eliminate the need for many of these modifications.

The product selected by Elections is an off-the-shelf solution. Elections completed the requirements analysis, selected a vendor and began testing in 2014 largely using existing staff resources of $279,000 and consultant services of $50,000 funded from its 2014 operating budget. Elections indicates that due to timing related to the upcoming 2016 Presidential election, it needed to begin the process to replace this software, which is

critical to Elections operations, in order to be able to test it during a smaller-scale special election (intended in April 2015).

Only three EMS vendors have products approved by the Washington Office of the Secretary of State to interface with the state voter registration database, a requirement for the Elections system. All three vendors were asked to submit written proposals by January 2014 with two vendors submitting bids. Following informational visits with both, Elections staff determined that the EMS product from DFM Associates met Elections requirements. In May 2014, Elections requested from King County's Director of Finance and Business Operations, and was granted, a waiver of King County procurement process to enter a sole source contract with DFM Associates. The anticipated annual operating (licensing and vendor support) cost for the new solution is $204,000, which is $13,000 less than the current DIMSNet solution. By the fifth year of the new system, Elections projects a $27,000 per year savings compared the cost of the current system.

In meetings with Council staff, Elections noted this project would likely free up staff resources to allow Elections to begin planning and later implementing technology projects. Elections plans to complete a Five-Year Capital Improvement Plan for Technology which will provide a framework for anticipated major systems replacements (specifically the ballot tabulation system) as well as new projects (such as expanded online and accessible voting options) and improved alignment with County-wide initiatives. The department plans to provide this technology Plan to Council by September, 2015. Option Three below directs staff to draft a proviso requiring the transmittal of the strategic technology plan for Council review and approval.

Project Cost: The budget transmittal includes an appropriation request of $468,000. Subsequent to the budget transmittal, PSB indicated that appropriation request may be reduced by $183,000 to reflect the fact that expenditures have occurred in 2014 from Elections Operating budget. The revised 2015-16 appropriation amount of $285,000 would be used for the following:

- Purchase virtual servers ($25,798)
- Consulting costs for the installation, data conversion, training, and testing ($50,000)
- License fees and support for the first year ($204,000)

The cost-benefit analysis also shows the Elections operating budget will absorb $399,717 for labor for 2015-16 and $279,366 in 2013-14 for all of the elections staff costs associated with this project. Costs absorbed by Elections include a full-time project manager for five months in 2014 and seven months in 2015, and Elections expects to involve up to 20 staff in testing and implementation.

The appropriation request is proposed to be debt financed with the payments coming from the Elections operating budget. The 2015-2016 operating budget includes $150,000 for the debt payment. Subsequent to the budget transmittal, PSB reports this amount can be reduced by $105,000 (to $45,000) to reflect the reduced capital appropriation. If the panel approves this capital project, staff will reduce the Elections operating budget by $105,000 to reflect this change.

Contingency and Risk Mitigation: The revised project appropriation does not include a contingency because of the limited level of customization to this product, Elections expects

that any minor unforeseen costs could be covered within its operating appropriation. Further, Elections is mitigating risk in the project by scheduling testing (including a mock election) and gap analysis, as well as in-depth staff training, for completion by the end of 2014. Elections also plans to enter into a one-year extension to the current contract, so that Elections could execute a smooth transition to the new system. Additionally, to reduce risk, Elections plans to go-live with a smaller April special election rather than waiting for the primary election. In meetings with Council staff, Elections has said it will provide a report to the Council on the testing results and their readiness to go live by the April 2015 Election. The Council may wish to include a proviso in the budget requiring Elections report on these results to Council prior to a go/no go decision on deployment of the EMS replacement for the smaller-scale April 2015 special election. Option One below directs staff to draft such a proviso.

Review of the Benefit Achievement Plan: The primary anticipated benefits of this project are improved internal operations, specifically documented and streamlined processes within the software solution that allow Elections to sunset 75 percent of the workaround processes that were implemented for the current solution. This will allow Elections staff to be redeployed to projects and/or initiatives that have either been delayed or are included in the King County Elections Strategic Plan 2014-2018. Council staff will continue to work with Elections to refine their benefit achievement plan to reflect the tracking of these efficiencies.

Option 1:   Direct staff to draft a proviso requiring Elections to transmit progress reports to Council and the Citizens' Elections Oversight Committee (CEOC) after completion of the testing phases in January 2015 and after the April 2015 special election.

Option 2   Direct staff to draft an expenditure restriction on the Elections budget restricting Elections from expending resources on the issuance of a Request for Proposal or seeking a waiver from the procurement process, or making any technology investment larger than $25,000 without notification to the Council and the Citizens' Elections Oversight Committee.

Option 3:   Direct staff to draft a proviso requiring Elections to transmit to Council and the Citizens' Elections Oversight Committee a 5-Year Strategic Technology Plan for the department that describes anticipated major systems replacement as well as new projects.

Option 4:   Direct staff to reduce funding for this project by $183,000 to reflect the fact that expenditures have occurred in 2014 from Elections Operating budget. PSB concurs with this reduction. Corresponding reductions in the operating budget would also be made to reflect reduced financing payments.

ISSUE –2 PROJECTS FOR WHICH STAFF ANALYSIS IS ONGOING

Staff analysis for the following projects is ongoing. Options will be provided for these projects at next week's panel meeting.

DES Activity-Based Costing / Managerial Accounting Software Pilot Expansion

2015-16 Request	$430,000
Total Project Cost	$430,000
Fund Source	KCIT Rates

Project Summary: This project would expand the use of a software tool to help County agencies estimate the cost of products, processes and services. Those agencies would then use that cost information to inform decisions about whether to deliver various products and services, and at what level to set fees for those services.

The Office of Performance, Strategy and Budget (PSB) and the Finance and Business Operations Division (FBOD) of the Department of Executive Services are jointly sponsoring this project. FBOD and Jail Health Services have done some initial work with the software vendor (Prodacapo) to demonstrate the value of this tool in understanding the cost drivers of the internal business practices for those two organizations.

The 2015-16 proposal would expand this pilot work with the Prodacapo software to three other product lines in 2015, and five more in 2016. Three organizations have been identified to begin Activity Based Costing (ABC) modeling in 2015:
- Solid Waste
- Employment programs in the Department of Community and Human Services
- Application Support in King County Information Technology

The capital appropriation of $430,000 would fund license fees (5 in 2015 and 6 in 2016 at approximately $22,000 each) to use the software application, and also cover travel for the Prodacapo consultants and KCIT support. FBOD would contribute in-kind labor in the form of 2 TLT positions in FBOD beginning at mid-year 2015, and a third TLT position in 2016.

This project would not replace any existing systems. It would enable Executive staff to analyze and understand data in a way that, according to Executive staff, is more useful to managers and decision makers. An ABC model isolates a baseline cost of providing a service, which can guide managers to focus on reducing costs where they are highest. For example, ABC provides information on how much it costs King County to produce a manual paycheck ($355, or approximately seven hours of staff time) versus an electronic paycheck ($1.96). If King County reduces the number of manual paychecks, the total staff devoted to producing paychecks may be reduced through attrition or redeployed to other functions.

Another example comes from Jail Health Services (JHS). In developing a baseline model around their triage services, JHS found that it might be less costly to have a doctor directly treat the patient rather than have a (less expensive) nurse triage the treatment first. As a result of this, JHS plans to pilot an alternative service delivery model that may reduce costs.

PSB reports the revenue source for this project is the Countywide IT project central rate, charged to all County agencies, because the benefits of pilot agencies learning and applying this software tool are expected to spread throughout the County. The total project

budget includes no contingency because it simply expands the use of an existing software tool.

The project proposal does not specify a value for anticipated cost savings. PSB and FBOD anticipate that financial benefits from ABC would accrue over time as focused improvement initiatives reduce labor on inefficient processes, and staff may be reallocated to perform other activities. Agencies may be able to generate cost savings through attrition as well as non-labor efficiencies.

Review of the Benefit Achievement Plan: The project has completed a BAP. The primary anticipated benefits of this project are efficiencies in internal services: better information on cost drivers should support prioritization of areas for Lean efforts and business process review. Staff review of the BAP continues, including exploration of any cost avoidance benefits to this project.

Staff analysis continues on this project.

DOT Transit Business Intelligence Reporting Database (T-Bird)

2015-2016 Request	$936,633
Total Project Cost	$936,633
Fund Source	Public Transportation Fund

Project Summary: This project would consolidate multiple data sources into a single database allowing Metro staff to easily and quickly access key data about bus service.

According to the business case, Metro's sources of performance data are scattered across the agency in many different databases and formats. The ability to match and integrate data from different sources is highly specialized and limited to only a few staff across the agency. When integration is done, it is not automated, very time-consuming, and subject to differences in staff judgment and methodology. This lack of integration limits the ability of Metro to answer questions which could help in strategic planning such as:

- What are some of the least reliable travel corridors in the system?
- Which routes have the highest/lowest percentage of ORCA use?

The project would be funded by the Public Transportation Fund and as proposed includes a contingency of 30 percent. Subsequent to the budget submittal, Transit has consulted with KCIT on an appropriate contingency level for this project and is now requesting a contingency of 20 percent based on the level of risk associated with this project. If this project is approved, Council staff will reduce the appropriation request to reflect this revised contingency.

Review of the Benefit Achievement Plan (BAP): Staff review of the Benefit Achievement Plan continues with an emphasis on better understanding the internal service benefits of this project and those benefits will be measured by Transit.

Staff analysis continues on this project.

