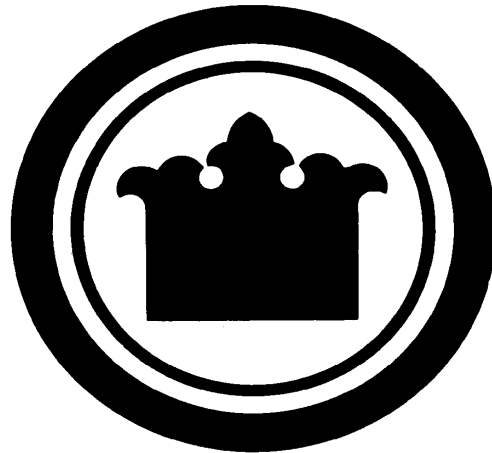


VETERAN SERVICES LEVY
Proposal to the Regional Policy Committee
May 4, 2005



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OFFICE OF MANAGEMENT AND BUDGET

Proposed Veteran Services Levy

A generation ago, American soldiers returned home from Vietnam to a country that was both bitterly divided and unprepared to meet the needs of thousands scarred by war. Our failure to address those problems early, particularly in mental health, sparked the chronic homelessness and substance abuse that remain with us today.

Once again, our men and women overseas are making enormous sacrifices. Returning troops have shown elevated levels of post-traumatic stress disorder after enduring harsh conditions, intense combat, and terrorist attacks. Extended service by reserve units around the world has created significant hardship and economic dislocation with a broader impact on families and the community.

At the same time, the federal government is not living up to its obligation to provide services and medical care for returning veterans. Faced with substantial deficits, VA hospitals have reduced services. Some veterans are denied care, even with third-party insurance and co-payments. Others face lengthy delays in accessing services. Last month the Senate voted down a supplemental veterans appropriation, making further cuts necessary.

Washington state has sent thousands to serve in Iraq and Afghanistan and now a large group is returning home – including nearly 4,000 National Guard members. As these veterans return, existing support resources will be unable to keep up with demand.

The Veteran Services Levy seeks to apply the lessons of Vietnam by funding the care and support needed to deal with this emergency before it turns into a crisis. Employment assistance is increased to help returning veterans find jobs. Post-traumatic stress disorder and domestic violence counseling are funded to help veterans return to civilian life. Specialized resources are made available to combat substance abuse and provide mental health counseling. Emergency financial assistance programs are expanded to keep veterans and the families of active duty reservists and National Guard members from losing their homes.

But the needs of veterans extend beyond newly returned soldiers. A 2003 report by the US Department of Veterans Affairs estimated that there are 6,850 homeless veterans in Washington, and only 167 beds of VA transitional housing. 45 percent of homeless veterans suffer from mental illness, while 67 percent of homeless veterans served in the military for three years or more.

The Veterans Services Levy addresses the lasting legacy of chronic homelessness from the Vietnam era by implementing the Ten Year Plan to End Homeless. Suffering the highest levels of mental illness, substance abuse, and alcoholism, chronically homeless veterans remain on the street largely due to the lack of adequate care. Supportive housing with 24-hour intensive services, mental health, and substance abuse aftercare will finally solve a decades-old problem.

Enhanced Veteran Assistance Programs — \$1.6 million

The Veteran Service Levy will supplement existing Veteran's Assistance programs.

Outreach and Referral

Expanded assessment and referral services will be provided through a one-stop support program at a central facility collocated with other government and non-profit service providers, or by locating staff at community facilities like the Compass Veterans Center in Shoreline.

Veteran Employment Assistance

Employment assistance resources are doubled to provide enhanced job readiness, skill development, focused retraining, and job search support through the WorkSource system.

Post-Traumatic Stress Disorder Counseling

Counseling hours are more than doubled in the post-traumatic stress disorder support network.

Domestic Violence Counseling

Domestic violence counseling services are funded for veterans and their families.

Veterans Incarcerated Program

A second case management position is funded. Through a combination of treatment and transitional housing, this program helps clients move toward independent living without re-offending. The program recidivism rate of 16 percent is less than a third of the jail population as a whole.

End Veteran Homelessness in 10 years — \$5.8 million

The Ten Year Plan to End Homelessness calls for a series of coordinated initiatives to eliminate homelessness. The Veteran Services Levy provides a combination of resources to combat homelessness.

Supportive Housing to Implement Ten Year Plan

Approximately 450 chronically homeless veterans are estimated to require intensive support services to keep off the streets. The Veteran Services Levy fully funds the operating and intensive service cost for 450 units of transitional housing for chronically homeless veterans.

