

**2015/2016 Financial Plan / 2015 Q1 Monitoring
Public Health Operating Fund / 000001800**

Category	2013/2014 Actuals ¹	2015/2016 Adopted Budget ²	2015/2016 Current Budget ³	2015/2016 Biennial-to- Date Actuals ⁴	2015/2016 Estimated ⁵	2017/2018 Projected ⁶	2019/2020 Projected ⁶
Beginning Fund Balance	\$ 8,379,048	\$ (8,936,880)	\$ (11,727,782)	\$ (11,727,782)	\$ (11,727,782)	\$ (7,884,107)	(22,568,768)
Revenues							
City of Seattle	43,520,529	43,522,115	42,722,152	(21,903)	42,722,115	45,747,306	48,883,367
Double Budgeting OH ⁷	5,480	0	24	2,637	0	24	24
Fees for Services	55,857,458	12,729,694	12,729,732	4,302,879	12,729,694	11,778,576	11,778,576
Grants	97,242,873	98,921,911	98,921,928	(2,075,429)	98,921,911	99,392,614	104,160,745
Intragovernmental	10,662,570	11,001,766	11,001,768	-	11,001,766	11,366,388	11,911,665
Medicaid Administration ⁸	7,979,687	10,247,528	10,247,512	(8,064,036)	8,747,528	8,700,280	8,700,280
Other Revenues	3,203,292	7,508,102	5,997,088	(114,186)	5,997,102	5,392,555	5,651,250
Patient Generated Revenue ⁹	82,160,183	76,753,201	76,753,124	1,968,235	75,153,201	76,303,792	77,529,536
State Flexible	24,870,984	24,983,311	24,983,364	6,342,761	24,983,311	24,595,632	24,595,632
KC General Fund Flexible	52,392,068	56,400,715	56,400,484	7,244,875	56,400,715	57,767,473	60,538,733
One time Revenues ¹⁰	10,400,000	7,100,000	9,411,000	-	9,411,000	-	-
Total Revenues	\$ 388,295,123	\$ 349,168,343	\$ 349,168,176	\$ 9,585,832	\$ 346,068,343	\$ 341,044,640	\$ 353,749,808
Expenditures							
Personnel	(234,711,920)	(194,635,306)	(194,534,824)	(23,079,378)	(193,735,306)	(203,225,945)	(217,582,635)
Contracts	(88,910,001)	(90,330,767)	(90,385,899)	(946,574)	(90,330,767)	(93,662,249)	(100,082,968)
Overhead ¹¹	(31,426,954)	(25,736,658)	(25,745,046)	(9,036,140)	(25,736,658)	(27,491,926)	(30,309,848)
Facilities and Motor Vehicle	(18,736,182)	(14,580,886)	(14,583,092)	(2,381,062)	(14,580,886)	(16,251,007)	(17,916,735)
Supplies and Office Equipment	(4,493,168)	(4,364,066)	(4,346,220)	(345,803)	(4,364,066)	(4,314,054)	(4,521,011)
Medical Supplies & Pharmaceuticals	(8,845,092)	(8,316,525)	(8,295,268)	(911,036)	(8,316,525)	(8,577,723)	(8,989,220)
Contingencies and Contras ¹³	(1,014)	759,498	687,117	-	759,498	140,712	140,712
Other Expense	(7,155,933)	(3,769,065)	(3,773,020)	(299,603)	(3,769,065)	(2,347,108)	(2,347,108)
One time Expenditures ¹²	(4,200,000)	(2,150,893)	(2,150,893)	-	(2,150,893)	-	-
Total Expenditures	\$ (398,480,264)	\$ (343,124,668)	\$ (343,127,145)	\$ (36,999,596)	\$ (342,224,668)	\$ (355,729,300)	\$ (381,608,812)
Estimated Underexpenditures							
Other Fund Transactions							
Journal Entry Errors							
Ending Fund Balance	(1,806,093)	(2,893,205)	(5,686,751)	(39,141,546)	(7,884,107)	(22,568,768)	(50,427,772)
Reserves							
Expenditure Reserves							
Environmental Health Fee Future Expenditures	(4,069,847)	-	-	-	-	-	-
Rainy Day Reserve	-	-	-	-	-	-	-
Environmental Health Rainy Day Reserve (30 day)	(5,856,799)	-	-	-	-	-	-
Other PH Operations Rainy Day Reserve (30 day) ¹⁴	-	(11,789,787)	(11,789,735)	(1,227,297)	(11,752,287)	(12,317,280)	(13,280,124)
Total Reserves	\$ (9,926,646)	\$ (11,789,787)	\$ (11,789,735)	\$ (1,227,297)	\$ (11,752,287)	\$ (12,317,280)	\$ (13,280,124)
Reserve Shortfall	11,732,739	14,682,992	17,476,486	40,368,842	19,636,394	34,886,048	63,707,896
Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2013/2014 Actuals reflect year end information from EBS and are consistent with the Budgetary Fund Balance figures published by FBOD.