DOT Transit ORCA Replacement Planning

2015-2016 Request	$884,000
2017-2018	$28,116,000
Total Project Cost	$30,000,000
Fund Source	Public Transportation Fund

Project Summary: ORCA is a multi-agency smart card fare payment system overseen by a Joint Board (the CEOs and General Managers). The agencies' participation is governed by the terms of the Interlocal Agreement for the Regional Fare Coordination System. The existing system was deployed in 2009 and includes a central clearinghouse for ORCA data and fare revenue distribution. The vendor operates the clearinghouse under a contract that ends in 2020.

The ORCA Joint Board has concluded that a replacement system will be needed because the existing vendor relationship is not likely to be renewed, hardware is becoming antiquated, and a new system presents opportunities for lower costs and faster implementation of upgrades. The decision on a lead agency for implementation of the replacement project has not yet been made. Planning activities are being led by Sound Transit, the ORCA Regional Program Administering Agency.

The Joint Board has identified the following objectives for the replacement project:

(1) Improved customer experience;
(2) Increased ORCA usage;
(3) Fiscal responsibility (lower total cost of ownership, lower upgrade and improvement costs); and
(4) Operational efficiency (roll out upgrades faster, make data more accessible).

The 2015-2016 budget request is for Metro's share of planning activities in which all ORCA agencies will participate. From January 2015 through June 2016, $260,000 is allotted for Planning. From July-December 2016, $624,000 is allotted for Preliminary Design. The 2017-2018 and 2019-2020 amounts are placeholders for project implementation; a detailed budget request is anticipated in the 2017-2018 biennium.

The project would be funded by the Public Transportation Fund and as proposed includes a contingency of 30 percent. Subsequent to the budget submittal, Transit has consulted with KCIT on an appropriate contingency level for this project and is now requesting a contingency of 10 percent based on the level of risk associated with this project's 2015-2016 request for planning and preliminary design. If this project is approved, Council staff will reduce the appropriation request to reflect this revised contingency.

For Metro, it is essential that the ORCA replacement be compatible with the replacement for the 4.9 MHz Network, the means by which fare payment data is downloaded from the buses.

Transit staff believes that implementation of this regional project would be low risk because the agencies have successfully worked together for over ten years under the terms of the Interlocal Agreement.

Review of the Benefit Achievement Plan (BAP): The BAP identifies the primary benefit of this project as identifying a second-generation ORCA strategy that addresses multi-agency needs and achieves the Joint Board's priority objectives. The BAP identifies priority requirements for the new system and emphasizes that this is a planning project that Metro needs to participate in to ensure that ORCA meets Metro's needs.

Staff analysis continues on this project with an emphasis on better understanding how a replacement system would be identified and managed within the ORCA consortium.

DOT Transit Replacement of 4.9 Network and Mobile Access Routers

2015-2016 Request	$14,711,713
2017-2018	$1,510,495
Total Project Cost	$16,222,208
Fund Source	Public Transportation Fund

Project Summary: This project is to replace a wireless network used to transmit important data such as ORCA fare revenues between buses and centralized systems.

In 2009, Transit installed a 4.9 MHz wireless network to connect bus on-board systems with "back office systems" at the seven operating bases to obtain daily on-time performance data, passenger counts, fare transactions, ORCA card reloads, fare tables, daily on-board bus schedules, stop announcements and other on-board configuration data. The network processes more than 60 percent of fare revenue and potential failure could result in the loss of fare revenue if data cannot be downloaded before its seven day expiration deadline. The 4.9 Network also provides data for RapidRide route signal priority and Real Time Information Systems.

The 4.9 Network consists of Cisco proprietary equipment and software. Due to lower than projected sales, Cisco notified customers in late 2013 that it will end support in 2017. According to the BAP, the County is already experiencing maintenance and operations issues "due to the lack of spare parts and Cisco's delayed turnaround on warranty repairs." These problems are expected to increase in frequency over time. A second issue identified in the Business Case is that the 4.9 MHz frequency may not be available indefinitely as the Federal Communications Commission has been asked to consider allocating this frequency for use in controlling drones.

The project is anticipated to replace 1,450 mobile routers on buses, 140 routers on RapidRide corridors, 44 access points at transit bases, and 241 access points on RapidRide corridors and other Intelligent Transportation System (ITS) corridors.

The funding request includes $1.5 million in 2015 for Requirements Analysis and Design, $460,000 in January-September 2016 for Procurement, $13.9 million in January 2016-March 2018 for Installation and Testing, and $365,000 in 2018 (breakdown includes

anticipated 2017-2018 appropriation). The project schedule is driven by the goal of replacing the 4.9 MHz Network when Cisco support ends in 2017. For this reason, the proposed 2015-2016 appropriation includes the funding for replacement equipment.

The Requirements Analysis and Design phase includes a market survey and technology assessment, potential integration with the City of Seattle's 4.9 MHz network, consideration of additional functions that could be supported by the replacement network, and development of a plan to insure continuity by installing the replacement network while the existing 4.9 Network is still in operation. As noted in the ORCA Replacement project discussion, this project must be compatible with the existing ORCA system and with the replacement ORCA system targeted for 2020. The Transit Signal Priority project also needs to be aligned with the 4.9 Network replacement.

Given the schedule, complexity, and need for coordination with other projects, Transit has identified a close working relationship with KCIT throughout this process. Council staff continues to evaluate if there is sufficient opportunity for review and feedback at project milestones.

The project would be funded by the Public Transportation Fund and as proposed includes a contingency of 30 percent. Subsequent to the budget submittal, Transit has consulted with KCIT on an appropriate contingency level for this project and is now requesting a contingency of 20 percent based on the level of risk associated with this project. If this project is approved, Council staff would reduce the appropriation request to reflect this revised contingency.

Review of the Benefit Achievement Plan (BAP): The BAP discusses the project history and resulting need for a replacement prior to system failure. The BAP notes that the replacement could provide new customer benefits such as ORCA enhancements if these are agreed to by the ORCA Joint Board. Other potential new benefits are expansion of Transit Signal Priority and Real Time Information Systems.

Staff review continues with an emphasis on better understanding how KCIT and Transit would identify a replacement system and assess its risks.

DOT Transit Signal Priority Equipment Replacement

2015-2016 Request	$683,460
Total Project Cost	$683,460
Fund Source	Public Transportation Fund

Project Summary: Transit Signal Priority (TSP) is a technology that improves bus schedule reliability and speed by monitoring intersections and when appropriate changing the signal cycle so a bus can move through an intersection without delay. RapidRide Lines and some other bus routes use TSP.

According to the business case, the TSP equipment platform was updated in the past two years but is based on 20-year old technology and must be replaced. Repair parts are not available, the system has reliability issues, and new installations are not possible because the 4.9 MHz Network equipment is no longer sold. This funding request is for planning

($106,500) and preliminary design ($576,960) and includes a consultant contract. The planning effort is to be coordinated with the 4.9 MHz Network and Mobile Router project.

The project would be funded by the Public Transportation Fund and as proposed includes a contingency of 30 percent. Subsequent to the budget submittal, Transit has consulted with KCIT on an appropriate contingency level for this project and is now requesting a contingency of 10 percent based on the level of risk associated with this project. If this project is approved, Council staff will reduce the appropriation request to reflect this revised contingency.

Review of the Benefit Achievement Plan (BAP): The BAP discusses the purpose of TSP systems and identifies operational practices. Council staff worked with DOT to identify any expected system improvements that would happen as a result of this project; however, as it is a planning project that relies on the outcome of the 4.9 Network project, there is no certainty on that point.   An estimated cost of procurement and deployment of the replacement system is expected to be generated as part of this project

Staff review of the Benefit Achievement Plan continues with an emphasis on better understanding the scope and schedule and the process for identifying a replacement system. The planning for this project is closely linked with the 4.9 MHz Network project work effort.

DOT Transit Vehicle Maintenance Dispatch Replacement

2015-2016 Request	$1,853,305
Total Project Cost	$1,853,305
Fund Source	Public Transportation Fund

Project Summary: This project would replace the outdated system that dispatches Metro's buses.

According to the business case, the system that allows Metro to accurately locate, maintain, and dispatch its more than 1,300 buses at seven operating bases is outdated and needs to be replaced. The current system is more than eighteen years old, no longer supported by the vendor, and is incompatible with newer operating systems. The system introduces risk of failure that would disrupt base operations and potentially result in higher operating costs. This project would replace the dispatch system.

The project would be funded by the Public Transportation Fund and as proposed includes a contingency of 30 percent. Subsequent to the budget submittal, Transit has consulted with KCIT on an appropriate contingency level for this project and is now requesting a contingency of 15 percent based on the level of risk associated with this project. If this project is approved, Council staff would reduce the appropriation request to reflect this revised contingency.

Review of the Benefit Achievement Plan (BAP): The primary benefit of this project is that it would reduce the risks associated with the current system. Staff review of the Benefit

Achievement Plan continues with an emphasis on better understanding the risks of the current system.

Staff analysis continues on this project with an emphasis on how this project fits into Transit's other technology needs.

DOT Transit Capital Management and Reporting System

Prior Appropriation	$600,000
2015-2016 Request	$2,520,460
Total Project Cost	$3,120,460
Fund Source	Public Transportation Fund

Project Summary: This project would provide Metro with an integrated, streamlined tool for managing its $1.4 billion Capital Improvement Program (CIP).

Metro's CIP data is currently maintained in disperse, non-integrated, mostly manual systems, and creating consolidated CIP reporting is time-consuming and produces unreliable data. The need for improved CIP reporting and practices has been a finding of several performance audits of Metro dating back to 1999.

Transit is requesting $2,520,460 for this project which would be combined with an earlier appropriation of $600,000 for this project. For the earlier appropriation, Transit did not prepare a business case, cost-benefit analysis, or benefit achievement plan. As part of the 2015-2016 budget, Transit submitted all three documents, although the business case remains incomplete.