Homelessness Prevention

Supplemental funding is provided to the emergency financial assistance program to keep veterans from becoming homeless. The housing stability program will assist veterans and active duty reservist families with emergency vouchers and support services.

Service Access for Veterans — \$2.9 million

Dedicated funding is provided to assure access to county health and human services programs.

Specialized Resources

Specialized care enhancements for veterans are funded through the county's network of mental health and addiction treatment providers.

Service Vouchers

Funding is provided through a voucher system or similar mechanism to assure veteran access to high-demand treatment and services.

Proposed Veteran Services Levy

Illustrative Expenditure Plan

Enhanced Veteran Assistance Programs

Outreach and Referral

Outreach and engagement services, case management, and linkage to treatment.

	Quantity	2005 Cost Per Unit	Total Cost
Referral Specialists (contract)	2.00	63,000	126,000
Substance Abuse/Mental Health Outreach Specialists (contract)	2.00	66,000	132,000
<i>Service Delivery Costs</i>			88,000
Total Outreach and Referral Expenditures			346,000

Veteran Employment Assistance

Add job readiness and employment services through the WorkSource system.

	Quantity	2005 Cost Per Unit	Total Cost
Employment Assistance Specialists (Career Services)	4.00	49,264	197,056
<i>Benefits</i>		21,535	86,140
<i>Support Costs</i>		15,000	60,000
Total Veteran Employment Assistance Enhancement			343,196

Post-Traumatic Stress Disorder Counseling

Specialized contracted PTSD counseling for vets and family members.

	Total Cost
Post Traumatic Stress Disorder Treatment (contract)	485,000
Total Increased Post-Traumatic Stress Disorder Treatment Contracts	
	485,000

Domestic Violence Counseling

Provide funding for a new domestic violence program for veterans and their families.

	Total Cost
Domestic Violence Counseling (contract)	355,000
Total Domestic Violence Counseling Contracts	
	355,000

Veterans Incarcerated Program

Increase services for incarcerated vets by assisting with early release. Other services include job placement, housing and referral to treatment.

	Quantity	2005 Cost Per Unit	Total Cost
Veterans Benefits Specialist (Career Service)	1.00	53,694	53,694
<i>Benefits</i>		17,633	17,633
<i>Support Costs</i>		15,000	15,000
Total Veterans Incarcerated Program Enhancement			86,327

End Veteran Homelessness in Ten Years

Supportive Housing to Implement Ten Year Plan

Capital and operating costs for transitional and permanent housing with a range of on and off-site support.

Chronic Homeless On-Site Support Services		Total Cost
	<i>Annual Operating Subsidy</i>	1,125,000
	<i>Annual Service Costs</i>	3,600,000
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Total Housing Support		4,725,000

Homelessness Prevention: Enhanced Veterans Financial Assistance

Assist with rent, food, utilities, work related support services, medical and transportation needs.

	Quantity	2005 Cost Per Unit	Total Cost
Veterans Financial Counselor (Career Service)	1.00	74,942	74,942
		<i>Benefits</i>	21,535
		<i>Support Costs</i>	15,000
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Financial Assistance Grant Funding Increase			500,000
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Total Veterans Financial Assistance Enhancement			611,477

Homelessness Prevention: Housing Stability Project

Emergency grants and loans for veterans and active duty reservist families at risk of losing housing.

Housing Stability Project		Total Cost
		500,000
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Total Housing Stability Project		500,000

Service Access for Veterans

Assurance of Accessibility to County Health and Human Services

Contract mental health, substance abuse, domestic violence, and health care services

	Quantity	2005 Cost Per Unit	Total Cost
Service Providers (contract)	6.00	63,000	378,000
Veterans Health and Human Services Accessibility			2,500,000
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Total Assurance of Accessibility Expenditures			2,878,000

Revenue Detail

A levy of 4.1 cents per thousand dollars of assessed value is proposed for the November ballot. The levy is permanent, and would be limited to programs and human services for veterans, reservists on active duty, and their families. Levy revenue for 2006 is estimated at \$10.7 million, and would increase in subsequent years by one percent, plus the value of new construction.

Over time, revenue levels will not keep pace with cost growth. Small surpluses in the first two years will cover later shortfalls to balance finances over the first five years of the levy. Efficiencies in service delivery will be needed to maintain service levels beyond 2010.

As a permanent levy, flexibility will be needed in allocating outyear resources as veteran

needs and demographic trends evolve over time. Success in addressing problems in one program area may free up resources to aid efforts in another. The illustrative expenditure plan contains no explicit capital funding for housing, but the ramp up in chronic homeless services should yield \$10-15 million over initial five years of the levy that can be used to leverage federal, state, and other county capital resources for the construction of supportive housing; the balance of housing units will be leased.