2015/2016 Adopted Budget is based on ordinance 17476.

2015/2016 Current Budget reflects the Operating Budget in EBS using report GL10 as of 4/13/2015.

2015/2016 Biennial-to-Date Actuals reflects actual revenues and expenditures as of 4/13/2015, using EBS report GL10.

2015/2016 Estimated reflects updated revenue and expenditure estimates as of 04/15/2015, and the impact of any proposed, but not approved supplementals.

Outyear projections reflect the 2016 annual budget, and are adjusted by an average revenue growth rate of 1.8% per year and an average expenditure growth rate of 3.5% per year.

DPH is adjusting the Department's accounting practices regarding distribution of overhead costs. Beginning in 2015/2016, after working with PSB on financial accounting best practices, DPH will no longer double budget revenue and expenditures of overhead costs.

The 2013/2014 Estimated and the 2015/2016 Adopted Medicaid Administration Revenue has been right sized to account for the anticipated changes in the claiming for allowable expenditures as agreed between the Centers for Medicare & Medicaid Services (CMS); the Washington State HCA, and other Washington State Local Health Jurisdictions.

DPH adjusted the Patient Generated Revenue (PGR) model to account for risk in the 2015/2016 Adopted Budget. The assumptions related to visits, patient mix, and payor mix were based on historical experience. The implementation of healthcare reform in 2014 has great impact on these assumptions, but because the implementation is so new, there is very little data to inform these assumptions. The impact of budget changes, including program closures, layoffs/bumping, and the uncertainty surrounding the proposed closure of PH centers during the budget process will likely impact staff productivity, resulting in an impact on revenues. In addition, staff bumping into roles for which they are less familiar will impact productivity and may impact total visits.

One time revenues includes the following adjustments:

2013/2014 Actuals: 2012 CAFR / Fin Plan Starting Balance Adjustment of \$6.4M, \$1M in State Flexible Funds Previously sent to the wrong County, \$2M of KC General Fund in 2014 for Facility Renovation and move cost, and \$1M of 2014 KC General Funds from KC MAC Reserve.

2015/2016 Adopted Budget: \$6M in anticipated property sales and \$1.1M in additional General Fund for employee separation costs

2015/2016 Adopted Current Budget: \$6M in anticipated property sales, \$1.1M in additional General Fund for employee separation costs, and \$2.4M in partner funding for the Public Health Clinics and DPH programs.

Overhead includes King County Overhead, Technology, and DPH Administrative Overhead, and includes the distribution of the costs spread to other Funds including the Environmental Health (0000018500), EMS Levy (0000011900), Jail Health Services in the General Fund (000000010) and MIDD Fund (000001135).

One time expenditures includes the following adjustments:

2013/2014 Estimated: \$4.2M for Clinic Remodel and Relocation Costs

2015/2016 Adopted/Current Modified: \$2.2M in program elimination and employee separation costs.

DPH is reviewing all options to increase baseline revenue beginning in 2016. Without additional Revenue, DPH will be forced to look at additional baseline expenditure reductions to meet appropriation levels.

The Rainy day reserve was calculated as one months expenditures less One Time Expenses and KC General Fund.

This plan was update by Chris McGowan on 5/1/2015.