The project would be funded by the Public Transportation Fund and as proposed includes a contingency of 20 percent. At the request of Council staff, subsequent to the budget submittal, Transit consulted with KCIT to validate an appropriate contingency level for this project. KCIT has validated the 20 percent contingency request based on the review of the project.

Review of the Benefit Achievement Plan (BAP): The BAP states that a new Capital Management and Reporting System would improve internal operations by allowing for the establishment of uniform project management standards, providing efficiencies in compiling data, improving accuracy and timeliness of project reporting, and improving project delivery rates. Staff review of the Benefit Achievement Plan continues with an emphasis on better understanding the expected benefits for project delivery rates.

Staff analysis continues on this project with an emphasis on understanding project scope, cost, technology alignment and considerations, and project planning and alternatives analysis.

DOT Real-Time Improvements

2015-2016 Request	$625,565

2017-2018	$628,148
Total Project Cost	$1,253,713
Fund Source	Public Transportation Fund

Project Summary: This project would implement changes to the systems Metro customers use to access real-time bus arrival information in order to improve the information about reroutes, stop closures, and service cancellations.

According to the business case, Metro customers use a variety of systems to look up bus schedule and status information, including Metro Online, the Automated Trip Planner, the Interactive Voice Response system, Real Time Information Signs, and applications such as OneBusAway. Many customers also receive Transit Alerts via email, text, Twitter, and Facebook. These systems do not provide consistent information about changes that may affect customers' trips, such as reroutes, stop closures, and service cancellations. Providing this information to customers requires redundant inputs by multiple staff members and is not easy for customers to find or understand. This project would allow Metro to conduct a comprehensive analysis of customer information systems and make changes that would improve the information quality and streamline the operational processes involved in conveying the information to customers.

The project would be funded by the Public Transportation Fund and as proposed includes a contingency of 30 percent. Subsequent to the budget submittal, Transit has consulted with KCIT on an appropriate contingency level for this project and is now requesting a contingency of 20 percent based on the level of risk associated with this project. If this project is approved, Council staff would reduce the appropriation request to reflect this revised contingency.

Review of the Benefit Achievement Plan (BAP): The primary benefit of this project would be improving the reliability of real-time information. Staff review of the Benefit Achievement Plan continues with an emphasis on better understanding how the external and internal benefits of this project would be measured by Transit.

Staff analysis continues on this project with an emphasis on how this project coordinates with the efforts of partner agencies, what alternatives are under consideration, and how this project integrates with Metro's other technology needs.

DOT Transit Mobile Ticketing Pilot Project

Prior Appropriation	$3,315,000
2017-2018	No appropriation request
Total Project Cost	Unknown at this time
Fund Source	Public Transportation Fund

Project Summary: The Transit Mobile Ticketing Pilot Project ($470,938) is a proposed demonstration that would allow a self-identified group of customers to use their smartphones to pay transit fares.

In 2013-2014 Transit budget, Council appropriated funding ($3,315,000) for a project titled "Orca Self-Service Kiosk." The project has since changed scope and Transit has prepared a new business case, a cost-benefit analysis, and a benefit achievement plan for a new pilot project with a budget of $470,938. However, Transit has a total appropriation authority for this project of $3,315,000. While the project has expenditure authority, spending has not begun on the project. The budget review process is an opportunity for Council to evaluate this new project.

Mobile ticketing technology provides customers the ability to pay their transit fares using their smartphones. The most common application is where a "ticket" is purchased with a mobile phone (or computer), and a graphic is displayed on the phone that can be shown to a bus driver or fare inspector to show that it is valid. This application requires no reader infrastructure on the vehicles so it can be implemented quickly and with relatively low capital cost. This project would pilot the implementation of mobile ticketing technology for use throughout the Metro system, using up to 10,000 participants for a period of six months extensible by another six months. An assessment following the pilot would evaluate the fare collection approach as to its suitability for a cashless operating environment.

The project would be funded by the Public Transportation Fund and as proposed includes a contingency of 20 percent. Subsequent to the budget submittal, Transit has consulted with KCIT on an appropriate contingency level for this project. Transit reports KCIT has validated the 20 percent contingency level and thus Transit is not seeking to change the contingency for this project.

Review of the Benefit Achievement Plan (BAP): The BAP also includes a discussion of the costs of a future new farebox system, because Metro staff hopes the pilot project will provide an option for reduced dependence on cash fare payments. Council staff will work with Transit to further refine the BAP.

Staff review of this project continues.

Analyst:	Wendy Soo Hoo

PUBLIC HEALTH – SEATTLE & KING COUNTY

BUDGET TABLE

	2013-2014 Adopted	2015-2016 Proposed	% Change 2013-2014 v. 2015-2016
Budget Appropriation*	$481,753,452	$317,003,000	-34.2%
FTE:	1,115.6	812.13	-27.2%
TLTs:	11.8	9.5	-19.7%
Estimated Revenues*	$480,906,558	$323,662,000	-32.7%
Major Revenue Sources	General Fund, state and federal funding, the City of Seattle and grants		

Note: The changes from 2013-2014 Adopted to 2015-2016 Proposed also reflect the establishment of a separate Environmental Health Fund and appropriation unit.

ISSUES

ISSUE 1 – REDUCTION AND ELIMINATION OF SOME PUBLIC HEALTH CENTERS

To address Public Health's $30 million budget gap for 2015/2016, the Executive's proposed budget includes the closure of public health centers in Auburn and Bothell (Northshore). The proposal also transitions primary care to community partners and eliminates stand-alone family planning services at the Columbia and North Public Health Centers. In total, these changes would reduce Public Health expenditures and revenues by $27.4 million and $18.1 million respectively.

The Executive's proposed budget would restore two clinics that were proposed to close in the department's budget request – Federal Way and Greenbridge – with Planned Parenthood providing family planning services and assuming space at Greenbridge.

The Executive's proposed restorations of the Greenbridge and Federal Way centers were partly enabled by partnerships with the City of Federal Way, and with Planned Parenthood and the City of Seattle in the case of Greenbridge.[1] In addition, partnership with labor yielded concessions (applied to represented and non-represented employees) resulting in $2.1 million in savings across the entire public health system and enabled the buy-back of the Federal Way center.[2]

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[1] The Executive's proposed budget assumes $800,000 in revenue from the City of Seattle over the biennium to support specific Seattle-based programs, such as the Greenbridge Public Health Center, the Gun Violence Prevention Program, the HIV/STD program, and the Access and Outreach program. The proposed budget assumes $221,000 from the City of Federal Way to support the Federal Way Public Health Center for 2015/2016.

[2] At Greenbridge, 89 percent of clients have incomes below 200 percent of the Federal Poverty Level and 78 percent are people of color. At the Federal Way center, 92 percent have incomes below 200 percent of the Federal Poverty Level and 69 percent are people of color.

The Auburn and Northshore centers are still slated to close at this time, along with Auburn's satellite centers located on the Muckleshoot reservation and in Enumclaw. These centers currently provide Maternity Support Services (MSS), Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and stand-alone family planning. Loss of these services would have the most impact on people with low incomes and people of color. At the Auburn center, 97 percent of clients have incomes below 200 percent of the Federal Poverty Level and 59 percent are people of color. At Northshore, 92 percent have incomes below 200 percent of the Federal Poverty Level and 58 percent are people of color.

According to Executive staff, the ongoing funding gap for the Auburn center is about $2.5 million. However, if closed, the county would be required to pay an early termination lease penalty of about $500,000. The penalty would be avoided if the Auburn center remained open, so the funding needed to restore the Auburn center for the 2015/2016 biennium would be approximately $2 million. Council and Executive staff are in discussions with the City of Auburn and other entities to discuss strategies for keeping the Auburn clinic open.

Executive staff have not estimated restoration costs for Northshore. About two-thirds of the building has been vacant since HealthPoint moved out of Northshore and into its own new facility. The Executive plans to propose the sale of the Northshore property with the proceeds being directed to the Public Health Fund.[3]

Panel Question/Follow-up:

1. *Questions were asked during Week 1 regarding the public health centers' operating model and whether alternative models had been explored to improve the health centers' financial sustainability.*

   Public Health has sought to reduce its operating costs by shifting some services to partners, such as the proposed primary care partnerships with Neighborcare at the Columbia and North public health centers and the proposed family planning partnership with Planned Parenthood at Greenbridge. Although Public Health would no longer receive revenues for clients who seek services from these partners, it would reduce costs by even more.

   Based on 2014 costs and revenues, the following table shows that the only service area that covers its costs is the dental program. However, a dental program cannot be added to clinics where it is not currently located without incurring substantial upfront costs. The dental program is currently available at the North, Columbia, Downtown Seattle, Eastgate, and Renton public health centers. Dental is not provided at the Auburn, Federal Way, Kent, Northshore or Greenbridge centers.

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[3] As discussed in the July 15, 2014 staff report for 2014-B0108, the public health center properties owned by the counties are General Fund properties. The Executive's proposed budget assumes $6 million in revenue from the sales of the Auburn, Renton and Northshore public health center properties.

Program	2014 Cost Per Visit[4]	2014 Revenue Per Visit[5]
Dental	$198	$239
Primary Care	$340	$333
Family Planning	$282	$277
WIC / MSS	$132	$131

The remaining services come close but do not fully cover their costs. Multiplied across thousands of patients, this represents a shortfall in funding. (Note that the figures above include a rough estimate of the allocation of infrastructure and overhead costs by program with the intent of approximating the full cost of each service per visit – the actual costs may vary from the figures shown above.)

In addition, while the costs and revenue per visit in 2014 are relatively close for primary care, family planning and WIC/MSS, revenues are stagnating while costs are escalating annually. So the gap in future years is continually growing.