The illustrative expenditure plan should be viewed only as the starting point for work by service agencies, the Veterans' Advisory Board, and stakeholders to allocate resources to maximum benefit of the veteran community.

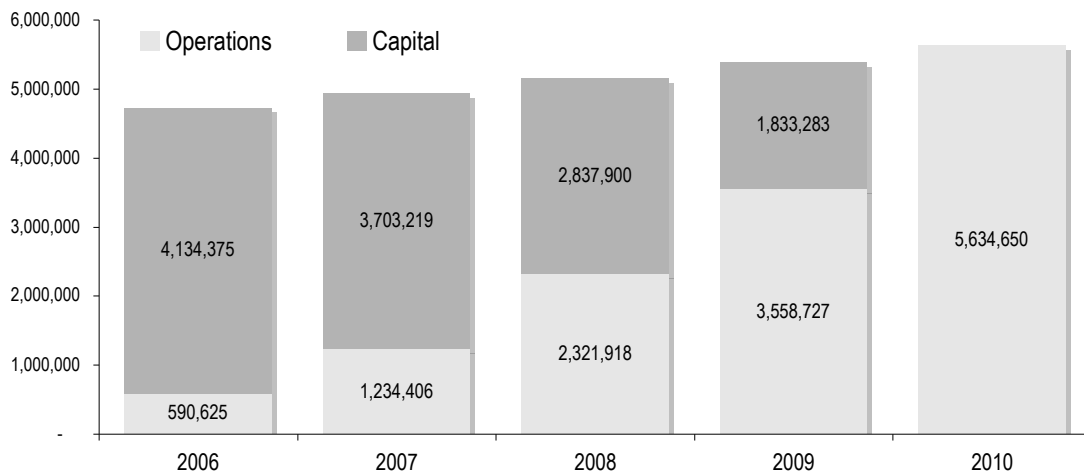
Veteran Services Levy

Five-Year Financial Projection

	Projected Revenue	Projected Expenditure	Surplus/Deficit
2006	10,758,541	10,330,000	4.15%
2007	11,027,504	10,794,850	2.16%
2008	11,303,192	11,280,618	0.20%
2009	11,585,772	11,788,246	-1.72%
2010	11,875,416	12,318,717	-3.60%

Illustration of Phased Resource Allocation

Ramp-up in Chronic Homelessness Program, 2006-2010



Annual Impact of Veteran Services Levy

4.1¢ rate applied to 2005 Taxable AV

	Median Taxable Home Value	Annual Tax
Countywide	264,000	\$10.82
Algona	163,000	\$6.68
Auburn	180,000	\$7.38
Beaux Arts	613,000	\$25.13
Bellevue	327,000	\$13.41
Black Diamond	226,000	\$9.27
Bothell	276,000	\$11.32
Burien	210,000	\$8.61
Carnation	218,000	\$8.94
Clyde Hill	838,000	\$34.36
Covington	202,000	\$8.28
Des Moines	203,000	\$8.32
Duvall	270,000	\$11.07
Enumclaw	184,000	\$7.54
Federal Way	196,000	\$8.04
Hunts Point	2,426,000	\$99.47
Issaquah	267,000	\$10.95
Kenmore	274,000	\$11.23
Kent	206,000	\$8.45
Kirkland	292,000	\$11.97
Lake Forest Park	306,000	\$12.55
Maple Valley	229,115	\$9.39
Medina	947,000	\$38.83
Mercer Island	582,000	\$23.86
Milton	193,000	\$7.91
Newcastle	362,000	\$14.84
Normandy Park	368,000	\$15.09
North Bend	296,000	\$12.14
Pacific	182,000	\$7.46
Redmond	286,000	\$11.73
Renton	216,000	\$8.86
Sammamish	397,000	\$16.28
SeaTac	188,000	\$7.71
Seattle	294,000	\$12.05
Shoreline	242,000	\$9.92
Skykomish	93,000	\$3.81
Snoqualmie	298,000	\$12.22
Tukwila	178,000	\$7.30
Woodinville	296,000	\$12.14
Yarrow Point	925,000	\$37.93
Unincorporated	254,000	\$10.41

Household impact

The owner of a \$250,000 home would pay \$10.25 per year under the Veteran Services Levy. Roughly 40 percent of households would pay less than \$10 per year. 35 percent of households would pay between \$10 and \$15 per year, and the remaining 25 percent would pay \$15 or more.

Since the levy will be subject to the provisions of Initiative 747, the millage rate will decline over time. By 2010, the original 4.1 cent rate projects to 3.3 cents.

Household Impact of Veteran Services Levy

Percentage of Households by Tax Impact Range