2. *A question was raised in Week 2 about the cost to maintain 100 percent capacity of the MSS/WIC services provided at Northshore even if not tied to the existing facility. The Executive's proposed budget would maintain about 40 percent of the MSS/WIC capacity through satellite locations.*

The cost to keep MSS/WIC at Northshore would be approximately $770,000. (Family planning is not currently provided at Northshore.) However, the Executive intends to sell the Northshore facility.

Maintaining 100 percent of the service capability across satellite sites would have significant logistical challenges. First, Public Health has been unable to secure any low-cost or free rent in any location in the Northshore area with the exception of the HealthPoint clinics at Redmond and Bothell. These sites have limited space and limited days for access and cannot support the same level of service provided at Northshore.

Identifying additional locations with the capacity to house the remaining 60 percent would be challenging to accomplish in a short time period. In addition, it could require implementation of tenant improvements and/or leases, which may not be feasible given the uncertainty around Public Health's financial outlook.

ISSUE 2 – ADDITIONAL EXECUTIVE PROPOSED RESTORATIONS NOT INCLUDED IN THE DEPARTMENTAL REQUEST

The Executive also proposes to restore the following regional services (as compared to the department's proposal) in the following areas:

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[4] Based on the 2014 adopted budget
[5] Includes patient generated revenues, grants, and an allocation of flexible funds

	Department Proposed Level	Executive Proposed Level	Cost of Restoration	Restoration Funding Source
Health Educators	2.0 FTE *(a reduction of 5.8 FTE)*	4.0 FTE *(restores 2.0 FTE)*	$0.4M	Labor concessions, additional administrative reductions & City of Seattle
Nurse Family Partnership (King County – not Seattle)	9.0 FTE *(a reduction of 4.0 FTE)*	11.0 FTE *(restores 2.0 FTE)*	$0.6M	Labor concessions & additional administrative reductions
Gun Violence Prevention/Child Death Review	0 TLT *(a reduction of 1.5 TLT)*	1.0 TLT *(restores 1.0 TLT)*	$0.3M	General Fund ($196,000) and City of Seattle
Access and Outreach	*10.0 FTE (A reduction of 3.0 FTE)*	13.0 FTE & 1.0 TLT *(Restores 3.0 FTE & adds 1.0 TLT)*	$0.8M	Transit partnership for Low Income Fare Program
HIV/STD Program	*54.6 FTE (A reduction of 5.6 FTE)*	*57.6 Restores 3.0 FTE*	$1.0M	Labor concessions, additional administrative reductions and City of Seattle

Follow-up from Panel:

This issue was deferred to the Chair's striking amendment. However, a question was raised regarding the gun violence prevention/child death review program outcomes and what could be accomplished with 1.0 TLT.

In 2014 the program achieved the following:

- **Data analysis:** Collected and analyzed gun violence data to inform effective prevention strategies. This involved developing a comprehensive report regarding the impact of firearms on children, conducting a pilot youth shooting review, including questions regarding gun ownership on the Behavioral Risk Factor Surveillance System, convening local, state and federal law enforcement and others on October 29th for a Gun Violence Prevention Leadership Summit.

- **Support of responsible gun ownership**. The program launched a safe storage campaign, worked with sellers and retailers to develop local strategies to encourage responsible ownership, worked with law enforcement agencies to develop educational brochures and posters and other educational resources, and developed a suicide prevention training.

The 2015 work plan for the Gun Violence Prevention Program includes:

- **Data analysis:** Analyze and disseminate 2013 Behavioral Risk Factor Surveillance System data, support Washington State's implementation of the National Violent Death Reporting System, conduct a King County youth violence

review to identify modifiable risk factors, follow-up/monitor outcomes resulting from the Gun Violence Prevention Leadership Summit, and maintain/build coordination with violence prevention partners to continue to identify community needs related to gun violence prevention.

- **Support of responsible gun ownership:** The program in 2015 would maintain existing capacity with safe storage retailers and law enforcement agencies to change social norms regarding responsible gun ownership and the use of approved safe storage devices, as well as enhance educational outreach to shooting ranges and other key partners.

In addition, there would be a reduction in child death review activities. Child death reviews would no longer be conducted monthly – instead they would be conducted quarterly. The Child Death Review program reviewed 76 deaths for a 15-month period from June 2013 to September 2014. With the proposed reduction, the capacity would drop to fewer than 30 cases in the year. Most unexplained child deaths in King County are infant deaths and youth suicides.

ISSUE 3 – PROPOSED BUDGET MAINTAINS SUPPORT FOR THE HEALTH AND HUMAN SERVICES TRANSFORMATION PLAN: $952,000 TOTAL ACROSS PUBLIC HEALTH AND THE DEPARTMENT OF COMMUNITY AND HUMAN SERVICES

The Executive's proposed budget continues support for Health and Human Services Transformation Plan efforts at $952,000, with the budgetary authority evenly split between Public Health and the Department of Community and Human Services (DCHS). The Transformation Plan work is supported by the General Fund. No Health and Human Services Catalyst Fund is proposed for 2015/2016.

The program costs are detailed in the table below.

	Public Health	**DCHS**	**Biennium Total**
Program Project Manager 4 (1.0 TLT)	$264,291		$264,291
Admin Support (0.5 TLT)	$115,689		$115,689
Epidemiologist 2 (1.0 TLT)	$121,801	$121,801	$243,603
Miscellaneous Costs	$12,040		$12,040
Lease Costs (five cubes)	$89,126		$89,126
Consulting Costs		$83,000	
Indirect charges	$144,251		$144,251
Total	*$747,199*	*$204,801*	*$952,000*

An interfund transfer would be made from DCHS to Public Health to fully cover the costs incurred by Public Health.

According to Executive staff, the HHSTP and its 2014 Catalyst Fund investment has leveraged additional financial support from local and national foundations:

1. $100,000 Living Cities[6] grant supports the efforts to improve community health and well-being through collaboration and increased alignment of the County's efforts with local partners.
2. $3.26 million Seattle Foundation Communities of Opportunity place-based initiative blends funds with the Catalyst funds to make grants to communities. The first small grants from this funding stream will be announced Oct. 2014, with a second funding round to occur in December.

Executive staff indicated that "not funding this proposal would limit measureable progress on the Transformation Plan and would signal to community partners that King County does not prioritize this important work… Continued staff capacity is essential in order to take advantage of these fast-moving opportunities."

Staff asked what the impact would be if the transformation efforts were funded at 50 percent of the proposed level. Executive staff indicated that "with half the budget, we would have to eliminate the Transformation Plan Project Coordinator and Admin Support positions. These positions are especially critical to the Communities of Opportunity work. This would jeopardize our partnership with The Seattle Foundation and the additional funding The Seattle Foundation brings to Communities of Opportunity."

Staff also asked about the impacts of funding the transformation efforts, but only through 2015. Executive staff indicated that funding these efforts for only part of the biennium would jeopardize the ability to achieve the overall goals of the transformation efforts, as well as the partnership with The Seattle Foundation. Note that, while The Seattle Foundation is providing $3.26 million in funding for Communities of Opportunities grants, the foundation does not provide any staff support – so the county staff supporting the Health and Human Services Transformation Plan are needed to implement and administer the grant program.

Panel Questions/Follow Up:

1. A question was raised regarding the partnership with the Seattle Foundation.

Response:

In July 2013, Council adopted a five-Year Health and Human Services Transformation Plan to enable better-performing health and human service system for the residents and communities of King County. Implementation is led by Department of Community and Human Services, Public Health-Seattle & King County, Executive staff, with collaboration from an Advising Partners group composed of community providers, funders, and other jurisdictions. Two "Go-first" strategies for 2014 focus on two levels:

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[6] Living Cities is a consortium of 22 national philanthropic organizations focused on improving the well-being of low income individuals and families. https://www.livingcities.org/about/

- *Individual/family level:* system mapping and Lean process review to improve outcomes for jail high utilizers with a mental health or substance use disorder
- *Community level:* grants for community-led systems change and place-based initiatives ("Communities of Opportunity")

The Seattle Foundation has recently established a Center for Community Partnerships with the mission of advancing collaborative, systemic change to achieve greater economic and racial equity in King County. Given alignment of this mission with HHS Transformation goals, King County and the Seattle Foundation launched a collaborative effort under the umbrella of "Communities of Opportunity" in March 2014, with the Foundation committing $2.5 million over five years to the collaboration. King County committed resources from the Catalyst Fund included in the 2014 budget.

2. A question was raised regarding the status of the catalyst fund, supported by $500,000 of General Fund.

<u>Response:</u>

The Council approved a $500,000 "Catalyst Fund" appropriation to DCHS in June 2014, via supplemental, with $400,000 pooled with The Seattle Foundation funding to support Communities of Opportunity (COO) grants. Round 1 Systems/Policy Change awards to 11 grantees announced on October 13th. Round 2 Place-Based Equity awards will follow, with applications from "partner communities" due by November 14; up to three awards will be announced by end of 2014. According to the press release that announced the October 13th awards,

> "The awards range from $50,000 to $125,000 and will fund a diverse package of health, housing, and economic opportunity projects that aim to close gaps in health and well-being among King County residents. The grants are part of the Communities of Opportunity initiative, which aims to empower local communities and reverse the downward economic, social, and health trends in their neighborhoods."

Eleven local nonprofits will receive funding to increase equity and opportunity in King County:

- African Americans Reach and Teach Health
- Futurewise
- Global to Local
- Got Green
- The Mockingbird Society
- OneAmerica
- Open Doors for Multicultural Families
- Public Defender Association
- Puget Sound Sage
- Skyway Solutions
- White Center Community Development Association

The balance of the funds, $100,000, will support strategies emerging as recommendations from the individual/family level strategy work. A design team, representing funders (health plans) and providers of physical and behavioral health, supportive services, and government (County, State, cities) is now engaged in the next phase of this work, including reviewing processes and mapping services.

Option 1: Approve as proposed.

Option 2: Direct staff to eliminate funding and FTE authority associated with one or more of the proposed positions.

Option 3:   Defer to the Chair's striking amendment.

	Analyst:	Wendy Soo Hoo

MEDICAL EXAMINER'S OFFICE

BUDGET TABLE

	2013-2014 Adopted	2015-2016 Proposed	% Change 2013-2014 v. 2015-2016
Budget Appropriation	$12,972,953	$11,245,000	-13.3%
FTE:	27.99	28.4	1.5%
TLTs:	N/A	N/A	N/A
Estimated Revenues	$12,974,860	$11,040,000	-14.7%
Major Revenue Sources	General Fund, fees for services		

ISSUES

ISSUE 1 – EXECUTIVE PROPOSED BUDGET INCREASES GENERAL FUND SUPPORT FOR THE MEO

The proposed budget includes an increase of $480,000 in General Fund support for mandated services. These funds would offset increased expenditures related to rising service demand due to population growth, as well as fee revenue shortfalls. This increase is in addition to a $420,687 inflationary adjustment in General Fund support for the MEO. Altogether the increase in General Fund support would be $900,687.

The MEO budget is largely personnel, so if the GF contribution were reduced, there would likely be a corresponding reduction in personnel of about one FTE. According to Executive staff, potential service impact alternatives would be:

1. *Decrease scene investigations and delay pick-up of bodies, such as ceasing pick-up during night-time hours and minimizing on-scene investigation.* This would result in increased work by law enforcement partners who would be required to stay on scene until MEO staff arrived. This would also delay communication with families and funeral homes and increase workload for daytime staff.

2. *Reduce autopsy staff.* This would result in delays in autopsy performance. This would threaten or cause the loss of accreditation as it would increase the number of autopsies each staff member would perform.

3. *Cease performing autopsies on Saturdays.* This would mean no autopsies would be performed on weekends and would result in delays. This could also delay release of remains to families, which could conflict with some cultural beliefs.

(Note that a request to implement this strategy was proposed in 2013, but the Council chose to restore Saturday autopsy service.)

Follow-up from Week 2:

1. *Last week the panel requested a 10-year history of the MEO's budget and staffing.*

Below is a table showing the MEO's budget and FTE over the last 10 years. The MEO did not have any TLTs over this time period. Note that although the total number of FTEs has increased over the last decade, the number of General Fund-supported FTE has fallen by 5 FTE since 2009. General Fund-supported FTEs provide services mandated by state law including investigating sudden, unexpected, violent, suspicious, and unnatural deaths and conducting autopsies of jurisdictional deaths to determine manner and cause of death. The MEO's cases have increased 16 percent over the last 10 years, mainly due to population growth.

Most of the reductions have been in the death investigation unit, which is a 24/7 operation. Despite numerous efficiencies implemented in recent years, including shifting staff schedules and co-locating with the Vital Statistics program, the MEO is staffed at minimal levels necessary to provide competent service.

Fee-supported FTEs perform work specifically related to the fees they generate – reviewing the cause of death for all King County deaths – not just jurisdictional deaths and issuing cremation and burial permits. When the fees were implemented in 2008, they generated a new body of work, which includes both the review process and the additional jurisdictional cases that the reviews reveal.

Year	Total Adopted Budget	GF Supported FTE	Fee Supported FTE	Total FTE
2005	$3,495,763.00	26.0	0	26.0
2006	$3,763,283.00	26.0	0	26.0
2007	$3,958,420.00	26.5	0	26.5
2008	$4,517,341.00	27.0	2.5	29.5
2009	$4,489,961.00	27.0	2.5	29.5
2010	$4,461,662.00	24.1	2.5	26.6
2011	$4,692,125.00	20.7	3.5	24.2
2012	$4,720,080.00	20.3	4.5	24.8
2013	$4,997,068.00	21.5	5.50	27.0
2014	$5,268,060.00	22.2	6.00	28.2

2. *Last week the panel requested information on any additional fee capacity the MEO may have and how much revenue could potentially be generated.*

A small portion (17 percent) of the MEO's budget is supported by fees that pay for specific services. General Fund support pays for the services that are mandated by RCW including death investigation and autopsies.

Below is a table of the MEO's fees and the revenue they generate.

Fee	Amount	2015-2016 Budgeted Revenue
Body Disposition Fee (Cremation/Burial Review)	$60	$1,530,000
Autopsy Report Fee	$50	$107,000
Investigator Report Fee	$20	$20,000
Medical Examiner Fees (out-of-jurisdiction Autopsies)	$1,000	$255,000
	Total	$1,912,000

Body Disposition Fee: This fee is used to review of manner and cause of death of all King County decedents before releasing the body for burial or cremation. This fee was increased by county ordinance in 2014, from $50 to $60, because it was not covering the full cost of the service. The revenues generated by this fee increase are projected to cover the costs of the program through 2016.

Autopsy Report Fee: These reports are occasionally ordered by hospitals and insurance companies. RCW makes these reports confidential (not subject to public disclosure) which keeps the demand low. The demand for these reports is not sufficient to make an impact on the deficit even if the fees were increased by 10 percent or more. If the fee were increased by 10 percent and demand did not decrease, an additional 10,700 would be generated.

Investigator Report Fee: These reports are ordered mainly by family members of decedents and occasionally the public, and media, hospitals and insurance companies. This fee has not been increased in 10 years and is small source of revenue. If the fee were increased by 10 percent, it could generate an additional $2,000 per year.

Medical Examiner Fees: This fee is charged for out-of-jurisdictional autopsies performed for other counties and is based on the cost of the autopsy performed, not set by council. The MEO is working to increase the number of out-of-jurisdictional autopsies to increase its overall revenues, but additional revenues are limited by the demand for services and MEO staff capacity. Increasing this fee would likely have a negative impact on demand.

Option 1:   Approve as proposed.

Option 2: Direct staff to reduce General Fund contribution to the MEO and reduce the MEO's appropriation authority accordingly.

	Analyst:	Amy Tsai

ENVIRONMENTAL HEALTH SERVICES

BUDGET TABLE

	2013-2014 Adopted	2015-2016 Proposed	% Change 2013-2014 v. 2015-2016
Budget Appropriation	$44,553,016	$47,592,000	6.8%
FTE:	133.25	145.5	9.2%
TLTs:	0.0	0.0	N/A
Estimated Revenues	$54,990,683	$48,238,000	-12.3%
Major Revenue Sources	Fees, grants, charges for services, general fund		

ISSUE 1 – POSITION ADDS THAT RESULT IN FEE INCREASES

To help frame the discussion of Environmental Health's (EHS) budget, it is important to understand the parallel decision-making processes by the County Council and the Board of Health.

Role of the Council. The Council adopts the budget and FTE authority for the Environmental Health Services division of Public Health.

Role of Board of Health. The Board of Health (BOH) will be considering a 2015 fee schedule that is intended to be full cost recovery for permitting and inspection services. There are about 150 different types of fees, spanning categories of food, water recreation (pools/spas), pet businesses, solid waste and wastewater (on-site septic).

Intersection of Council and BOH. Although the Council does not approve the hourly rates or fee schedules, the Council's budget decisions can impact the costs and revenues of the program and therefore have an effect on rates and fees. It was noted by staff in Week Two that EHS would plan to reconcile any differences between the Council's adopted budget and BOH's adopted fees at the end of 2015. However, the BOH could choose to adopt 2015 fees that incorporate assumed rate impacts from the Council's budget decisions to take effect at the beginning of 2015.

In Week Two, staff provided additional detail about proposed FTEs that would have an impact on rates due to adding cost to the program without a projected increase in fee-generating revenue.[1] In addition, there is a $150,000 one-time expense with a rate impact that is the subject of a panel follow-up question below.

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[1] Some new positions in the proposed budget, primarily inspectors, have no impact on rates based on the assumption that the cost of their position is revenue backed by the fees they would generate from their workload. However, other means of addressing workload demand could be via Lean processes or restructuring how inspections are done so as to generate more workload per inspector or reduce the

Table 2. Budget Proposals with Rate Impacts

BUDGET PROPOSAL	2015/2016 Proposed Budget	FTEs	Impact on Rates[1]
1. Food Program Supervisor (Local 17)	$262,680	1.0	<$2.50
2. Section Manager for Chemical Hazards and Solid Waste	$316,352	1.0	<$5.00
3. Accountant	$201,961	1.0	~$1.00
4. Paralegal	$190,771	1.0	~$1.00
5. Veterinarian	$88,682	0.25	<$0.40
6. Food Program Review program development[2]	$150,000	n/a	~$1.00

[1] Fees are rates multiplied by inspector hours. The underlying rate includes assumptions about the cost of doing business, including the number of inspectors and other staff that are needed to run the program. Positions with rate impacts are those for which EHS has assumed a rate increase to support the cost of the position.

[2] There is $150,000 in program development costs, of which $50,000 has an assumed rate impact by EHS. This item is discussed more fully in the Panel Follow-Up below.

At Week Two's panel, Councilmembers expressed concerns regarding the cost of EHS fees. The table above lists the proposed new positions, budget requests, and EHS's rate impact assumptions. Each of the items in the table above was described in the Week 2 staff report. Highlights of justifications for the positions given by EHS are as follows:

1. Food Program Supervisor – Would increase the number of food program supervisors from three to four, and reduce span of control from 1:17 to 1:12.
2. Section Manager for Chemical Hazards and Solid Waste – Would increase the number of section managers for the Community Environmental Health section from one to two, allowing for greater oversight of diverse programs and improved policy representation in those areas.
3. Accountant – Would address increasing workload, improve internal controls, and respond to increasingly complex grant reimbursement policies.
4. Paralegal – Would increase EHS legal staff from one to two, addressing code enforcement and code update backlogs.
5. Veterinarian – Would move 0.25 of existing veterinarian from Public Health to Environmental Health fund.
6. Food Program Review program development – Discussed more fully below, this one-time request would support project development for projects recommended by a recent food program review.

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amount of inspections to be conducted per permit. Whether that could be done for any given position is outside the scope of staff's analysis. The County Auditor's August 2014 management letter in follow up to the 2013 EHS performance audit noted that EHS has made "progress" on the auditor's recommendation to "implement a rigorous approach to staff allocations …[including] a defined staffing methodology with staffing standards and performance measures related to caseloads and workloads."

If the Council were to eliminate one or more of the proposed positions or funding for program development, it would potentially allow the Board of Health to consider adopting lower rates than proposed by the department.

Option 1: Continue analysis and bring Options to Reconciliation.

Option 2: Approve as proposed.

Option 3: Direct staff to develop a proviso that makes positions and/or funding contingent on EHS demonstrating progress on structural options to reduce permit fee costs.

Option 4: Direct staff to eliminate funding and FTE authority for one or more proposed positions.

WEEK THREE PANEL FOLLOW-UP

<u>Question/Follow-up</u>: What are the number of inspections and permits per year for food permits and how are violations processed?

<u>Response</u>:

Number of Food Inspections

The table below adapted from the 2013 EHS performance audit report identifies the number of inspections required for food permits. Farmers markets do not have these risk categories – they receive two inspections per year. For the 2013-2014 year, there were 530 farmers market vendors in 42 farmers markets, for a total of about 80 inspections of the markets and their permit-holders.

Table 3. Number of Inspections for each Risk Category

	RISK LEVEL 1 – LOW	RISK LEVEL 2 - MEDIUM	RISK LEVEL 3 - HIGH
Activities allowed under operating permit	Includes: • Heating of individually pre-packaged ready-to-eat foods for immediate service without opening of the package, • Preparation of espresso and/or blended drinks, • Cold holding of commercially pre-packaged ready-to-eat foods, such as sandwiches, without opening of the package. No hot holding food.	Includes: • On-site baking, • Making smoothies with raw ingredients (fruit, eggs, etc.), • Opening ready to eat prepackaged foods for heating or service, • Cooking waffle cones or cake mixes. Grocery stores with pre-packaged raw meat, poultry, or seafood are also included. No hot holding food.	Includes all operations that provide cooking or hot holding of foods, including meat and seafood markets and mobile trucks.

Examples	Grocery Store, Drug Store, Convenience Store, Gas Station, Coffee Shop, Tavern, Espresso Caterer, Ice Cream Shop, or Hot Dog Stand	Bakery, Caterer, Sandwich Shop, Deli or Convenience Store, Coffee Shop, or Tavern	Restaurant, Coffee Shop, Sandwich Shop, Tavern, Deli, Convenience Store, or Bakery
Inspection Frequency	**1** routine inspection per year to verify proper food source, food storage, and general cleanliness.	**1** routine inspection each year and **1** educational visit for consultation/training to discuss risk reduction while verifying proper food handling, food source, food storage, and general cleanliness. Risk 2 schools, USDA, National School Lunch Program Schools, receive 2	**2** routine inspections each year and **1** educational visit for consultation/training to discuss risk reduction techniques while verifying proper food handling, food source, food storage, and general cleanliness.

Source: 2013 Risk Base Inspection Program.doc and 2011 Risk Levels and Permit Classifications.doc.

The greatest volume of work occurs with Risk 3 permits which accounted for 81 percent of inspections in 2013-2014. In 2013-2014, 17 percent of Risk 3 inspections were foregone due to workload limitations (3,909 out of 22,689) compared to 8 percent of Risk 1 and 2 inspections (343 out of 4,203). On the other hand, lower risk categories generate a proportionately greater number of complaint-based inspections and re-inspections relative to their target levels (27% for Risk Level 1, 9% for Risk Level 2, and 5% for Risk Level 3).

Table 4. Total Food Inspections 2013-2014 (1 year)

Risk Level	Target Inspections	Actual Inspections	# below target due to workload	# above target due to complaints and multiple re-inspections
1	1,475 (5%)	1,865 (8%)	2 (0%)	392 (23%)
2	2,728 (10%)	2,630 (11%)	341 (8%)	243 (14%)
3	22,689 (84%)	19,852 (81%)	3,909 (92%)	1,072 (63%)
Total	26,892 (100%)	24,347 (100%)	4,252 (100%)	1,707 (100%)

Violations

Food establishment inspection reports are divided into red high-risk and blue low-risk factors. Each item on a checklist has a point value ranging from 5 to 30 depending on the severity of the risk of food borne illness (e.g., keeping hot food at less than 140 degrees is 25 points and thermometer accuracy is 5 points). EHS reports that this point system is used statewide and was developed by a panel of food safety experts from several health departments. Inspection scores of 35 points or more result in return inspections. Permit suspensions are triggered by inspection scores of 90 points or more or imminent health hazards. EHS also uses educational tactics such as educational site visits and group trainings to work with establishments.

Question/Follow-up: What is the permit process for food trucks?

Response: EHS states that food trucks go through a similar process as brick and mortar establishments in that they undergo a plan review of their truck facility to demonstrate safe practices such as adequate refrigeration, hand washing, and plumbing. In addition to that requirement, EHS states that food trucks must also provide a commissary agreement and restroom agreement. The Commissary agreement provides assurance that the truck has an approved kitchen facility to prepare their food safely. The commissary itself also has a commissary permit with site inspection. The restroom agreement shows that the truck has access to restroom facilities for their employees, which is a requirement for all food establishments, but it is not called out in a separate agreement for brick and mortar establishments because they have restrooms built into their facilities.

Question/Follow-up: What are the details of the proposed $150,000 expenditure that is proposed to identify the feasibility and cost of implementing recommended projects from a consultant's food program review?

Response: The proposed budget includes a one-time $150,000 request for program development, to identify the feasibility and cost of implementing recommended projects from a consultant's food program review. The recommended projects include a restaurant window report card, web site upgrades for restaurant inspection reporting and program efficiencies such as electronic plan review.

According to EHS, the majority ($100,000) is for the restaurant grading project. EHS states that this project does not impact rates because funding comes from existing fees that are set by the state, specifically from Food Worker Card revenue already held in reserve. The restaurant grading project will include design and development of window placards, an upgrade to the website, and the potential of creating a mobile app. EHS reports that KCIT business analysts are currently researching the projects to provide more detailed budget and scope.

The remaining $50,000 is for the online Plan Review project, which EHS estimates impacts rates by about $1. As described by EHS, the food program seeks to create an electronic plan review process, which includes building or purchasing a document management system that will interface with their existing Envision system to enable electronic plan storage for new restaurants or pools. EHS expects the project to reduce staff time spent managing plan review papers between customers and EHS, streamline the process, and reduce cycle time for plan submittal and approval. The process currently requires applications to be sent via courier and mail between EHS offices and customers, and for larger plans often requires a physical visit from the customer. Based on EHS's experience with getting on-site septic as-built drawings on the web in 2013, EHS estimates that the $50,000 would pay for software, server/file storage capacity, and development of a portal interface. However, EHS reports that KCIT is still scoping the project and EHS expects to have a better cost estimate when they are done.

Staff have requested information regarding what EHS would propose to happen with the $1 rate impact in the out years given that the proposal is a one-time expense. It should

be noted that without final cost estimates, it is uncertain how much of each of these projects would be completed with the $150,000. EHS staff identified the purpose of this funding as being to identify the feasibility and cost of implementing recommended projects. Therefore, it is likely that additional requests for funding would be necessary to complete the full scope of the identified projects. Staff analysis is continuing on this request.

Question/Follow-up: Is there a role for a partnership with the King County Conservation District (KCD) to assist with the infrastructure of farmer's markets?

Response: Yes, KCD's proposed 2015 work program has two applicable sources of funding that could help a farmer's market or its vendors as they navigate the EHS permitting process. The funds described below are administered by KCD – KCD's Board of Supervisors would determine how funds are allocated and used by landowners.

(1) The Sustainable Regional Food System fund anticipates $1,096,500 for improvements to fresh food access, including potentially farmer's market developments and improvements. The KCD program reports that in a recent survey of King County farmers, incomes in the sector are declining. Strengthening the regional food economy is identified in the work program as being perhaps the highest priority of the 2013 KCD/King County Conservation Panel and Task Force.

KCD is currently partnering with the City of Auburn, Auburn International Farmers Market, and others to implement Good Food Bag Market Bucks for low-income shoppers to use at the Farmers Market. KCD proposes in its 2015 work program to offer grants and services that, among other things, improve food access, invest in local food systems, and strengthen direct market connections at farmers markets.

(2) The second potential source is KCD's proposed $1,296,507 in member jurisdiction grants, which can be awarded to partners such as cities, community organizations, and tribes for natural resource improvement projects. Member cities could access these grants to facilitate farmer's market development needs.

Analyst:	Polly St. John Rachelle Celebrezze

EMERGENCY MEDICAL SERVICES (EMS)

BUDGET TABLE

	2013-2014 Adopted	2015-2016 Proposed	% Change 2013-2014 v. 2015-2016
Budget Appropriation	$145,455,165	$149,616,000	2.86%
FTE:	124.25	142.05	14.33%
TLT:	0	0	0%
Estimated Revenues	$131,501,855	$147,982,000	12.53%
Major Revenue Sources	EMS Levy		

ISSUES

ISSUE 2 – CENTRAL RATE SERVICES AND OVERHEAD

Overall, the EMS budget is proposed to grow by 2.86 percent in 2015-2016. Included in the budget increase for the first time are the full costs for providing county services to the EMS division. In past budgets, many of the direct service costs were not passed on in full to EMS by the Department of Public Health – Seattle & King County. The 2015-2016 proposed EMS budget also reflects revisions to technology overhead costs based on increased usage of technology services by the division that were previously underestimated in past budgets.

Central rates, overhead costs and direct service charges for EMS total $10.4 million for the biennium, or 6.9 percent of the total EMS appropriation request. The components of charges include overhead allocation for county services, departmental administrative overhead, and the costs for direct services used by the division. The table below shows the categories of service costs and the amount of change from 2013-2014 to 2015-2016.

A Row	B Description	C 2013-2014	D 2015-2016	E $ Change	F % Change
1	GIS O & M	53,517	61,829	8,312	16%
2	GIS Client Services	18,900	0	(18,900)	
3	Prosecuting Attorney	44,700	333,865	289,165	647%
4	Overhead Cost Allocation	1,136,934	1,530,444	393,510	35%
5	LTD GO Bond Redemption Srv.	179,544	179,540	(4)	
6	Financial Management Services	308,702	265,033	(43,669)	-14%
7	FMD Strategic Initiative Fee	8,806	6,645	(2,161)	-25%
8	Insurance	473,578	125,516	(348,062)	-73%
9	Financial Mgmt. Srvs. Rebate	10,656	(7,061)	(17,717)	-166%
10	Business Resource Center	251,133	357,300	106,167	42%
11	Transfer for OIRM CIP	29,150	46,324	17,174	59%
12	PH Administrative OH	2,091,723	2,344,082	252,359	12%
13	PH Workstations/e-Government	1,765,594	2,927,318	1,161,724	66%

14	KCIT Radio Rates	56,734	147,337	85,602	151%
15	KCIT Application Services - direct	1,585,431	2,115,620	530,189	33%
16	**EMS Fund Overhead/Direct Total**	**8,015,102**	**10,428,792**	**2,413,689**	**30%**

Public Health departmental administrative costs are allocated to all its division budgets based upon the percentage each division represents of the Public Health department as a whole[1]. For 2015-2016, EMS accounts for 16.7 percent of the Public Health department budget; these administrative costs are shown in line 12 of the table. These administrative costs range from human resource and payroll services to diversity initiatives. The administrative overhead costs, excluding KCIT, are increasing by $250,000 or approximately 12 percent over the biennium.

As shown in lines 13-15 of the table, the full costs for technology are categorized and assessed to the division. Public Health's allocation of technology costs to the EMS division is increasing by $1.166 million. This budget increase anticipates some increased use of technology programs, as well as accounting for an increase in the number of workstations supported by KCIT. Further, in 2013-2014, the number of workstations was severely underestimated and a proper accounting of stations contributes to the increase and a true up of costs that must be repaid to KCIT. These workstation adjustments for rates and services total $592,137.

KCIT Application Services increases, shown on line 15 of the table, are related to the costs associated with support for 7.00 FTEs in KCIT that are dedicated to EMS web maintenance and development of EMS programs. These services include:

- Development and ongoing support to maintain the Web training courses for Paramedic certifications courses across the region and nation (EMSOnline)
- Regional EMS 911 Standardized Dispatch Application Services
- Database and real-time reporting for tracking ALS and BLS outcomes
- Database and interface support to manage the complex schedules of Medic One personnel
- Technology support for Medic One vehicles and more

It is assumed that technology costs will stabilize in the 2017-2018 biennium.

Allocation of EMS Division Overhead Costs in King County Medic One (KCM1) Budget:
King County Medic One (KCM1) is one of the six Advanced Life Support (ALS) providers in the regional EMS system and operates in south King County[2]. KCM1 does not provide BLS services. KCM1 is included in the county's EMS budget and the EMS divisional overhead costs are passed on to the KCM1 operations budget.

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[1] Public Health is organized into five operating divisions that include Community Health Services, Emergency Medical Services, Environmental Health Services, Jail Health Services, and Prevention Services. Jail Health Services, EMS, Local Hazardous Waste, and the Medical Examiner's Office all have separate appropriations and budgets.
[2] If the proposed budget is adopted, the ALS providers will decrease to five due to the absorption of Vashon Island into KCM1.

When EMS overhead and direct service charges are passed on to KCM1, the changes are also reflected in that budget. The table below shows the overhead charges in the KCM1 budget, as compared to the previous biennium.

KCM1 Overhead Costs

A	B	C	D	E	F
Row	Description	2013-2014	2015-2016	$ Change	% Change
1	GIS O & M	-	-	-	-
2	GIS Client Services	-	-	-	-
3	Prosecuting Attorney	33,953	257,035	223,082	657%
4	Overhead Cost Allocation	330,225	440,933	110,708	34%
5	LTD GO Bond Redemption Srv.	88,110	88,109	(1)	-
6	Financial Management Services	84,310	139,497	55,187	65%
7	FMD Strategic Initiative Fee	6,693	5,115	(1,578)	-24%
8	Insurance	449,829	110,524	(339,305)	-75%
9	Financial Mgmt. Srvs. Rebate	2,911	(1,929)	(4,840)	-166%
10	Business Resource Center	127,331	175,342	48,011	38%
11	Transfer for OIRM CIP	14,275	22,733	8,458	59%
12	PH Administrative OH	1,554,994	1,610,211	55,217	4%
13	PH Workstations/e-Government	881,010	1,444,795	563,785	64%
14	KCIT Radio Rates	56,734	142,337	85,602	151%
15	KCIT Application Services - direct	35,197	79,560	44,363	126%
16	**KCM1 Overhead/Direct Total**	**3,665,572**	**4,514,262**	**848,690**	**23%**

As with the EMS budget, the KCM1 budget for overhead and direct services costs increased. The EMS overhead/direct services budget increase was 30 percent and, as shown in the table above, the KCM1 increase for these services is 23 percent.

The KCM1 2013-2014 budget was $35,174,331 and the 2015-2016 budget is proposed at $39,629,749, an increase of 12.7 percent. A portion of this increase is attributable to the transfer of 10.00 FTEs from Vashon Island to KCM1 – particularly in the calculations for overhead. The additional ten FTEs have increased overhead/indirect charges based on county costs associated with these employees. In the KCM1 budget, overhead and direct services account for 11.39 percent of the total KCM1 budget.

The EMS Financial Plan is program based, with relevant costs, including the associated overhead/direct distributed, allocated within the respective program line. Within the EMS Financial plan, overhead and indirect costs are part of the allocations for both ALS and Regional Services. For KCM1 that overhead distribution is shown in the ALS allocation line item. King County Overhead is not applied to any of the other ALS providers – only to county employees.

KCM1 pays for its portion of overhead based on use of services and how the overhead is distributed to EMS. Some services that are provided to all agencies are covered by Regional Services (such as GIS). Some of the cost is distributed by salaries & wages, others are distributed based on other methodologies (such as use of financial services). The highest driver is the $500,000 passed on for workstations from Public Health. These costs should stabilized in the next biennium.

Option 1:   Approve as proposed.

Option 2: Direct staff to develop a proviso that would require Public Health to work with the Office of Performance, Strategy and Budget to report on how Public Health administrative costs that are passed on to its divisions will be standardized in the future.

Option 3: Defer to the Chair's Striking Amendment.

<u>Panel Questions/Follow Up:</u>

<u>Staff have followed up on several questions asked by councilmembers in the last panel meeting.</u>

1. A question was raised regarding increased costs charged by the Prosecuting Attorney's Office (PAO). The PAO bills the County's non-General Fund agencies for legal services provided to the agencies. These costs vary biennially based on a workload factor, attorney compensation, legal support staff compensation, and overhead costs. The 2015-2016 budget is based on actual agency usage in 2013-2014. (The budget also reconciles the 2014 rate, as that amount was based on a 2013 inflated rate and not actual workload.)

   According to the Office of Performance, Strategy and Budget, changes in this cost are largely related to KCM1 claims payments and the costs of other legal related work involving KCM1.

2. Councilmembers asked if staff had reviewed an October 9 letter from the West Hill Community Association. The letter was forwarded and staff have reviewed the letter that asks for Council for assistance regarding BLS services that are delivered in their area by Fire District 20. The requests cited were:

   a. *"Require the EMS Division to set-aside reserves from EMS Levy proceeds for the reimbursement of excess expenses incurred by BLS agencies related to the delivery of basic life support services by fire agencies.*

   b. *Stipulate that the EMS Division must consider the impact of drivers of low-acuity demand, including but not limited to percentage of population living at or below 200 percent of the poverty line, the percentage of properties exempt from property taxes, the percentage of single-headed households, and the percentage of EMS calls involving people 65 or more years of age in deciding the amount of such set-asides and the qualifications for making disbursements to individual agencies."*

   Staff analysis finds that the letter from the Community Association links with past recommendations from the September 2012 Financial Review and Compliance Audit conducted by the King County Auditor's Office. That audit assessed the overall EMS Levy allocation for BLS and the reasonableness of the distribution among the agencies providing the service. The audit recommendation was as follows:

"The audit recommends that by the third year of the next levy period, the EMS Division develop options for distributing the total BLS allocation. It should consider distributing the majority of funds by assessed value and volume, and adding a new category to distribute three percent of the total allocation to provide additional support to fire agencies with very low assessed values and high response times."

The EMS 2015-2016 budget includes the creation of a BLS Core Services Reserve and the acceleration of the Community Medical Technician program, as well as initiatives and regional programs that are designed to respond to low-acuity calls. The following discusses the BLS Reserve and CMT program and two selected low-acuity call programs:

- **BLS Reserve:** The proposed budget includes a $3,026,535 increase for BLS allocation. Half of the amount is for allocation increases and, as noted in the week 2 staff report, the remaining $1.5 million is to establish a BLS core services reserve. Councilmembers directed that a proviso be developed that would require a report to the Council on the criteria, protocols, and procedures for accessing that reserve. The reserve is proposed to address excess expenses incurred for BLS agencies particularly in the areas of training and equipment.

- **Community Medical Technicians:** The EMS budget proposes to accelerate the Community Medical Technician (CMT) program that is designed to respond to low acuity calls. The CMT model provides local fire departments and communities an efficient and effective response to low-acuity or non-emergent medical 9-1-1 calls. The program model is designed to allow a skilled firefighter/EMT to respond to low acuity calls in a SUV in lieu of dispatching an ambulance. Further, because these units are not eligible for dispatch to more serious medical emergencies, CMTs are free to spend more time discussing the patient's non-emergent medical or other social needs. The CMT model coordinates with other existing regional programs, such as the Regional Fall Prevention program and community services that are available at no cost to residents. As discussed in the EMS 2014 Annual Report, upcoming decisions on the actual placement of units will be made based on call volume estimates, agency participation and agreement, and current BLS vehicle use.

- **Vulnerable Populations:** The EMS budget supports an initiative for Vulnerable Populations to ensure that residents receive services regardless of race, ethnicity, age, socioeconomic status, culture, gender, or language spoken. The initiative collaborates between EMS, fire departments, community-based organizations, and the University of Washington to conduct programmatic, scientific and case-based evaluations. The program is focused on successful communication between vulnerable populations and 9-11 dispatch, best practices for at

scene care, and to address follow-up care and community services for these populations.

- **Fall Prevention Program:** Begun in 2003, the Fall Prevention One Step Ahead Program is to help elderly adults. The program offers home safety assessment to identify fall hazards, install fall prevention safety devices, offer education about staying safe in the home, and to connect residents to community resources. Those eligible must have called 9-1-1 for a fall incident, received a "high risk" of fall assessment by a healthcare professional, or been referred by an emergency department (ED), social worker, physician, physical or occupational therapist, or home healthcare professionals.

Staff have identified no further analytical issues with this budget.

	Analyst:	Kelli Carroll

DEPARTMENT OF COMMUNITY AND HUMAN SERVICES ADMINISTRATION

BUDGET TABLE

	2013-2014 Adopted	2015-2016 Proposed	% Change 2013-2014 v. 2015-2016
Budget Appropriation	$ 6,814,265	$10,736,000	36.5%
FTE:	15.0	22.25	32.6%
TLTs	0.0	1.00	100.0%
Estimated Revenues	$ 6,292,653	$10,472,000	39.9%
Major Revenue Sources	Departmental Overhead Housing Funds Veterans and Human Services Levy		

ISSUES

ISSUE 1 – CONTINUING GENERAL FUND SUPPORT OF HEALTH AND HUMAN SERVICES TRANSFORMATION PLAN

In November 2012, the King County Council recognized via Motion 13768, that despite progress on some measures of health and well-being, significant and unacceptable disparities persist in King County—by geography, by race and ethnicity, and by other social factors. The Transformation Plan grew out of the Council's request that the Executive use the health and human services system to improve outcomes for King County residents. It charts a five-year course to a better performing health and human service system for the residents and communities of King County.
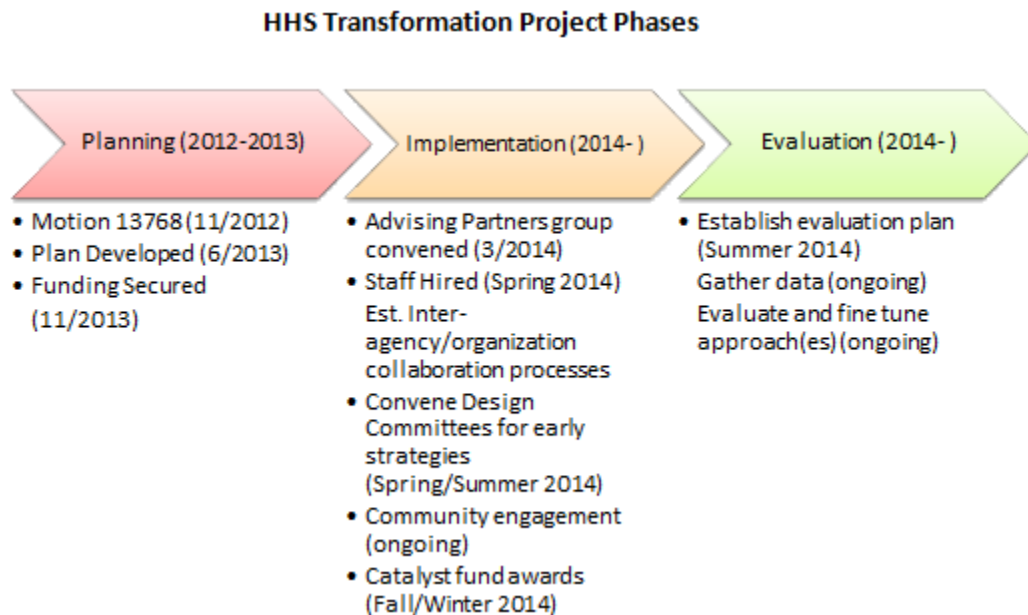
General Fund support for staffing of the Health and Human Services Transformation Plan (HHSTP) is proposed to be continued for the biennium at the 2014 budgeted level of $476,000 in DCHS-A. There is also a budget request in the Public Health fund related to HHSTP work. Support for the catalyst fund ($500,000) ends at the end of 2014 and is not renewed for the biennium.

Executive staff indicate that funds will support staffing capacity in DCHS and Public Health to support the collective impact model of funders, providers, and community members as they track shared outcomes and strategies to achieve the two "go first" strategies of the HHSTP. The two early strategies are:

1. Improving outcomes for adults with complex health and social issues

2. Improving outcomes for communities facing health and social challenges

For the upcoming period, these funds would enable staff to initiate the performance measurement and evaluation framework, including data collection methodologies and tools as well as gather and report on data.

The HHSTP Catalyst fund leveraged a $500,000 commitment from the Seattle Foundation of $500,000 per year for five years invested into the HHSTP work, along with an initial commitment from Living Cities for another $100,000. No catalyst funding is proposed for 2015-2016.

HHS Transformation Project Phases

Planning (2012-2013)
- Motion 13768 (11/2012)
- Plan Developed (6/2013)
- Funding Secured (11/2013)

Implementation (2014-)
- Advising Partners group convened (3/2014)
- Staff Hired (Spring 2014) Est. Inter-agency/organization collaboration processes
- Convene Design Committees for early strategies (Spring/Summer 2014)
- Community engagement (ongoing)
- Catalyst fund awards (Fall/Winter 2014)

Evaluation (2014-)
- Establish evaluation plan (Summer 2014) Gather data (ongoing) Evaluate and fine tune approach(es) (ongoing)

Panel Questions/Follow Up:

1. A question was raised regarding the partnership with the Seattle Foundation.

Response:

In July 2013, Council adopted a five-Year Health and Human Services Transformation Plan to enable better-performing health and human service system for the residents and communities of King County. Implementation is led by Department of Community and Human Services, Public Health-Seattle & King County, Executive staff, with collaboration from an Advising Partners group composed of community providers, funders, and other jurisdictions. Two "Go-first" strategies for 2014 focus on two levels:
- *Individual/family level:* system mapping and Lean process review to improve outcomes for jail high utilizers with a mental health or substance use disorder
- *Community level:* grants for community-led systems change and place-based initiatives ("Communities of Opportunity")

The Seattle Foundation has recently established a Center for Community Partnerships with the mission of advancing collaborative, systemic change to achieve greater economic and racial equity in King County. Given alignment of this mission with HHS Transformation goals, King County and the Seattle Foundation launched a collaborative

effort under the umbrella of "Communities of Opportunity" in March 2014, with the Foundation committing $2.5 million over five years to the collaboration. King County committed resources from the Catalyst Fund included in the 2014 budget.

2. A question was raised regarding the status of the catalyst fund, supported by $500,000 of General Fund.

Response:

The Council approved a $500,000 "Catalyst Fund" appropriation to DCHS in June 2014, via supplemental, with $400,000 pooled with The Seattle Foundation funding to support Communities of Opportunity (COO) grants. Round 1 Systems/Policy Change awards to 11 grantees announced on October 13th. Round 2 Place-Based Equity awards will follow, with applications from "partner communities" due by November 14; up to three awards will be announced by end of 2014. According to the press release that announced the October 13th awards,

> "The awards range from $50,000 to $125,000 and will fund a diverse package of health, housing, and economic opportunity projects that aim to close gaps in health and well-being among King County residents. The grants are part of the Communities of Opportunity initiative, which aims to empower local communities and reverse the downward economic, social, and health trends in their neighborhoods."

Eleven local nonprofits will receive funding to increase equity and opportunity in King County:

- African Americans Reach and Teach Health
- Futurewise
- Global to Local
- Got Green
- The Mockingbird Society
- OneAmerica
- Open Doors for Multicultural Families
- Public Defender Association
- Puget Sound Sage
- Skyway Solutions
- White Center Community Development Association

The balance of the funds, $100,000, will support strategies emerging as recommendations from the individual/family level strategy work. A design team, representing funders (health plans) and providers of physical and behavioral health, supportive services, and government (County, State, cities) is now engaged in the next phase of this work, including reviewing processes and mapping services.

Option 1: Approve as proposed.

Option 2: **Direct staff to eliminate funding and FTE authority associated with one or more of the proposed positions.**

Option 3: **Defer to the Chair's striking amendment.**